**INSTITUTIONALISING SOCIAL DIALOGUE:**
A MICRO-FOUNDATIONAL PERSPECTIVE OF THE NATIONAL ECONOMIC AND
LABOUR COUNCIL OF SOUTH AFRICA

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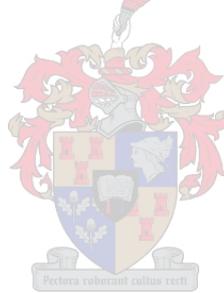
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Declaration

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ABSTRACT

This study examined The National Economic and Labour Council (Nedlac) of South Africa, from a micro-foundational institutional perspective, within a multi-layer framework, and in so doing, identifies the possible limitations for consensus-building that arise from inadequate management of competing logics and the required frame formation during social dialogue. Nedlac emerged during South Africa's transition to democracy in 1994 and was tasked with facilitating consensus on economic and development policy. By examining the micro-foundational interactions between policy actors in the institutional field and studying the historical employment of frames, frame conflict, and frame formation processes of policy actors in the economic policy discourse, the study examined institutional entrepreneurship, cast as integrative leadership activities by constituency representatives, undertaken in pursuit of consensus-building, or frame formation at Nedlac. The study interpreted these developments against the backdrop of South Africa's political economic context and addressed the need for scholars and practitioners to better understand institutional leadership within the context of policy deliberation as part of the institutional life of pluralistic democratic societies. The results contribute to a micro-foundational perspective of institutions, to theorise about cross-sectoral social dialogue, and in terms of practice, to policymaking in contexts such as South Africa that are beset with conflicting interests. The results of the study have implications for institutional design, for discursive approaches to policymaking and mediation, and leadership practices in multi-sectoral institutions. It enhances comprehension of the relationship between theory and practice and offers policymakers and institutional leaders in South Africa and elsewhere, executable insights into new approaches to consensus-building. The study proposes institutionalize social dialogue, underpinned by reflexive frame formation, as a means for social dialogue for securing the social contract and in response to new challenges emerging in policymaking and in public leadership as a result of increasingly complex, multi-stakeholder demands. It recognises that institutional pluralism must be accommodated and better understood by policymakers and institutional leaders and for the design and management of pluralistic institutions.

OPSOMMING

Hierdie studie ondersoek die Nationale Ekonomiese en Arbeid Raad (Nedlac) van Suid-Afrika vanuit die oogpunt van mikro-fondasies van instellings, binne 'n meerlaagse raamwerk, en

identifiseer sodoende die moontlike beperkings vir konsensusbou wat voortspruit uit onvoldoende bestuur van mededingende logika en die vereiste raamvorming tydens sosiale dialoog. Nedlac het na vore gekom tydens die oorgang van Suid -Afrika na demokrasie in 1994 en is getaak om konsensus oor ekonomiese en ontwikkelingsbeleid te fasiliteer. Deur die mikro-fundamentele interaksies tussen beleidsakteurs op institusionele gebied te ondersoek en die historiese gebruik van rame, raamkonflik en raamvormingsprosesse van beleidsakteurs in die ekonomiese beleidsdiskoers te bestudeer, ondersoek die studie institusionele entrepreneurskap, wat as integrerende leierskapsaktiwiteite beskou word deur kiesafgevaardigdes, wie onderneem om konsensus te bou deur raamvorming by Nedlac. Die studie het hierdie ontwikkelings geïnterpreteer teen die agtergrond van die politieke ekonomiese konteks van Suid -Afrika en die behoefte van geleerdes en praktisyns aangespreek om institusionele leierskap binne die konteks van beleidsbespreking beter te verstaan as deel van die institusionele lewe van pluralistiese demokratiese samelewings. Die resultate dra by tot 'n mikro-fundamentele perspektief van instellings, om te teoretiseer oor sosiale dialoog en in terme van praktyk, tot beleidsvorming in kontekste soos Suid-Afrika waar groot hoeveelhede belange bots. Die resultate van die studie het implikasies vir institusionele ontwerp, vir diskursiewe benaderings tot beleidmaking en bemiddeling, en leierskapspraktyke in multisektorale instellings. Dit versterk die begrip van die verhouding tussen teorie en praktyk en bied beleidsmakers en institusionele leiers in Suid-Afrika en elders uitvoerbare insigte oor nuwe benaderings tot die bou van konsensus. Die studie stel voor dat die sosiale dialoog geïnstitusionaliseer word, ondersteun deur refleksiewe raamvorming, as 'n manier vir sosiale dialoog vir die beveiliging van die sosiale kontrak en in reaksie op nuwe uitdagings wat ontstaan in beleidmaking en in openbare leierskap as gevolg van toenemend komplekse eise van van pluralitiese samelewings. Dit erken dat institusionele pluralisme geakkommodeer en beter verstaan moet word deur beleidmakers en institusionele leiers en vir die ontwerp en bestuur van pluralistiese instellings.

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If we do see, we do so only in the light of those who surround us - so it is with scholarship. If there is any meaningful contribution in this work, it is to the credit of others. If there are shortcomings therein, they are entirely my own.

Dedicated to Ryno, my brother.

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ORGANISATION OF DOCUMENT

Organisation of Document

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2. Literature review	Discussion of literature on institutional theory, institutional economics, policy deliberation and the micro-foundations of institutions.
3. Conceptual framework	Discussion of consensus building for social contracting, institutional structure and process and of reflexive frame formation in social dialogue, as well as the contracts arising from the conceptual framework.
4. Research Methodology	Discussion of the research design, instruments, objectives and questions, as well as the approach to data analysis.
5. Data analysis and discussion	Outlining observations related to the institutional mission, inter-institutional alignment, intra-institutional capacity, macro-environmental shocks, issues of representivity and conflict in dialogue, of compact and cohesion and finally, of the framing of the economic policy agenda by the social partners.
6. Framework and recommendations	Discussion of Nedlac's positioning in the policy process and the institutional eco-system, a topology of South Africa's social compact agenda and recommendations for enhancing the effectiveness of Nedlac.

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ACRONYMS & ABBREBIAITONS

ANC -   African National Congress

Amcu -   Association of Mineworkers and Construction Union

Assocom -   Association of Chambers of Commerce of South Africa

Asgi-SA   Accelerated and Shared Growth for South Africa

BB-BEE -   Broad-Based Black Economic Empowerment

BCC -   Black Business Council

BCEA -   Basic Conditions of Employment Act No. 75 of 1997

BLSA -   Business Leadership South Africa

BSA -   Business South Africa

Busa -   Business Unity South Africa

CCMA -   Commission for Conciliation, Mediation and Arbitration

CBM -   Consultative Business Movement

CEE -   Commission for Employment Equity

Codesa -   Convention for a Democratic South Africa

Cogta -   Cooperative Governance and Traditional Affairs

Cosatu -   Congress of South African Trade Unions

CSS -   Comprehensive Social Security

DC -   Development Chamber (at Nedlac)

DTIC -   Department of Trade, Industry and Competition

ECC -   Employment Conditions Commission

EPA -   Economic Partnership Agreement

EU -   European Union

Exco -   Executive Committee (at Nedlac)

Fedsal -   Federations of Unions of South Africa

Fedusa -   Federation of Unions of South Africa

FFCC -   Fact Finding and Conciliation Commission

FRIDGE -   Fund for Research into Industrial Development, Growth and Equity

FTA -   Free Trade Agreement

GATT -   General Agreement on Trade and Tariffs

GDP -   Gross Domestic Product

GDS -   Growth and Development Summit

GEAR -   Growth, Employment and Redistribution Strategy

IDC -   Industrial Development Corporation

IPAP 2 -   Industrial Policy Action Plan II (IPAP 2)

ILO -   International Labour Organisation

JIPSA -   Joint Initiative on Priority Skills Acquisition

LRA -   Labour Relations Act, No. 66 or 1995

LMC -   Labour Market Chamber (at Nedlac)

Manco -   Management Committee (at Nedlac)

MOU -   Memorandum of Understanding

Nactu -   National Council of Trade Unions

Nafcoc -   National African Federated Chamber of Commerce

NBI -   National Business Initiative

NEC -   National Executive Committee (of the ANC)

NFDP -   Nedlac Founding Documents and Protocols

NIPF -   National Industrial Policy Framework

NUM -   National Union of Mineworkers

NDA -   National Development Agency

NDP -   National Development Plan

Nedlac -   National Economic Development and Labour Council

NEF -   National Economic Forum

NEPAD -   New Partnership for Africa's Development

NERA -   National Electricity Response Accord

NGO -   Non-Governmental Organisation

NGP –   New Growth Path

NHI -   National Health Insurance

NMC -   National Manpower Commission

NPC -   National Planning Commission

NMW -   National Minimum Wage

NRDF -   National Rural Development Forum

NSA -   National Skills Authority

NGP -   New Growth Path

NTMs -   Non-Tariff Measures

OAU -   Organisation of African Unity

OECD –   Organisation for Economic Cooperation and Development

OUTA -   Organisation Against Tax Abuse

PAC -   Pan Africanist Movement

PFMPC -   Public Finance and Monetary Policy Chamber (at Nedlac)

PPB -   Planning, programming and budgeting

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PPE -   Personal Protective Equipment

PPPs -   Public Private Partnerships

PRASA -   Passenger Rail Agency of South Africa

PTA -   Preferential Trade Agreement

PICC -   Presidential Infrastructure Coordinating Commission

RDP -   Redistribution and Development Policy

SACP -   South African Communist Party

SACU -   Southern Africa Customs Union

Sacob -   South African Chamber of Business

SADC -   Southern African Development Community

SANDF -   South African National Defence Force

Sanco -   South African National Civic Organisation

SARB -   South African Reserve Bank

SARS -   South African Revenue Service

SMMEs -   Small and Medium Size Enterprises

SOEs -   State-owned Enterprises

SSA -   Statistics South Africa

TERS -   Temporary Employment Relief Scheme

Tips -   Trade and Industrial Policy Secretariat

TIC -   Trade and Industry Chamber (at Nedlac)

TRC -   Truth and Reconciliation Commission

UDF -   United Democratic Front

UIF -   Unemployment Insurance Fund

USSR -   United Soviet Socialist Republic

GLOSSARY OF DEFINITIONS AND KEY CONCEPTS

Institution

Scott (2001) defined institutions as multifaceted, durable social structures, made up of symbolic elements, social activities, and material resources. These might range from social institutions such as families, religious communities or language, to economic institutions and businesses, as well as formal institutions such as legal systems or the nation state, or other societal phenomena such as mass media, academia and even art. Scott (2001) arrives at his definition of institutions by drawing on the vast literature on institutional theory, ranging from the so-called old institutionalism (Berger and Luckmann, 1967; Fligstein, 1997; Giddens, 1984; Meyer, 1970). These emphasised the durability or stability of institutions and often examined institutions such as on the occasions of the state or government utilising rational choice approaches to societal actors, versus the new institutionalism, or neo-institutionalism (DiMaggio, 1988; North, 1990; Friedland and Robert, 1987; Leblebici et al., 1991). The latter instead emphasised change in institutions, as well as the role of individuals within institutions, and the individual conceptions of individuals and how these shape institutions. These conceptions, and the ways in which meaning-making occurs through frames, have come to be known as the micro-foundations of institutions.

Within the context of this study, institutions are thus defined as a broad term encompassing the range of formal and informal, socially constructed as well as organisationally embodied social structures and processes whereby and within which society is organised and organises itself. The study has a specific focus on the sub-field of neo-institutionalism, and the ways in which individuals interact and in so doing, shape the micro-foundations of institutions.

Conflicting or competing institutional logics

Institutional logics were described by Thornton et al. (2012, p. 51) as "socially constructed, historical patterns of cultural symbols and material practices, assumptions, values and beliefs by which individuals produce and reproduce their material subsistence, organise time and space, and provide meaning to their daily activity". Competing institutional logics refers to the conflict that might arise between actors, processes or structures in institutional fields, as a result of contending institutional logics or logics that are contradictory or incompatible (Gray and Purdy, 2018, p. 60).

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Reay and Jones (2016) explain that institutional logics are by nature contextual, in that they require translation by actors within institutional fields. Thus, logics arise from a structural theory of culture (Reay and Jones, 2016) and form part of what Greenwood et al. (2011) describe as institutional complexity. In the context of institutional pluralism this implies that multiple societal actors have a role in bringing into play what Jones et al. (2013) describe as *waring* patterns of logics, and bring about an interplay among symbols, beliefs, norms, and practices. At times, these are contradictory or directly conflictual.

As such, competing institutional logics, or the emergence of conflict arising from the differences between two or more logics, are understood to be a feature of institutional fields.

Thornton, Ocasio, and Lounsbury (2015) cite Dunn and Jones (2010), and the earlier work of DiMaggio (1991) to identify competing logics as the struggle of competing models, as DiMaggio described it, and refer to the work of Marquis and Lounsbury (2007), who showed how competing institutional logics can facilitate resistance to institutional change. Competing institutional logics might thus take the form of embedded conflict between two or more existing institutional logics in a field, or they can be the product of the introduction of new logics into the field by so-called institutional entrepreneurs.

Policy discourse

The discursive process that accompanies policy deliberation and practice, either in terms of rhetorical or procedural policy deliberation, the verbal exchange, or dialogue about policy issues within the public discourse, might be inter-personal, inter-institutional or intra-institutional, between or across institutional fields. Policy discourse is undertaken in the context of public discourse on issues of public concern, whereby fora serve as institutional vehicles for contestation and consensus-building. Policy discourse might contain what Schön and Rein (1994) called policy stories, policy frames or policy action frames that serve rhetorical functions of problem definition, persuasion, or justification, and can be symbolically displayed publicly, for instance, to shape laws, regulations, sanctions, incentives, and procedures, aid in decision-making, and shape patterns of behaviours that determine what policies amount to in practical terms.

Frames, policy frames, field frames and action frames

Frames are constructed units of meaning used in discourse; they are employed implicitly or

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explicitly by discussants to make sense of a situation or issue. Schön and Rein (2000) referred to frames as being implicit in language, and used at different levels of specificity, such as distinguishing between policy frames, institutional frames and meta-cultural frames discussed below, that co-exist in a nested relationship within an institutional field. Schön and Rein (2000, p. 34-40) further differentiated between the policy practice discourse and the policy debate discourse, referring to the latter as "rhetorical frames" and the former as "action frames" employed in practice settings.

Meta-cultural or master frames

Meta-cultural frames are broad units of meaning that have diffused through a social group as a collective, such as in a community, country or corporation, and which are used to denote shared meanings between and among members of the social group. Meta-cultural frames form the basis of widely held, persistent ideas that constitute the social group's worldview or ideology as it relates to any number of dimensions of the socio-cultural setting, including politics and economics, social relations and religion, or identity and power relations in society. As such, meta-cultural frames, or master frames as they are often referred to, form the bedrock of meaning in the sense-making process implicit in communal relations. They are employed as a point of reference, of strongly held beliefs, systems of belief or orientations and convictions that underpin a social group's expressed view of a particular policy matter. They might serve as generative metaphors in policy positions and arguments. As such, meta-cultural frames are imbued with the values, assumptions and cultural identities of the group among whom they are developed.

As depicted in the image below, frames have a multi-level property in that they are operative at various levels of an institutional field. For example, in the context of policy practice, frames are used by policy actors to "construct the problem of a specific policy situation" (Schön and Rein, 2000, pp. 50-56), whereas institutional frames might be understood to be more generic. They might be used by institutional actors as agents of thought and action to derive at policy frames to articulate a wide range of problematic policy situations (Schön and Rein, 2000), thereby embodying a particular institutional point of view. This is derived from "prevailing systems of beliefs or category schemes" and "styles of argument or action" (Schön and Rein, 2000, p. 50) that are operative in the society in which the institution came to be. As such, institutional frames arise contextually, from meta-cultural frames, and in turn, inform rhetorical and action frames.

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Figure 1: Policy frames, institutional frames and meta-cultural frames in the context of policy debate and practice discourse
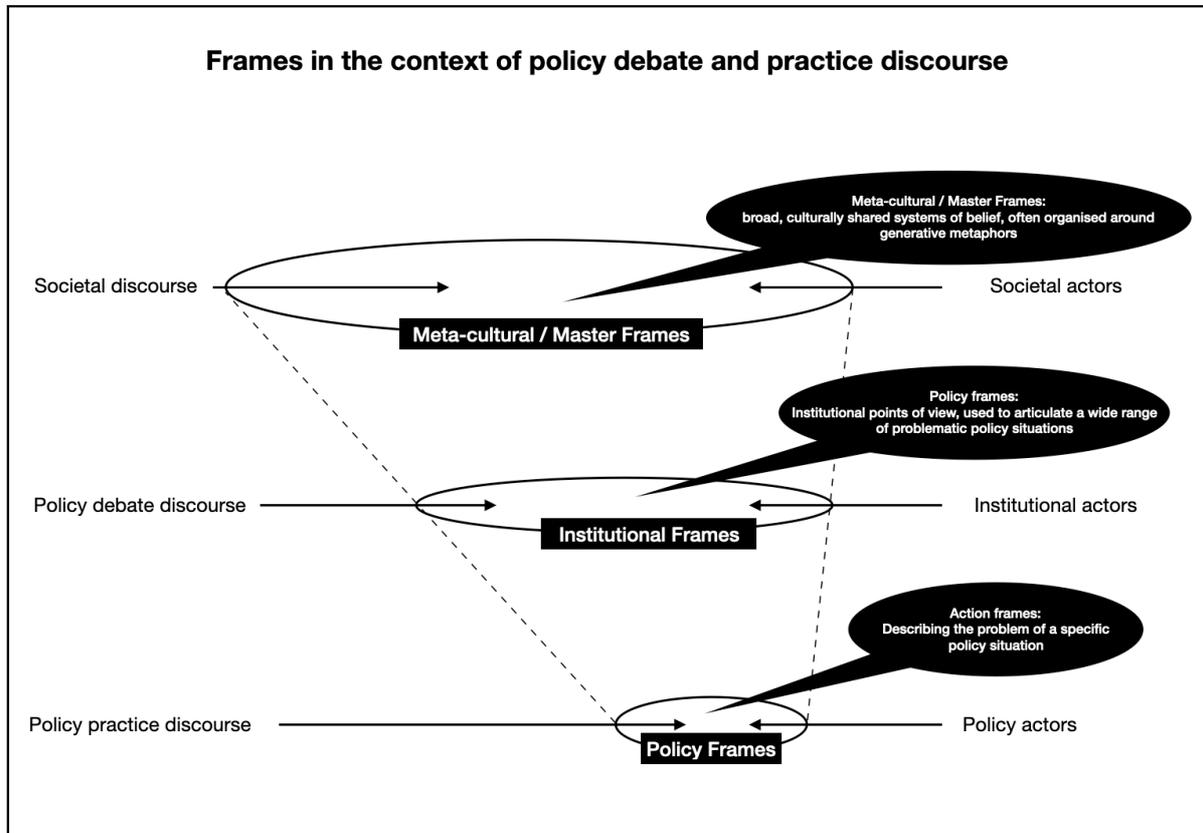
Source: Researcher's depiction

Therefore, institutional frames can be complex and hybrid in nature or consist of families of related frames, drawn from either societal meta-cultural or master frames, or from the policy and action frames of individual actors in the field. Meta-cultural or master frames, on the other hand, are as described in the glossary, said to be "broad, culturally-shared systems of belief", often organised around "generative metaphors" that lie at the root of policy stories and "that shape both rhetorical and action frames" (Schön and Rein, 2000, pp. 32, 33-34, 37-38, 165, 159-60). Thus, these different kinds of frames are understood to interact recursively across multiple levels as part of the policy deliberation process.

Frame contestation or frame conflict, frame reflection, and shared frames

During policy deliberation or other forms of discourse, forms of conflict between parties might arise because of the interaction of disparate, contradictory or incompatible interacting frames about policy situations or issues (Kaplan, 2008; Gray and Purdy, 2018, p. 61). These conflicts might result in field-level conflicts, especially in cases where different institutional logics are

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incompatible (Gray, 2004; Lewicki et al., 2003; Kaplan, 2008). Such contestation and frame conflict might impair parties' ability to reach agreement, depending on their ability to learn to understand one another's point of view (Schön and Rein, 2000, pp. 45-50). In extreme cases, such stalemates might result in unresolved policy controversies or deep-seated conflict.

Frame contestation or frame conflict in the context of policy deliberation might be either constructive, as part of a process, whereby parties "reflect" on each other's frames and develop shared problem definitions of solutions, or obstructive, in that it might lead to deadlock. When the deliberation is constructive, Schön and Rein (2000, pp. 45-50) suggested that discussants "reason their way through to conflict resolution". Frame reflection, argued to be the result of engaging critically with frames through reflexive discourse (Schön and Rein, 2000, pp. 38-40, 57-58, 195, 169-170, 173-174, 196) might lead to what is called reframing (pp. 40, 89, 90, 100, 114, 115, 124, 192), and form part of a visioning process (pp. 34, 74, 83-84, 94), which gives rise to collectively-held shared frames and frame synergy, as the frame conflict is resolved (Gray and Purdy, 2018, pp. 39, 172, 182, 185).

Institutional fields

Studied through the lens of formal institutions, according to Fligstein and McAdam (2011) who built on the work of DiMaggio and Powell (1983), institutional fields can be made up of institutions and networks of organisations that together constitute entire recognisable areas of life. In that sense, institutional fields are typically stable societal phenomena, often marked by formal structures and processes governed by codified or widely accepted rules. When examined from the point of view of informal institutions, by contrast, institutional fields might be described as "evolving and often contentious social orders with sets of common understandings about the purposes, relationships, and rules of interaction" (Gray and Purdy, 2018, pp. 54, 57). As such, institutional fields might refer to formal manifestations of structure and processes arising from the creation of organisations, or refer to non-static, ever-changing emergent phenomena that are created and configured through social interaction. Importantly, formal institutions might contain and exhibit informal institutional aspects, and similarly, informal institutions might find expression in, or in relation to, formal ones.

Formalised institutional fields are only one perspective of the character of institutions, and informal or dynamic and non-static fields another. Institutional fields might also be understood as intangible and transitionary, in that change or conflict in fields can be seen as "experiences of episodes of contention" or periods of "emergent, sustained contentious interaction",
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characterised by a "shared sense of uncertainty / crisis regarding the rules and power relations governing a field" (Fligstein and McAdam, 2011, p. 21). Scholars such as Bourdieu (1979), Foucault (1979, 1982), Friedland (2009), Cronin (1996), Bevir (1999), and Geèienë (2002) theorised about how the pursuit of power in society, and the operation of power as a normative, cultural or socio-psychological force resulted in the behaviour of agents in ways that led to the formation of institutional fields. Bourdieu called such culturally embedded institutions the *habitas* in which individuals unwittingly function. Fields tend to be fairly stable during times when conflict between different institutional logics is low, meaning that dominant logics prevail, and fields can be understood in relation to their levels of coherence. That is to say, institutional fields are static in relation to "which extent the dominant institutional logics are able to provide sufficient guidance to the behaviour of actors in the field" (Rein and Stott, 2009; Vurro, Dacin, and Perrini, 2010, p. 44). In contrast, institutional fields might be understood to be unstable when new or alternative logics result in conflict or lead to a change in, or the undoing of, the earlier dominant logic(s).

Integrative leadership

Morse (2010) described integrative public leadership as a process whereby leaders forge partnerships across organisational, sectoral and/or jurisdictional boundaries to create public value, emphasising the capacity of leaders to create collaboration among stakeholders, and the ways in which leaders employ three elements: structures, processes, and people, to achieve shared value. Morse built on the very early work of Follett (1918, 1924), who defined integration as a social process, whereby differing points of view are united, without necessarily requiring compromise or capitulation, but rather by way of creating something new.

Morse (2010) explained that integrative leaders do in social settings, what catalysts do in chemical processes, in that they increase the rate of reaction between distinct elements, leading to the creation of a new solvent. Such integrative leaders, akin to Luke's (1998) notion of boundary-crossing leaders, have been observed by various scholars to be prone to create, or seek to create commonality, mutuality, and a shared vision, and they foster collaboration among stakeholders (Chrislip, 2002; Crosby and Bryson, 2005; Geta-Taylor, 2008; Huxham and Vangen, 2005; Linden, 2002; Morse, 2008; Williams, 2002).

Crosby and Bryson (2010) emphasised the role and activities that integrative leaders undertake, especially through boundary-spanning activities between and across institutions and institutional fields, to bring together diverse groups or organisations, often in a cross-

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sectoral setting or what McGuire and Silvia (2010) described as multi-actor settings, to work on shared problems. In these settings, such leaders work within what Cleveland (2002) in Crosby and Bryson (2005) described as shared-power, exercised in an environment where not only one actor is wholly in charge. In the context of collaborative governance, Page (2010, p. 91) described an integrative leader as "an individual or institutional actor … with access to resources and a strategy to use incentives [in an effort] to induce other actors to cooperate with his [or her] or its agenda." In this conception, integrative leaders are conceptually related to DiMaggio's (1983) notion of institutional entrepreneurs.

Isomorphism

Isomorphism arose as a concept in the context of the study of institutional logics to explain the tendency of institutions to develop processes, structures, policies, and cultural traits of similar or consistent patterns, and is defined as the manner in which institutions develop consistency, or homogenisation in their cultural features, either through the diffusion of dominant logics in institutional fields, or as a result of new logics propagated to bring about institutional reform or change, and result in new forms of institutional stability (Ocasio and Lounsbury, 2014).

In their famous article, *The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organisational Fields*, DiMaggio and Powell (1983) outlined three processes or pressures that are understood to give rise to isomorphism, namely: Coercive pressure, understood to result from political influence and problems of legitimacy in institutional fields; mimetic pressure, whereby responses to uncertainty lead to modelling one institution on another; and normative pressure or professionalisation. The latter two take place at what DiMaggio and Powell (1983, p. 13) called the "level of taken-for-granted assumptions", rather than as a result of conscious choices by actors in institutions or institutional fields.

Macro-level context versus meso level or formal institution, institutional field or organisational setting

The working definition of the term macro-level context for the purpose of this study is the national political economic environment, in which formal and informal institutions and institutional fields co-exist and interact. That is to say, the macro-level context refers to the cross-cutting operating environment in the national context of South Africa, in which the National Economic Development and Labour Council (Nedlac) as an institution, institutional field or organisation under study, operates. The macro level takes into account the political

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economy as well as the social and cultural milieu. By comparison, the meso-level institutional field or organisational setting, in the context of this study, refers to the intra-institutional context and operations of Nedlac itself, as distinct but not separate from the external environment. Naturally, the boundary between these two levels exists from an analytical point of view, is permeable and not strictly bounded. Rather, conceptually, the distinction allows for a multi-level perspective of Nedlac as an organisation and institution, or institutional field, within a broader field of national institutions.

Micro-foundations and micro-foundational interactions

In institutional theory, micro-foundations refer to the micro processes or micro-level theory relating to the process of institutionalisation and institutional change, as opposed to sectoral, field or global levels of analysis that focus on the meso or macro levels of institutions. Institutional micro-foundations concern the interactions between institutional actors in the operation of the macro-institutional effects, as Powell and Colyvas (2012) explain:

> *Institutional forces shape individual interests and desires, framing the possibilities for action and influencing whether behaviours result in persistence or change. Macro-institutional effects, through processes of classification and categorisation, create conventions that are the scripts for meaning-making. This process is recursive and self-reinforcing.*

The notion of micro-foundations of institutions finds its roots in the Social Sciences, and in Social Psychology's interest in "methodological individualism", while it is not exclusively focused on individuals *per se* (Barney and Felin, 2013). Thus, micro-foundations are focused on individual level analysis, but they are not reductionist. Instead of denying the role of structure and processes in institutions, micro-foundations are understood to underpin them – and as such, they are understood to be shaped by institutions, but not limited to a one-directional relationship with the structures and processes in institutions.

Micro-foundations therefore denote micro-level "interaction rituals" (Goffman, 1967) or negotiations that aggregate over time in somewhat of a bottom-up manner, and have a formative effect on meso- and macro-institutional logics and fields. In contrast to the recursive imbrication of macro-level institution orders downwards, such as how the structure of economic institutions inform transaction costs, the micro-level foundations inform organisations or institutional settings and over time, have upward effects on macro-level institutional arrangements.

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Institutional entrepreneurs

Hardy and Maguire (2017) built on the work of Maguire, Hardy, and Lawrence (2004, p. 657), as well as that of Lawrence and Suddaby (2006), DiMaggio and Powell (1991), and Seo and Creed (2002) to define institutional entrepreneurs as "organised actors" who bring about change in institutions, for instance, by introducing new institutional logics or by mobilising sufficient resources to change the structures and processes, rules and norms of institutions or institutional fields.

Understood as such, institutional entrepreneurs might create new institutions, or bring about change in existing institutions, by shaping institutional logics or by diffusing new institutional logics in institutional fields.

Barth and Ihl (2018) likewise built on the work of various scholars, including DiMaggio et al. (1983, 1988), Baron et al. (1986), Guler et al. (2002), Scott (2001), Leblebici et al. (1991), Friedland et al. (1991), Thornton (2002), Garud et al. (2002), Campbell, (2004), Lawrence et al. (2004), and Maguire et al. (2004) to explain how institutional entrepreneurs create and shape institutions by connecting their social context and mobilising resources in the pursuit of their self-interests, and thereby shaping emerging fields, new institutions or changes within institutions. Closely associated with the notion of institutional entrepreneurship is the concept of the "paradox of embedded agency" employed by DiMaggio and Powell (1991), and Seo and Creed (2002), who were concerned with institutional stability, according to which the power and influence of institutional entrepreneurs is not unconstrained, but limited by the contextual setting of the institutions in which they operate, which might be resistant to change.

Tripartism, Corporatism and Quadrilateralism

The emergence in the last half-century of approaches to labour relations and industrial policy that include structured multi-sectoral engagement between government, business and labour has come to be referred to as tripartism. The tendency often observed for large or formally constituted institutions, such as labour unions, large corporations and their departmental counterparts in government bureaucracies, represent a specific form of tripartism that is described as corporatism. Corporatism, as a form of social partners' engagement, in which often powerful and formally constituted social partners engage, is distinct from more pluralistic and open or democratically constituted forms of social partner dialogue, such as civic coalitions. The weaknesses of tripartism and corporatism, such as the tendency for such

formations to include powerful interests at the exclusion of broader societal interests, has led to the development of quadrilateralism, in which civic groups are invited to engage more directly with the other social partners. Nedlac's inclusion of the community constituency represents an attempt at quadrilateralism, except that the representative and constitutive nature of Nedlac's approach to the fourth constituency is itself corporatist as opposed to being pluralistic in its conception.

Sufficient consensus or agreement

In the context of the study, the notion of consensus or agreement is understood to be a level of alignment between the social partners on policy perspectives and arguments, policy positions, the criteria for evaluating policy effectiveness and the evidence that underpins policy options, choices and policy decisions. As such, full agreement or consensus implies a complete overlap or coincidence in the views held or expressed by the social partners. By way of example, South Africa's social partners might have consensus and agreement over the aspiration constrained in the Preamble of South Africa's Constitution for South African society to become more equitable, but might disagree vehemently about the means or ends relating to how such equity is to be brought about or even its ultimate measure.

As such, consensus and agreement is not to be viewed in superficial, simplistic terms, but rather in light of the complex interpretivist sense, where meaning and value are derived at on the basis of the social partners' own diverse episteme and world-view. When seen in the context of the policy process, or day-to-day functioning of South Africa's rules-based, constitutional, legal and regulatory order, the notion of perfect consensus or agreement must be understood to be unattainable and idealistic. Rather, the concept used in the context of the study is that of sufficient consensus or agreement, implying a level of alignment between the social partners that enabled at least a minimum level of institutional coherence and cohesion. In that sense, the absence of sufficient consensus would point to a likely breakdown in the institutional processes or norms, by which South African society functions. In practical terms, the absence of sufficient consensus denotes a state in which social partners do not consider the state of relations such that their interests are either represented, or that a situation would remain or emerge in the foreseeable future where their participation will be workable.

In this sense then, sufficient consensus is the base minimum level of alignment or agreement as a product of which the social contract, and the social fabric for that matter, can be sustained or improved through joint or collective action. In the Nedlac context, where the production of

agreements on policy, regulatory and legal matters are the institution's objective, sufficient consensus therefore, might mean a level of clarity about the areas of agreement as well as disagreement of the social partners, relating to a particular issue area. The institution's purpose implies that if a level of sufficient consensus cannot be reached, and disagreement remains between the social partners on critical or foundational aspects of a given matter, the institution's task of convening social dialogue for the purpose of finding consensus and agreement has not been effectively achieved.

CHAPTER 1 OVERVIEW

INTRODUCTION, BACKGROUND AND MOTIVATION

National Context of this Study: Nedlac and the Legacies of Apartheid

This section introduces Nedlac as a forum for policy deliberation and its role in reporting to Parliament on policy consensus and contestation, or agreements or disagreements among the social partners on matters of legislation or regulation. The section articulates the need for policy consensus in South Africa, and the recognition thereof in the National Development Plan (NDP), as the basis for South Africa's formal social contract(s). The chapter sets out the contestation that takes place through the facilitative work of social partner chambers at Nedlac, through both formal and informal policy dialogue. The chapter outlines the role of consensus-building at Nedlac as a process for resolving discursive frame conflicts among the social partners, and references as an extreme case of escalating contestation the example of the Marikana tragedy (See section, Nedlac's response to the Marikana, page 105), where scores of miners had been killed during industrial action. Against this backdrop, the section examines the effectiveness of Nedlac as a forum tasked with resolving deep-seated conflict in South African society.

1.2 Contextualising Social Dialogue at Nedlac, a Product of Historic Bargaining and Negotiation

This section outlines the genesis of the National Economic Development and Labour Council (Nedlac) as an organisation, institution and institutional field. It does so by outlining the historic role of the social partners, and organised business in particular as it entered the policy-making fray in South Africa in the 1980s and adopted social dialogue as a chosen form of engagement with government and labour. It describes how, as organised business moved to adopt social dialogue, it was responding to the political pressure brought about by the mass action of organised labour, and providing the apartheid government with alternative channels of multi-sectoral engagement. It explains how labour relations and collective bargaining set the precedent for national social dialogue in South Africa, and how corporatist social dialogue set the stage for the formal institutionalisation of multi-party engagement at Nedlac.

Within this context, it discusses how organised labour emerged as a political force during the same period, and how the newly democratic government formed Nedlac as constituted and

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mandated by an Act of South Africa's first democratic Parliament. The section further explores how social dialogue became the preferred mechanism for national reconciliation in South Africa post-apartheid, and provides an account of Nedlac's role in the search for sustainable consensus. The section examines the inherent contradictions in the political, social and economic order of South Africa since the country's change to become a legal democracy, and how social dialogue for consensus-building at Nedlac today seeks to resolve the deep-seated conflict. Finally, it describes Nedlac as a multi-stakeholder and multi-sectoral institution, aimed at resolving multi-level frame conflict and facilitating frame formation among South Africa's social partners.

1.3 Preliminary Review of the Available Documentary Data

This section provides an overview of the historic reporting of the challenges and progress made at Nedlac in fulfilling its mandate since its inception, by examining the reporting on Nedlac in the periods of the 1990s, 2000s, and after 2010. It outlines the intra-institutional and inter-institutional challenges faced at Nedlac, by providing a brief historiographic overview of the focus areas in Nedlac's work programme and the challenges arising. The section details the macro-contextual factors that placed pressure on Nedlac, and led to turbulence in the institution and a shift in the institution's agenda. Various policy issues are referenced, including the crisis of high unemployment, South Africa's perennial economic policy problem, as well as short-termism and crisis management at Nedlac. At times, the latter appear to have overtaken the social dialogue, and – coupled with poor internal governance – undermined Nedlac and its role. The section points out the lingering intra-institutional and inter-institutional turbulence in the build-up to 2019, before a return to a focus on national economic policy in the policy deliberation at Nedlac.

The section finally considers Nedlac from an institutional perspective, through the lens of institutional field formation and institutional pluralism in South Africa. This includes its institutional micro-foundations, as well as the role of recursive processes in the institution (for example, recursive frame reflection during policy deliberation). Thus, the section distinguishes between the meso-level organisational or formal institutional setting of Nedlac, versus the macro-level setting of the institution being that of South Africa's political economy. Thereby, the section provides a multi-level perspective of Nedlac in its institutional complexity.

After addressing the background introduction, the background and motivation for this study in the section which follows, this chapter will outline the research problem, research aim,

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research questions and objectives, and the significance of the study. The chapter concludes with the delimitations of the study.

CHAPTER 1: INTRODUCTION, BACKGROUND AND MOTIVATION

This chapter begins by providing a background to the study, outlining the research problem, setting out the aims of the study and subsequent research questions. It outlines this study's significance in terms of its contribution to the fields of institutional theory and public leadership, as well as to consensus-building in policy-making practice, specifically related to the role of integrative public leadership in multi-sector institutions. The chapter ends with the research scope, objectives, and the limitations of the study.

This study conceptualises the National Economic Development and Labour Council of South Africa (Nedlac) and its institutional evolution as an institutional field, within which the policy frames of Nedlac participants have played a micro-foundational role in shaping the field. It examines these frames in the context of Nedlac's formal institutional and procedural function, or the structures and processes undertaken at Nedlac since South Africa became a democracy.

1.1 National Context of this Study: Nedlac and the Legacies of Apartheid

South Africa emerged from apartheid in the early 1990s as a fractious society marked by historically conflictual relations among people of different race groups and different social segments.

Importantly, since the apartheid policies and legal constructs conceived of South African citizens in narrow terms on the basis of racial categorisation, the reference to these discriminatory historical categorisations is unavoidable in the context of the study. Furthermore, since the socio-economic and political impacts of apartheid and colonial tropes and practices continue to assert themselves in the so-called legacy issues of inequality, poverty and unemployment, often along racial lines, the study deems it necessary to refer to these factors in the terms historically employed (Wilson and Ramphele, 1989).

These racial social segments include business and labour segments often patterned along racial lines, who have divergent and competing interests, and differing levels of power. Power imbalances include discrepancies in access to material or institutional resources (Fligstein and

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McAdam, 2011), as well as discrepancies in symbolic power (Bourdieu, 1979; Foucault, 1979) or social prestige and influence (Friedland, 2009; Cronin, 1996; Bevir, 1999; Geèienë, 2002) between various segments of the social strata and sub-groups in each social class. These power imbalances are the product of centuries of oppression, repression and intra-societal conquests of various kinds, not least of which were colonialism and the apartheid system. In Bourdieu's (1979) view of embedded power structures in society, South Africa's various sub-national communities came from divergent "habitus", and shared a collective habitus in which oppression, division, and mistrust were commonplace.

The lingering contestation inherent in South Africa's apartheid past directed important questions at the social partners of government, organised business, organised labour, and communities, and thereby also actors in the policy process. These questions were, for example: How could these polarising features be brought into a cohesive social whole within a new democratic reality? How would a so-called *Rainbow Nation*, united in diversity, be forged out of the ruins of apartheid? How could a new, post-apartheid social contract be created for South Africa, and specifically, how would such a social contract be institutionalised to ensure national progress? These questions needed to be addressed within the ambit of the policy process, and especially in terms of South Africa's economic policy.

Susskind and Cruikshank (in Schön and Rein, 1995) differentiated between "distributional" and "constitutional" disputes or contestations, where the former are focused on the allocation and standards for the management of resources or the regulation of costs and benefits in society, and the latter on the primary interpretation of rights, or of rights and duties, such as through courts. South Africa, having settled on a new rights-based constitutional dispensation in 1994, which favoured a restorative, transformational and reformist social and economic order, needed a mechanism to give effect to the distributive implications of this new order. That is to say, the social contract needed to be institutionalised, and materialised in socio-economic terms.

The National Economic Development and Labour Council (Nedlac), constituted in 1994, the same year as South Africa held its first democratic election, was a response to this need. Nedlac is a legislatively mandated institution, established to facilitate social dialogue and consensus-building, as a direct response to these challenges, particularly insofar as the newly democratic nation's policy-making process is concerned (Edigheji and Gostner, 2000-2003).

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Social dialogue in the context of social compacting and social contracts

The notion of social dialogue has been widely discussed in studies conducted in a wide range of disciplines, including Political Science or Political Economy, Economics, Sociology, Psychology, and Social Change Theory. In many instances, social dialogue has been examined in reference to social conflict or conflict resolution, and concepts from Philosophy and Anthropology have been employed as foundations for conceptions of social dialogue, understood, for instance, as discursive, tacit, or informal and institutional agreements among parties.

At the core of the notion of social dialogue is often the pursuit of some form of social solidarity, either in the context of a community or organisation, or at national or international levels among parties. Such approaches often draw on theories of sociology and explore issues of social change; they rely strongly on communication or social discourse theories.

Empirical studies of social dialogue often focus on forms of corporatism or tripartite approaches, whereby government, business, and labour relations are examined in the context of policy-making and national constitutional or legislative regimes. These approaches usually employ theories of political science, bargaining theory, negotiation and industrial relations theory to conceive of social relations. In such studies, labour markets and industrial relations have often been the subject of investigation and so too, market regulation and economic performance, in relation to social compacts. Importantly, this study has opted not to select a corporatist perspective due to the availability of existing literature which examined the case from a corporatist perspective. (See . *Nedlac: Corporatism of a special type?* by Webster, E. (1995). as well as Webster, E. and Gostner, K. (1998), Webster, E. and Joynt, K. (2014). Webster, E. and Sikwebu, D. (2006), Webster, E., Gostner, K., and Nkadimeng, G. (2005) and Webster, E., Joynt, K., and Metcalf, A. (2013).)

Studies on social dialogue are usually set within the given political and economic context, according to the regime and political and economic order of the setting, as well as linked to the macro-economic and industrial policy history and development under study. Within this context, organised labour and unions, as well as business formations, industry bodies, and associations are usually seen as actors.

In some instances, literature on social dialogue is concerned with partnership and stakeholder collaboration or social partnerships on the one hand, or formal policy processes and policy

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deliberation on the other hand. Such approaches often rely on institutional theory and institutional change theories to explore phenomena.

This study examined Nedlac against this backdrop as an institutional manifestation of social dialogue for national social compact-building.

An assessment of Nedlac in 2016 by the Organisation for Economic Cooperation and Development (OECD) states:

> *"Nedlac is a representative and consensus-seeking statutory body established in law through the National Economic Development and Labour Council Act of 1994. It aims to facilitate sustainable economic growth, greater social equity at the workplace and in the communities, and to increase participation by all major stakeholders in economic decision-making at national, company and shop-floor level"* (OECD, 2016, n.p.).

Nedlac was tasked with consensus-building both regarding the broader question of how to bring about a wholesale national-level change to South Africa's intractable socio-economic difficulties, and at the level of specific policies and issues in the country's legislative agenda. Nedlac became an expression of South Africa's constitutional commitment to historic reform, while having to address the immediate need for economic progress, both of which are fraught with controversy, as one of Nedlac's executive directors would explain:

> *"When we celebrated the dawn of democracy, many of us understood that our socio-economic legacy – as manifested in deep structural unemployment, extreme inequality, high levels of poverty, and serious backlogs in social goods and services – would require a massive collective effort to be successful. But 20 years into our democracy, we see that – while all social partners might agree that there is an urgent need to accelerate growth and address the challenges of unemployment, inequality and poverty in South Africa – there is still insufficient consensus on how this might be achieved"* (Smith, Nedlac Annual Report, 2014, n.p.).

Nedlac as a forum for policy deliberation

The aforementioned legislated mandate means that Nedlac is formally South Africa's apex forum for policy deliberation. In order to facilitate the interplay between South Africa's formal policy-making process and informal policy deliberation, Nedlac's agenda or work programme was a co-creation of the social partners convened at Nedlac, as a function of the institution's formal procedural processes.

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The social partners, government, business, labour, and communities are referred to as "constituencies" at Nedlac, and are represented by overall convenors for each group, who table policy proposals or issues for consultation, discussion and negotiation (Mkhize, Nedlac Annual Report, 2008). The Nedlac agenda arises from issues tabled within either the constituency chambers of Nedlac, or at the more senior and representative Management Committee (Manco) or Executive Council (Exco) level. These are severally and jointly considered for adoption and placed on the Nedlac agenda. Thereafter, mechanisms such as task teams, technical sub-committees or research projects are formed to deal with the substantive details of each issue and reported back to the chambers. These internal procedural processes are guided by the Nedlac protocol, and precede the creation of agreements, compacts, or the recommended changes to agreements tabled at Nedlac, which culminates in the ratification of agreements by the Manco and Exco or a representative Nedlac structure.

Nedlac structures and activities

Nedlac's structures and protocols were derived from the Nedlac Founding Documents and Protocols of 1995.The annual cycle of operations at Nedlac centre on the national summit, which the Nedlac Council is meant to convene for the purposes of broadening participation, providing feedback and engendering societal ownership of the Council, under the chairpersonship of the president or deputy president of the Republic.

Figure 2: Nedlac structures and activities organogram
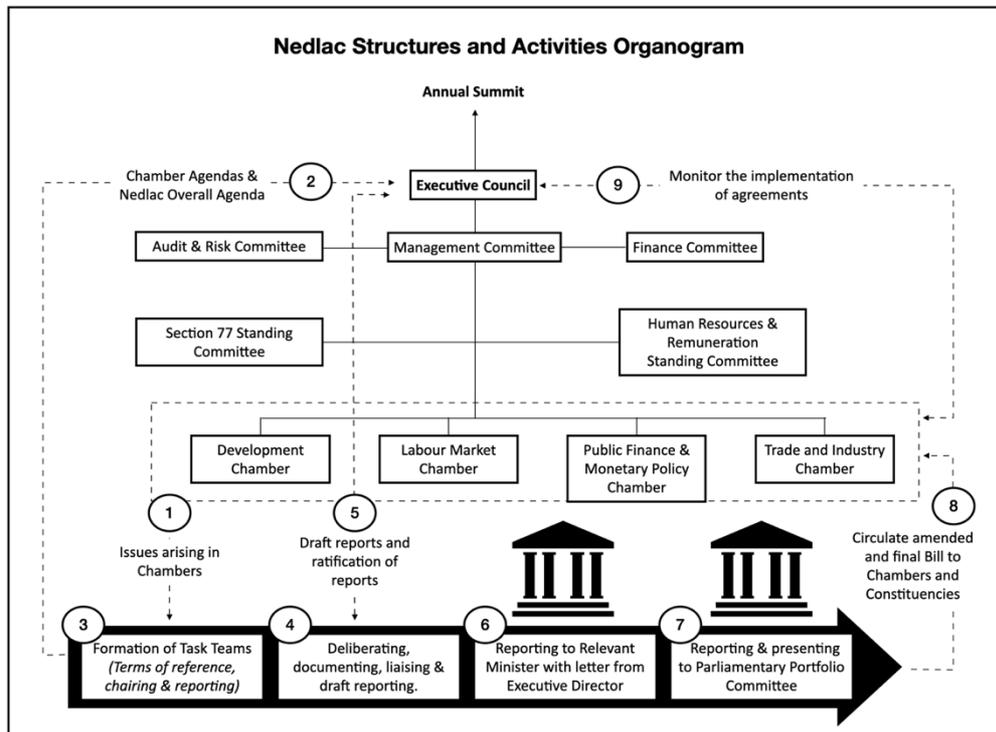
Source: Researcher's depiction

As indicated in Figure 2 above, structures included within Nedlac's organogram are meant to include the Executive Council, which meets at least quarterly for the purpose of report-backs from Chambers, and to review progress, reach consensus and conclude Nedlac agreements. The underlying processes implicit in the work of the Executive Council are set out in Table 1: Checklist for managing negotiations below, and are indicated in Figure 2 above, and numbered from Steps 1 to 9. The Executive Council defines the broad mandates of the Council's structures, including, for instance, developing an "overall macro-economic strategy", as stated in the Nedlac protocols (1995).

Chambers, comprising the Public Finance and Monetary Policy Chamber, Trade and Industry Chamber, Labour Market Chamber and the Development Chamber, are meant to afford the social partner constituencies the opportunities for targeted or thematic work, which cascades down from the Council mandates, as well as upwards in the creation of chamber agendas on an issue-basis. Following on from the stage of issue identification, the draft reports and recommendations are formulated, including proposed agreements. The checklist in Table 1 below sheds light on the processes by which this is meant to occur.

Finally, experts are brought into the Nedlac process on the basis of Chamber needs and in

alignment with the overall guidance of the Council. Importantly, from within the chambers, each constituency designates a convenor and alternate for the constituency within each Chamber. These convenors fulfil the role of both facilitating inter-chamber operations and deliberations, as well as interfacing with the functional structures of Nedlac, such as the Management Committee, Secretariat and the Head of Operations, who oversees the day-to-day functioning of the organisation.

The Council develops a research capacity through internal or external procurement of research services, and depends on the funding budgeted to Nedlac from the Department of Labour.

Table 1: Checklist for managing negotiations

Source: Nedlac Founding Documents and Protocols (1995)

Task	Frequency	Responsibility
1. Determine terms of reference and timetable of task team (composition, objectives, agenda, outcomes, report)	At the start of a process	Coordinator and Chamber
2. Constitute task team	At the start of a process	Convenors to submit names of representatives
3. Determine chairing and reporting	At the start of a process	Coordinator with constituencies
4. Ensure distribution of documentation	Each meeting	Coordinator and administrator
5. Follow-up on action points from meetings	Each meeting	Coordinator
6. Liaise with task team members to ensure that they are kept up to date on progress	On a regular basis	Coordinator
7. Prepare draft reports on agreements	At the end of a process	Coordinator
8. Report to Chamber convenors, the Executive Director and Head: Operations	Each week as required	Coordinator
9. Ratification of report	At the end of the process	Chamber, Manco, Exco

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10. Send report to Minister with letter from the Executive Director	At the end of the process	Coordinator
11. Ensure Report is available to the Portfolio Committee	At the end of the process	Coordinator and chamber
12. Find out dates on which the issue is to be considered by Parliament and the relevant Portfolio or Select Committee	At the end of the process	Convenors to submit names or representatives
13. Check whether a joint presentation of the report to the Portfolio Committee is appropriate	At the end of the process	Coordinator with Constituencies
14. Monitor the circulation of amendments in the Portfolio Committee	At the end of the process	Coordinator and administrator
15. Circulate amended and final Bill	At the end of the process	Coordinator
16. Monitor the implementation of the agreement, based on available capacity	As needed after the process	Coordinator

Since Nedlac has been located institutionally within the Department of Labour, ratified Nedlac agreements are reported to the Minister of Labour and any other Cabinet Minister who had sponsored the related policy proposal for tabling in South Africa's Parliament for legislative enactment or elsewhere for implementation.

Notably though, as the OECD (2016) observes, South Africa's Government sets the overall policy agenda at Nedlac by way of their legislative agenda, which is derived from their policy agenda, endowing the institutions with the following purpose.

Reporting agreement or disagreement to Parliament

Importantly, a Nedlac report to Parliament records the process that was followed as well as the areas of agreement and disagreement, or reservations expressed by any of the parties (Mkhize, Nedlac Annual Report, 2008). In terms of Nedlac's mandate as a consensus-building

forum, matters of so-called "agreement" and "disagreement" at Nedlac are tabled in Parliament.

Consequently, 15 years after its inception, Nedlac became the main formal and structured forum for national-level policy deliberation in South Africa, and beyond that role, it became a setting regularly used by the social partners for consensus-seeking engagement on national-level issues. From Nedlac's institutional process point of view, "National social dialogue has become the main ingredient and almost a pre-requisite of policy-making processes in South Africa", as a former Nedlac executive director observed (Mkhize, Nedlac Annual Report, 2010, n.p.). However, it will be argued that policy contestation in South Africa is more ambiguous and complex than the Nedlac process. On the other hand, Nedlac transcended the narrow letter of the Act from which its mandate was derived and provides a forum for broader social partner engagement, for better or worse, in terms of its effects on Nedlac's burgeoning agenda.

However, more than two decades after the end of apartheid, the socio-economic gains envisioned in South Africa's Constitution have not been enjoyed equally by citizens and some tensions have worsened, raising questions about Nedlac's effectiveness. In fact, social inequalities have deepened, and along with their worsening, South Africa has seen the weakening of social cohesion in the nation and placed at risk the social contract envisioned in the Constitution (See discussion below of the so-called state capture period in Section 1.6 Preliminary review of the documentary data available on Nedlac).

Policy consensus and contestation in South Africa

Notwithstanding the success of South Africa's struggle to end apartheid, the nation's struggle for socio-economic transformation continues. Central to this struggle has been the challenge of consensus-building about social and economic policy. The need for consensus about policy is a multi-dimensional challenge, undertaken in a complex environment in post-apartheid South Africa, where multiple parties contend to further their often-divergent interests. These contending interests lead to different forms and different levels of conflict and contestation at Nedlac about the optimal policy choices and options to resolve South Africa's challenges: "Nedlac remains a contested terrain of ideas and recognises that no social partner has the monopoly of solutions" (Nedlac Annual Report, 2008, n.p.).

The process of policy deliberation lends itself to difficulties in that the language, or policy

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frames used by various policy actors is not homogenous, but might actually contribute to differences of perspective, preference, and framing of policy issues and options. Fisher and Forester (1993, p. 1 in Hajer and Wagenaar, 2003), concerning what they called the central question of truth and power in policy deliberation, asserted:

> *"If [policy] analysts' ways of representing reality are necessarily selective, they seem as necessarily bound up with relations of power, agenda-setting, inclusion and exclusion, selective attention, and neglect. If analysts' ways of representing policy and planning issues must make assumptions about causality and responsibility, about legitimacy and authority, and about interest, needs, values, preferences, and obligations, then language of policy planning analyses not only depicts but also constructs the issues at hand."*

Therefore, both the formal procedural institutional complexities of Nedlac, as well as the informal and discursive complexities of the policy deliberation process might result in conflict and contestation.

One Nedlac executive director has referred to Nedlac as the "epicentre of contestation" in South Africa; and while this is accepted as an inherent part of participatory socio-economic policy-making, it is a source of pressure on the institution, pressure which importantly "heightened during periods of economic and political uncertainty" (Smith, 2013, Nedlac Annual Report, n.p.).

The goal of creating consensus about policy, amounts to a recognition by the social partners of the inherent contestation and complexity in South African society and specifically, between the government, business, labour and community constituencies. It is notable, however, that the framing of the contestation itself, as in the case of Nedlac in a formal sense, is corporatist in its conception and in the sense that it views the social partners in terms of formal categories, rather than in pluralistic complexity. While the inherent contestation between these constituencies can be said to arise from the so-called *legacies of apartheid*, such as the often-bemoaned levels of poverty, inequality, and unemployment in the country, it does not capture the diversity and nuances of South African society's true nature (Wilson and Ramphele, 1989; Elbadawi, Hartzenberg, and the African Economic Research Consortium, 2000).

One might concede that an inherent weakness of corporatism is the exclusion, structural and unintentional as it might be, of the voices of ordinary citizens or powerless interest groups such as community groupings. The voice of SMMEs and less powerful stakeholders, subject

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to unfair power relations, for instance, has been said to not have been heard, and they have at times been poorly consulted, despite the fact that they are directly affected in an unfair way by decision-making and policy (Parsons and Parry, 2018, pp. 95, 178).

Further forms of complexity emerge from the rise of informal networks of stakeholders with competing interests, as seen in the identified cases of the so-called state capture period (See: 1.6 Preliminary review of the documentary data available on Nedlac). In this period, informal patronage networks between the Zuma Presidency and politically connected business actors became the basis for illicit activity on a grand scale. Simultaneously, the exit from Cosatu and from the ANC Tripartite Alliance by implication, of nine of the major union affiliates during the period, meant that Nedlac's corporatist engagement structure became increasingly unrepresentative of the labour constituency. Thus, the complexity and nuance of the social partner landscape might be understood as an increasingly fractious kaleidoscope of relations and interests.

Consensus, the National Development Plan, and the social contract

The need for consensus-building to resolve contestation is recognised by South Africa's NDP for 2030, which in its chapter *Transforming society and uniting the country*, calls for a social compact between the nation's social partners, in line with South Africa's Constitution and its values, the Bill of Rights and a raft of policies aimed at "transforming ownership of the economy", while promoting "social cohesion" (NDP, 2008, pp. 470-475).

South Africa's cornerstone policy document calls for a social compact for the country, whereby the current "trust deficit" between social partners can be resolved, requiring especially, "a greater degree of convergence on aims and means" between them (Parsons and Parry, 2018, pp. 82, 168). Therefore, considering the central role of Nedlac in the policy-making process, and the chosen mechanism of social dialogue as Nedlac's core purpose, the forum is thus widely understood to have a pivotal role to play in arriving at a social compact and fostering the collaboration or collective action among the social partners that a social contract implies (Terreblanche, 1990).

However, while Nedlac has delivered on numerous specific agreements such as the LRA and the NMW and even sectoral compacts such as the Framework Agreement for the Social Compact on supporting Eskom for inclusive economic growth over the years, it has not by its own admission achieved this goal of securing the national social contract. This is evidenced by the 2014 observation made by the Executive Director of Nedlac, Alistair Smith, and his

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reference to an earlier executive director's statement:

> *"Nedlac's Founding Declaration envisages a pivotal role for social dialogue in promoting a shared vision and cooperation to enhance growth, equity and participation. Yet, despite the National Development Plan, the implementation of a shared vision and social cooperation to improve our socio-economic prospects remains elusive. This is not a new problem; in fact, in 1999, the then Director, Jayendra Naidoo, wrote in this annual report that '…Nedlac has been weak in building a national vision between the constituencies or an agreement on overall policy direction.' The process, to be led by the deputy president, might thus provide some opportunity for the social partners to agree on a common vision and strengthen the political resolve to transform our world of work to jointly accelerate inclusive growth"* (Smith, Nedlac Annual Report, 2014, n.p.).

Far from securing a social compact, the trust deficit from which South Africa is said to suffer, underpinned by tensions, conflict, and polarisation, has at times not only weakened solidarity, but has been reported to in some instances have taken the form of visceral hostility by some stakeholders towards their counterparts (Parsons and Parry, 2018. P. 83). This hostility, or adversarial attitude, has also played itself out at Nedlac.

Therefore, given the current malaise in South Africa's economy and poor social conditions, there is still a pressing need for improvement in the relations and consensus between South Africa's social partners. This necessity has been exasperated more recently by the serious socio-economic effects caused by the Covid-19 pandemic, which has precipitated an economic recession and the prospects of widespread job losses, including the loss of livelihoods for many South Africans who were already vulnerable. The implication is that improvements are needed in South Africa's institutional capacity to enable the forging of a new compact and a new prosperity path for the country. This need lies at the heart of the motivation for this study – to contemplate possible institutional reforms at Nedlac to this end.

Contestation through social partner chambers

The contestation that arises from the legacies of apartheid can be examined through the lens of institutional theory, within which "frame contestation" or "frame conflict" emerges because of competing institutional logics (Lammers, 2011) and their underlying micro-foundations. Such frame conflicts can be understood to give rise to situations in which intractable policy conflicts, or policy controversies (Schön and Rein, 2000) mark the policy discourse between

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South Africa's social partners. This can lead to policy deadlock, and is consequently of great concern in relation to Nedlac's work, as South Africa's social partners seek a path out of the current malaise.

Furthermore, the emergence of illicit activities by business, government, labour and community constituencies as discussed in the section 1.6 below, further complicate the patterns of contestation. Conflicts over competing interests and contending logics arise not only among the corporatist structures of government, business, labour and community constituencies, but also within them, such as in political factions, competing private sector interests and competing labour formations. These are often believed to be informal in their institutional manifestation, but they represent a part of the constitutive complexity that might be observed through the lens of frame contestation or competing logics.

Procedural and structural features of Nedlac

Nedlac chambers are set up to address four dimensions of the policy agenda, including development, the labour market, public finance and monetary policy, and industrial policy (OECD, 2016). These are represented by the following chambers:

i. Development Chamber, which seeks to reach consensus and conclude agreements on matters pertaining to social and economic policy; both urban and rural implementation strategies as well as developmental programmes;

ii. Labour Market Chamber, which considers all proposed labour legislation relating to the labour market policy;

iii. Public Finance and Monetary Policy Chamber, which considers and engages on policy and legislation pertaining to financial, fiscal, monetary and exchange rate policies, the coordination of fiscal and monetary policy, as well as the related elements of macro-economic policy and the associated institutions of delivery; and

iv. Trade and Industry Chamber, which seeks to reach consensus and makes agreements on matters pertaining to the economic and social dimensions of trade, as well as industrial, mining, agricultural, and services policies, and the associated institutions of delivery.

Through these chambers, Nedlac is organised to address the challenge of consensus-building on each of the policy or issue areas, amid contestation between the social partners. Therefore, a formal institution tasked with convening social dialogue, it provides the milieu in which

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contending institutional logics denoted above, both formal and informal, come into contact and conflict. Nedlac as such facilitates engagement through its formal procedural processes, and in an informal manner:

> *"In addition to this formal process, Nedlac provides an environment for informal meetings and engagements that serve to strengthen relationships and understanding between constituencies. Constituencies often invite other specialists to contribute to the dialogue in these fora"* (Mkhize, Nedlac Annual Report, 2008, n.p.).

Formal versus informal policy deliberation

The conceptualisation of Nedlac, in legislative terms and in terms of practice, has not been limited to that of a formalist policy deliberation forum where technocratic details are fleshed out in positivist and instrumental terms, but includes the informal dimension of policy deliberation and of discursive relations between the social partners. While this was understood early on since Nedlac's inception, the need for a more nuanced approach to policy deliberation became particularly clear at the height of South Africa's renewed labour conflict in the 2012-2014 period:

> *"It seems apparent that many of our recent upheavals have less to do with the specific design of laws or institutions, and more to do with the capacity, conduct and commitment of the social actors involved. This leads to a more intractable challenge for the future of social dialogue, tripartism and collective bargaining. It calls for strong leadership and a paradigm shift away from the culture of adversarialism and a greater focus on building relationships, and a network of trust and collaboration rather than just legislative intervention"* (Smith, Nedlac Annual Report, 2014, n.p.).

Experience at Nedlac has also shown that the likelihood of contestation elsewhere in South Africa's inter-institutional landscape is heightened, in instances where Nedlac has been bypassed in the policy-making or legislative process, leading in such cases to a lack of societal support for promulgated legislation, and to court challenges and opposition from other organs of state such as the Competition Commission (Nedlac Annual Report, 2009).

Consensus-building as a process and frame conflict and frame formation

The goal of effectively building consensus between social partners implies a need to understand the way in which various social partners frame the policy issues and problems –

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from their point of view, and to deal with the frame conflict that arises between them. As Gray and Purdy (2018, p. 104) explain, longstanding conflict can impede collaboration between social partners: "Partnering might be impeded at the institutional level and societal level if there is a longstanding history of conflict, animosity, and mistrust among potential partners. …large powerful differentials pose formidable barriers to partnership formation".

While Nedlac has had some success in facilitating consensus and agreement on important policy and legislative matters, such as South Africa's current labour regime (Gostner and Joffe, 1998), the institution has certainly fallen short when addressing broader national policy questions related to the restructuring of the South African economy. South Africa might be said today to be in a state of policy paralysis to some degree, because of unresolved policy conflicts, especially about the economy. An example is the Public Sector Wage Bill, which has since 2008 resulted in successive annual policy choices by government in favour of increased wages that go against the policy positions taken by National Treasury as set out in the budget speech on the basis of budgetary constraints.

The 2012 Marikana Massacre: An extreme case of violent contestation

The conflict, which underpinned the Marikana tragedy, came to a head in 2012 with an escalation of industrial action in South Africa's mining sector, in which violent conflict erupted between workers, and corporate security and police forces (See also section Nedlac's response to the Marikana crisis, page 105). The tragedy came to represent a broader societal feeling of disappointment regarding the lack of transformation in South Africa, the seemingly entrenched interests and abuses of power that marked South Africa's socio-economic *status quo*, and it caused many in South Africa to bemoan the breaking down of South Africa's social contract.

Beyond the ways in which powerful business interests and global markets come to bear on South Africa as an open economy, the incident also raised questions of the use of power by the political elites both in government and in organised labour. Was government acting in the interests of business, of narrow political interests, or of the workers? What about the unemployed? Was organised labour using the power of collective action responsibly, and what of the use of force within the context of industrial action? Was the social contract, in practical terms and contained in the pervading legal and regulatory system, and the embodied institutional architecture and its operation, reflective of effective social dialogue or of entrenched and competing interests? The role of the then Deputy President of the Republic,

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Cyril Ramaphosa, in communicating with the police commissioner via email on the day before the massacre, in which he instructed her to use concomitant action in quelling the violent mass action, is an embodiment of these inherent contradictions of interests. The deputy president, a former labour unionist himself as a co-founder of the National Union of Mineworkers (NUM), a decades-long struggle leader in the ANC, and an example of a BEE-enabled business tycoon, was now a protagonist on behalf of the state, at the centre of the escalating conflict. His later success in rising to the presidency of the ANC as well as the presidency of the country, added insult to injury for those who bemoan the Gordian Knot of interests that mark South Africa's plutocratic structure of elites.

The Marikana tragedy at once drew into sharp focus South Africa's need for conflict resolution on the one hand, and consensus-building on the other hand (Bradshaw and Haines, 2014). It demonstrated at once the complex landscape of social partner interests, the complexity of interwoven interests between the working poor and the political elite, between the workers and the capital-owning class, and between the public and the powers that be in the security apparatus of the state. What was at its root a wage dispute, was simultaneously a labour movement contest between NUM and the Association of Mineworkers and Construction Union (Amcu), and a political contest between so-called radical and revolutionary postures on worker rights and wage agreements, and more reformist postures aimed at social transformation. It embodied an alternative to social dialogue and the systematic constraint of force for the mediation of interests, in the form of public violence as a means to settle scores and exact outcomes from the contestation.

While the Marikana incident led to widespread criticism of Nedlac as a mechanism for conflict mitigation, it also bolstered the argument for the need of such institution, and for reform and an improvement of its capacity. Dentlinger (2017) argues in her dissertation, titled: "The Relevance and Effectiveness of Nedlac as a Social Dialogue Forum: The Marikana Crisis", that: "…the Marikana massacre underscores the importance of refining and adapting existing peak-level negotiating fora such as the National Economic, Development and Labour Council". Industrial conflict in South Africa has historically taken the form of a multi-layered conflict manifested in discourse, ideological battles, industry-level labour conflicts, and various forms of community protests, even between various structures of organised labour. Such conflict also lies at the heart of the more recent fracturing of South Africa's once-consolidated labour movement, and the eventual break-up of the alliance partnership between the African National Congress (ANC) and the Congress of South African Trade Unions (Cosatu) (Bird and Schreiner, 1992; Morken, 2015; Musgrave, 2016; eNCA, 2016). These conflicts have also

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played themselves out in Nedlac's various fora and processes:

> *"In the current context, the prospects for cooperative approaches to addressing our socio-economic challenges appear slim, as our discourse remains highly polarised and ideological; the turmoil in the mining industry and other sectors, as well as the spread of community-based conflicts are unlikely to abate in the short term; inter-union rivalry and intra-union division, as well as the challenges within the business constituency have further weakened the prospects for effective national-level tripartite engagements"* (Smith, Nedlac Annual Report, 2014, n.p.).

On the effectiveness of Nedlac

While the failure to reach consensus and avoid conflict might be viewed as evidence that social dialogue as an approach, and therefore Nedlac as an institution, are inept – a counterview is that it raises the necessity of both social dialogue and of Nedlac. In the wake of Marikana, Smith (Nedlac Annual Report, 2014) argues that while Nedlac is at a crossroads, it should not be abandoned, but rather that a greater sense of responsibility and leadership commitment to the project of building trust is required, including a commitment to alter the "mode of engagement", to "encourage partnership" and to build a common vision of the national interest.

However, the implication of South Africa's fraught past is that many of the nation's conflicts have deep-seated roots in the present and some have their roots in fundamentally opposed ideological persuasions and values. Susskind and Cruikshank (in Schön and Rein, 1995, p. 24) warned that it is "risky for negotiators to trade commitments on an issue in which "*basic values are involved"*, in that:

> *"In such cases, constituents might disavow the commitments made on their behalf … This can cause instability. If public officials seek to settle policy disputes involving fundamental values… dissatisfied disputants will almost certainly pursue the matter in other fora until they are satisfied. If your dispute involves constitutional questions or revolves around the definition of basic rights, consensus might be unattainable. Unless there is room for inventing, packaging, trading and redefining issues, it might not be possible to reach agreement."*

More recently, the dire economic consequences of the Covid-19 pandemic, including the negative impact of the related global recession on South Africa's already embattled domestic economy, mean that progress and alignment on policy are now both more pressing and more fraught, given the inherent trade-offs that will be required to be made to find a shared path

towards a preferred future.

Working to resolve deep-seated conflict

Some conflicts have deep-seated "roots within institutional fields of society at large" (Gray and Purdy, 2018, p. 138), while other factors also contribute to this scenario, for example, conflicting values, goals, procedures, roles, and relationships, as well as a sense that parties' identities, reputations, and core missions might be in jeopardy (Rothman, 1997; Gray, 2004; Fiol et al., 2009), or emerge where there is a high level of mistrust. In addition, frame conflict might arise from an absence of shared frames, divergent risk perceptions, or real or perceived power (Fligstein and McAdam, 2011). As Bourdieu (1979) and Foucault (1979, 1982) stated, power relations are embodied in and perpetrated by the structures of society, but the very structures themselves are an expression of notions of power and symbolic value in the perceptions, aspirations and actions of societal actors, and these differences between different actors might also give rise to conflicts. All of these forms of conflict are at play in the case of South Africa, where a history of colonialism, apartheid-era oppression, and deep-seated racial and social tensions, are coupled with socio-economic disparities, which are only worsened by entrenched inequality, including the subordination of woman. Left unresolved, such societal conflicts are likely to fester and impede progress.

Sousa and Lkyza (in Gray and Purdy, 2018, p. 137) explain: "In extreme cases, when conflicts go unresolved, parties might abandon their shared vision and adopt individual strategies that block or reverse the progress of the partnership initially made".

South Africa's chosen approach to achieve democracy was initially through a negotiated settlement, and subsequently aimed at the resolution of policy disputes through social dialogue in a corporatist fashion. Formal representative social dialogue in the case of Nedlac might very well have set the country on a path towards the institutionalisation of policy conflict, rather than its resolution as the observations made in Chapter 5 discuss. Left unresolved, conflict of this kind might put South Africa's democratic transition at risk.

A current central challenge therefore is how South Africa can develop a more inclusive economy. However, this will require trade-offs between the social partners, and will need a higher measure of consensus about economic and social policy. This implies that it is essential that improvements in South Africa's institutional capacity are put in place to mediate conflict and build consensus about economic policy. Of course, this is the view of those involved in

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the formal institutional arrangement of social dialogue at Nedlac, and it emphasises how important the effective functioning is of the institution, as former executive director Herbert Mkhize explained in 2008:

> *"It is Nedlac's four constituencies (labour, government, business, and the community) that face the challenge of making the institution work, and producing agreements that can be acted on to improve the country's performance and the quality of life of its citizens. This requires that representatives obtain realistic mandates, negotiate in the best interests of their constituency and bind their constituencies to participate meaningfully in the Nedlac process"* (Nedlac Annual Report, 2008, n.p.).

Former overall Convenor of Nedlac's Business Chamber, Professor Raymond Parsons, argues for the need for clarity about the role and contribution of business in this process as follows, "In this process [of improving South Africa's prospects], the business community is also expected to redefine its role and to focus in particular on ways in which it can deliver more value-added and inclusive growth" (Parsons and Parry, 2018, p. 2). Parsons asks, "Is there still scope for business to display more institutional effectiveness and to help put South Africa on a path towards more sustainable and inclusive well-being?" (Parsons and Parry, 2018, p. 7).

Nedlac continues to function in the service of the national democratic ideal of South Africa, which is to use constructive social dialogue for national consensus (Volakazi, Nedlac Annual Report, 2017, n.p.). The inability of South Africa, to date, to meaningfully restructure the economy towards a more inclusive order is increasingly a contributing factor, one among many, to the current malaise that has led to South Africa's socio-economic transformation project stalling, and is one of the reasons why Nedlac is today under increasing scrutiny.

It is the goal of this research to make a contribution to improving the institutional effectiveness required for better multi-stakeholder consensus on economic policy.
Specifically in relation to Nedlac, there is a recognised need for research to evaluate its past influence and performance, and identify the "bottlenecks" and "constraints" in its functioning and other sources of "frustration within and between its main stakeholders", with a view to gain a better understanding of its potential and ideal future role (Parsons and Parry, 2018. P. 77). Some commentators and observers have questioned the very existence of Nedlac and the possibility of its disbandment altogether. The evidence of Nedlac's success in the legal-technical and regulatory aspect of policy-making, and the propensity for violent escalation of

conflict, for instance, during labour disputes or public protest, point to the need for at least some mechanism for systematic dialogue-based engagement as a preferred alternative.

1.2 Contextualising Social Dialogue at Nedlac, a Product of Historic Bargaining and Negotiation

The South African Government today has many modes of engagement with the private sector, and civil society more generally. The goals of these engagements vary from consultation, to reporting and generally seeking to involve society more broadly in policy-making. One such engagement is through formal structures such as that of Nedlac. As a formal institution, Nedlac is intended to provide a mechanism for the interchange between society and the policy-making machinery of government. Nedlac operates in the inter-institutional milieu in South Africa, which has been characterised as a "highly complex set of interlocking institutions" (Parsons and Parry, 2018, p. 141), such as Parliament and its various structures, the Presidency and executive branch of government, including Cabinet, national governmental departments such as the Department of Trade, Industry and Competition (dtic), Economic Development, and the Department of Labour, to name a few (Bhorat, Hirsch, Kanbur, and Ncube, 2014).

In addition, because of the mixed economy setting of South Africa, other institutions include the likes of organised business in its various forms, industry associations, large private enterprises and their respective counterparts in organised labour. They also include community groupings, and the traditional leadership structures, traditional regional monarchs and their participation in the structures of Cooperative Governance and Traditional Affairs (Cogta). Lastly, these national-level formal institutions exist alongside the three-tier structures of provincial and local government, and their business and social counterparts at regional and local levels. Together, this constitutes a nested system of interlocking and contending formal institutions.

Within this context, Nedlac represents an attempt at creating a structured forum for national economic reform through institutionalised social dialogue. This institutionally-embedded intent was expressed in 2007 by Nedlac's then Executive Director, Herbert Mkhize (Nedlac Annual Report, 2007) that "Nedlac's genetic code includes a call for remedying the imbalances and social injustices generated by the apartheid regime and its institutions." Notably, while Nedlac's legislative mandate and historical norms in relation to the social partners' sentiment includes an orientation towards addressing social injustice, in practice, the institution has been seen to be relatively silent even amid rising social injustice such as during the Marikana tragedy and the emergence of the state capture period. As observed below, Nedlac's own

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inadequacies have prevented it from rising to the occasion as a forum for critical engagement on some of the major social justice issues facing the country (See section: Disruptive effects of forum hopping in 5.2 Overview of the Qualitative Research Results).

Genesis of Nedlac as an institution

This section briefly outlines the features of South Africa's political economy during apartheid, since this forms the backdrop against which present-day multi-sector institutional relations are set. For historic reasons, South Africa has developed a rather complex political economy that is neither distinctly capitalist, socialist or easily defined in relation to ideological categorisation. This is so because of the presence of Western-style capitalist institutions in the form of enterprises, banks, and stock exchanges that were imported and/or built by migrant traders from similar societies, as well as Communist-style forms of state intervention such as in price-setting and market controls that were implemented even during the apartheid years.

The paradox of the South African political economic arrangements, in which, for instance, competition was allowed during apartheid between *white* businesses in some sectors, while high levels of state controlled were applied in the form of market regulation, job reservation and price-controls in others, such as in energy and logistics, means that a mixed system emerged without one single ideological orientation. For all intents and purposes, *black* mineworkers employed by the likes of the Anglo American Mining Corporation in the 1960s could be considered employees of a capitalist corporation, while they and the corporation itself at the same time would have to comply with draconian labour market and goods market controls.

Similar paradoxes existed in relation to the agriculture sector and base commodities, including water, where the Agricultural Boards and Water Boards nationally and regionally would control market entry and participation, often along racial lines. The entire system was underpinned by the management of land rights along racial lines, with long-term knock-on effects in terms of fixed capital formation and ownership.

Since various forms of state interventions at times were increased, such as during the period of Afrikaner nationalism under apartheid, and during other periods liberalisation and deregulation took place, such as through the privatisation of the South African steel giant Iskor, the political economy has come to be skewed by these developments (Wilson, 2017).

As a result, the political economy has been marked by an interdependence between labour and capital, but was mediated through high levels of state control or more cynical forms of social control such as slavery and forced labour, rather than pure market forces. This interdependence has existed both in terms of economic capital, whereby labour is exchanged for monetary benefits, as well as social capital (Bourdieu, 1987), whereby individuals from across divergent groups would depend on their social benefits through their reliance on the contribution of others. A symbiosis of inequity would come to be the result by the time South Africa became a democracy in 1994.

In spite of varying levels of state intervention, the system is today marked by features largely favouring market-orientated enterprises in some sectors, and a market-based economy in general, but within a highly regulated context. These features exist alongside the enduring presence of large state-owned enterprises (SOEs) in energy in the form of Eskom; logistics and rail in the case of Transnet and the Passenger Rail Agency of SA (PRASA), and a myriad of others that date back to the apartheid era.

South Africa's pre-democratic political economy

During apartheid in the years from the late 1940s to the early 1990s, the South African economy changed dramatically through industrialisation. The roots of industrialisation lay in the country's mining sector that had been dominated by British colonial interests, and this was bolstered by the creation of a cluster of industrial state-owned enterprises (SOEs) created by the Afrikaner nationalists (Wilson, 2017, Fine and Fine, 2019).

The historic origins of British mercantile and colonial interests, along with the emerging Afrikaner social segment, which drew in multi-generational immigrant families of European descent from multiple nationalities, meant that the actors in the business sector began to be defined along linguistic, ethnic and racial lines.

Following the pattern of political change from dominance by the English to dominance by the Afrikaner, these social, economic and political dynamics led to an arrangement, where the business sector was dominated in terms of capital ownership by the white English-speaking community in South Africa on the one hand, and the political and state-owned enterprise arena by their white Afrikaner counterparts, who occupied management and executive positions. Other groupings, such as population groups of Asian descent, such as the decedents of Indian slaves brought to the east coast, the decedents of the Koi and the San peoples of the southern

African region, or the various black linguistic and tribal groupings from elsewhere in the region, were by law and social norms excluded from the echelons of power in business. This led to the expansion of the industrial base of the economy along racial lines, with the predominant feature being black labourers brought to work in industrial centres through an exploitative migrant labour system.

That is to say, the country's industrialisation process coincided with apartheid's repressive policies relating to the free movement of black South Africans, and resulted in the creation of what were to become black *homelands* – large, densely settled areas adjacent to whites-only cities, where black workers were excluded from the central business districts and suburbs of the country's urban areas, and allocated townships that were situated close to the mines or industrial areas, where most lived in in squalor, without access to proper infrastructure.

While the use of the terms race and categorisations such as black, white or other descriptions are unfortunate and do not begin to capture the true diversity and complexity of the linguistic, ethnic, tribal and other identity markers, these were the terms that the apartheid state conceived and according to which it managed industrial relations.

Understandably, this created a structural topography, in which most white English and Afrikaans elites were settled in the cities, while their *black* counterparts, the working and unemployed poor, were clustered in exclusionary informality and squalor. Other race groups found themselves nestled in-between these generalised socio-special and economic realities. Among black communities of different ethnic and linguistic backgrounds, there were different levels of socio-economic and political access, as well as divergent levels of human and economic development as a consequence.

The majority of South Africa's black labour force, who had been excluded from the management structures of companies and, because of the apartheid system, from participation and progress in the formal economy, were understandably alienated from the pervasive ideological commitment dominating the business sector, which was aligned to the free market capitalism that underpinned South Africa's economic system at the time. Opponents of the political system often found support from external parties such as the United Soviet Socialist Republics (USSR) and likeminded counterparts elsewhere around the world, who shared their disdain for the largely extractive nature of colonial and post-colonial capitalism, as was manifest in South Africa at the time. South African political and economic institutions were fundamentally extractive, as explained by Robinson and Acemoglu (2012), where they served the narrow and exploitive interests of the elites, often residing outside of South Africa's borders. This was also true of their relations with labour, the natural

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environment, and the comparative costs they inflicted on the social fabric of the geographic regions' variety of social fabrics, such as rural communities. The indigenous institutions that existed at the time, such as chieftaincies and tribal authorities, were often readily repurposed and co-opted or corrupted into complicity with these institutions.

In the case of black workers, this provided both a material and ideological context within which an adversarial relationship among those in their ranks, and those in government and business grew. To some degree, the formation of the NUM and later the Congress of South African Trade Unions (Cosatu) was the result, both as formal labour movements and a political movement.

This would later prove to have long-term consequences for the structure of the economy, asset ownership and wealth accumulation patterns along racial lines, and also for the embedded structure of ideological contestation in society. Because of the systems of colonial and apartheid subjugation of South Africans of black, brown, and Asian race groups (as people of varying backgrounds were often referred to within the colonial and apartheid construct), and the privileges enjoyed by white South Africans, involvement in the private sector and accompanying wealth accumulation occurred along racial lines. Black South Africans, including people of Asian and mixed-race decent, were broadly relegated to lower income vocations, whereas their white counterparts participated in the management and ownership of enterprises. Consequently, the business associations became a terrain of political contestation patterned along racial lines, while this was already the case with the labour movement. Within the context of the global cold-war era, these patterns of association would have parallel consequences for the formation of ideological block-formation in society.

As tensions escalated during the 1970s and 1980s, and as opposition to apartheid grew in political terms domestically and abroad, so did tensions between business and labour on the shop-floor. In terms of of ideological commitments, or dominant institutional logics and meta frames, some authors believed that

> "…the non-participation of blacks in the entrepreneurial sector, and their general deprivation, predisposed them to ideologies that were hostile to the promotion of such [capitalist] model… and [their attitudes understandably being] heavily tilted towards redistribution and not economic growth" (Parsons and Parry, 2018, p. 51).

Economic contestation over constitutional and distributional arrangements at the time became bound up in political contestation or the so-called *struggle* by black South Africans for freedom from oppression, justice and equitable access to economic opportunities.

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The Afrikaner nationalist system of apartheid, from a political economy point of view, included high-level state interventions, developing large SOEs in the industrial sectors to support the mining industry, an extensive university and vocational training system, and decentralised local government provision of basic services. However, these were advanced largely to the white community and comparatively little was provided to their black counterparts. The state intervened to advance the socio-economic well-being of whites to a much greater degree than that of blacks, and in many instances, directly opposed the advancement of blacks. Consequently, the resultant market development and economic expansion was skewed towards white privilege, but intertwined with and at the expense of black labour – usually and mostly in an extractive arrangement of inequity.

We will return to this point about ideological contestation in our discussion of the meta frames, policy frames and action frames apparent among various multi-sector social partners in South Africa today, and observed at Nedlac.

Ideological polarisation between labour and business during apartheid

This ideological and practical polarity among capital holders in business versus labour continued in South Africa in spite of their interdependence during South Africa's industrialisation, and remains a paradoxical reality despite their mutual interests in South Africa's overall progress today. As Parsons and Parry explain:

> "One of the major lessons [to be learned] of a mixed economy is that capital and labour need to co-exist, which means they must get beyond caricatures and narrow self-interest, and seek to fundamentally understand each other better. They remain too important and too interdependent to do anything else. Power, shared accountability and responsibility require cooperative behaviour from all participants" (Parsons and Parry, 2018. P. 83).

During the apartheid era, South Africa's business sector and especially big business, largely worked symbiotically with the apartheid state and flourished, to some degree sustaining the apartheid system in economic terms. Labour contributed its economic capital, and was drawn into the systems of social and political capital (Bourdieu, 1987) created by the apartheid system, but did not benefit proportionally, because of apartheid's repressive and exclusive laws and social arrangements.

However, it is important to locate the position of labour within the patriarchal and multi-dimensional social arrangements that were typical of South African society at the time. Within

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the labour movement, there was no homogeneity of either ideological orientation or of its disposition towards the apartheid state and power structures in society. Labour unions formed by white workers were ideologically distinct from the masses of black labour union members and their interests. Whereas the former were orientated to seek the furtherance of their wage and temporal worker interests within the political and accompanying economic system of the day, *black* unions sought at the same time to upend the political system. Furthermore, within the ranks of civil society, issues of gender and racial discrimination, as well as discrimination on the basis of sexual orientation, were the order of the day.

After the apartheid system had been abolished, the Truth and Reconciliation (TRC) process undertaken during South Africa's transition to full democracy, found that business in various quarters enjoyed varying degrees of relations with the state, some being deeply involved in state affairs, while others operated largely separately, while a large proportion of businesses were in some ways culpable in the system, in that they were operating and accrued benefits in a system that was at its core, arranged on the basis of racial prejudice (Parsons, 2018). The growing intolerance, domestically and abroad, for the system precipitated developments such as international sanctions placed on South Africa, which made the status quo increasingly untenable for business. The apartheid government's orientation towards import substitution rather than export promotion meant that the country's fiscal position, trade and foreign reserves position worsened, while the business environment soured.

It was on this basis that the TRC at the time proposed wealth taxes to be raised as an appropriate form of restitution, with the TRC favouring a "systemic analysis that equated any profitable activity with prospering under apartheid" (Nattrass, 1999, p. 7). Such policy proposals for wealth taxes were, however, never adopted or implemented. Instead of a wealth tax, South Africa developed one of the most redistributive fiscal and taxation systems in the world, and coupled those with policies such as Broad Economic Empowerment (BEE), and later the Broad-Based Black Economic Empowerment (BB-BEE) requiring racial representation in the ownership, executive and management structures of business were put in place, with mixed success, and often leading to 'fronting'.

While organised business used advocacy and lobbying from time to time during the apartheid era to attempt to influence the government, prominent commentators such as journalist Allistair Sparks were said to have become disillusioned with the apathy of big business during the period, who were reported to offer only "ritual criticisms" and largely failed to get involved politically, not to mention collectively (Sparks, 2016). This resulted in an arm's-length institutional relationship between organised business and the state, and a detached

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polarisation among organised business and other constituencies such as labour, as well as the alienation of the grassroots community groups and South Africa's vast traditional leadership network.

The policy and legislative agenda was at the time largely dominated by government that imposed their will through plutocratic arrangements with the oligopolistic superstructure that marked the economy at the time. Commentators, for instance, argued that the concentrated market structure of SA is also a product of the apartheid exchange controls that trapped profits in the country and encouraged conglomerates, coupled with the government's import substitution policies as a response to sanctions.

South Africa's mining industry, which dominated the economy, stock market and share of employment at the time, was in particular found to be complicit during apartheid, because of their hand in the design and implementation of apartheid policies (Parsons and Parry, 2018). An example was the Group Areas Act, the legislation of the apartheid regime that controlled the movement and settlement of people, based on their race. This formed part of the entrenched migrant labour system, which led to much of the spatial inequality today typical of South Africa's socio-economic typography detailed above. So-called "white business" thus bore the brunt of the accusation, also having been found to have cooperated with a system that "perniciously damaged black business" in the process (Parsons and Parry, 2018; Fine and Fine, 2019).

In the TRC process, the South African Chamber of Business (Sacob) in response were understood to have accepted that the enormity of apartheid required stronger responses from business, for the lack of which it apologised during the TRC proceedings. It acknowledged that apartheid had done great damage to the human dignity of the majority of fellow South Africans, which included that it had created barriers to their participation in the economy, in society and enjoying basic freedoms such as the freedom of movement, and importantly, access to education and skills development. Organised business was a latecomer to the process of national social reform, only engaging in the struggle against apartheid once the political, social, and economic instability, and especially labour instability, in the country became untenable during the 1980s. However, the growing involvement by organised business required structure and process, contributing to new institutional forms of engagement.

Business enters the policy fray in the 1980s and adopts social dialogue

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Importantly, the growing engagement by South African business with labour, and subsequently with government in the policy process, happened against a backdrop globally of an increased emphasis on consultative practices in business in terms of labour practices, and in the nationalist government in relation to policy. It coincided with a shift in the fields of policy science and policy practice from positivist and instrumental approaches, towards interpretive approaches, including those that emphasised mediated negotiation (Mkhise, Nedlac Annual Report, 2011), explaining the dynamics thereof in relation to Nedlac:

> *"In the late 1980s, the discourse on sustainable development in developing or transitioning economies had placed emphasis on the use of participatory processes and dialogue in order to formulate and implement policies concerning a wide range of subjects, for example, by fostering dialogue among government, business, labour, and legitimate representatives of community-based organisations on matters that affect social and development and economic policies such as employment, conditions of work, enterprise performance and competitiveness, helps to avert costly disputes, contributes to workers' well-being, enterprise and national productivity, and promotes labour peace and political stability, which are absolutely essential for pursuing growth and development.*

The creation of the Wiehahn Commission (1958), a governmental initiative aimed at reviewing labour relations in South Africa, and the private sector through the Association of Chambers of Commerce of South Africa (Assocom) had argued that wages ought to increase for unskilled black workers, since this was in the national interest. Notably though, this initiative was framed in economic terms, such as "increased productivity" and "better utilisation of resources" rather than in terms of democratic freedoms or human rights (Parsons and Parry, 2018). This signalled a perpetuation of the historic paternalistic and ambivalent attitude towards workers, and blacks in particular, which was typical of business. However, as engagement between business and labour grew, the process signalled the beginning of a series of outcomes that the Wiehahn Commission sought to address in a limited manner. Their efforts included having forged and modelled higher levels of participation, the inclusion and "consensual frameworks of mediation and decision-making" at the firm level (Parsons and Parry, 2018, p. 18) at the time.

Labour relations set the precedent for national social dialogue

These initiatives paved the way for more union representivity and ultimately, the Labour Relations Act, No. 66 of 1995 (LRA) and generally, the prospects for more structured and inclusive social dialogue in South Africa. Seen through the lens of institutional theory, the

institutional entrepreneurs in business and labour, with the cooperation of their counterparts in government, introduced a new institutional logic and framed the conflict in participatory terms. These were precursors to the institutionalised field of social dialogue, in which the formal institutional arrangements at Nedlac would be manifest and operate.

Despite South Africa's relatively large natural resource endowment that underpinned the industrial base such as in precious metals' export, coal-fired energy production and steel manufacturing, changes in labour relations were inadequate to sustain economic progress under the apartheid system, especially as South Africa grew increasingly isolated internationally through the 1960s and 1970s and into the 1980s period of sanctions. Sanctions were imposed on South Africa as the apartheid regime became increasingly repressive, and the struggle movement gained the ascendancy and popularity at home and abroad, while the fiscal and economic position of the apartheid state commenced to cave in. The secondary effect of sanctions were that business' self-interest began to be bound up in the need for a political resolution as opposed to the apartheid *status quo*.

The 1980s, a period of growing instability in South Africa, was marked more broadly by increasing business involvement in the political process, engaging both incumbent and emerging political groupings in a myriad of dialogue fora or what would be called *talks-about-talks.* These engagements included a range of topics, from initiatives to "mobilising thinking behind the development of a human rights culture", for instance, arguing for non-discrimination on the basis of race in a report by Professors Jan Lombard and Andre du Pisanie, entitled, *"Removal of discrimination in against blacks in the political economy of South Africa",* as well as participation in the "Action Programme", to create an environment conducive to political negotiations (Parsons and Parry, 2018. Pp. 36-37). Social dialogue was becoming institutionalised through informal processes and ad hoc structures (Misra-Dexter, February, Institute for Democracy in South Africa, 2010).

The latter initiative outlined important issues that would be crucial to progress, such as the cessation of forced removals of black settlements by the government, and opening central business districts to all race groups in South Africa. These would signal a radical departure from the core premise of apartheid, and implied an entire change in the posture of government and of the character of policy-making. Other initiatives, both in groupings and by individuals, for instance, in the Urban Foundation (UR), the Consultative Business Movement (CBM) and the National Business Initiative (NBI), contributed to a growing crescendo of social dialogue and accompanying structures for its facilitation. This was achieved by:

"Reshaping the perceptions and agendas of both sides of the political divide, in creating social support for a transition to a new order; in building trust and then repeatedly rebuilding it when negotiations staggered and collapsed, in managing spoilers who sought to derail the transition; and in ensuring that the founding elections took place as scheduled and that parties accepted the results" (Parsons and Parry, 2018. P. 43).

Social dialogue, in search of inclusive economic growth and the end of apartheid

During this period, however, organised business in many instances underwent a significant shift from institutional to personality-based engagements, prominent individuals in business and labour, for instance, acting as institutional entrepreneurs and playing a foreground role.

Importantly, the period was marked by a major sea-change in the formal and informal institutional setting, especially at the political level (Green, 2008). The anti-apartheid movement, which had grown tentacles both inside of South Africa as well as abroad, was beginning to be repositioned and repurposed for governance. This included, for instance, the evolution of the United Democratic Front (UDF), a loosely-structured network opposition movement within South Africa's civil society landscape, whose members, such as church formations, labour unions, activist and NGO groups, were reorienting themselves in the political domain. Whereas UDF members had found common cause in opposing apartheid through the 1980s, they were now having to find their role in an emerging national governance structure.

The unbanning of the ANC by then President F.W. De Klerk and the nationalist government on 2 February 1990 meant that it was possible for activist voices to express themselves more formally through the channels of an overtly political movement. The Pan Africanist Congress (PAC), a political movement to the left of the ANC was similarly vying for pre-eminence as the *de facto* leader of the struggle movement, which by this time, had to assert itself in formal politics.

Significantly, the choice of the labour unions in general, and Cosatu in particular, to align themselves with the ANC on the basis of its non-racist, non-sexist, and diverse and inclusionary ideology, would have consequences for the social partner landscape from which Nedlac would eventually emerge.

This had the unintended consequences over time of undermining the availability of "skills in mobilising consensus among the business representatives" themselves, and resulting in so-

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called "big business" being seen as more symbolic and representative of the business landscape than being in keeping with reality at the time or even today (Parsons and Parry, 2018, p. 54). Social dialogue was undertaken, but this was not institutionalised broadly, nor was the facilitative competence required for its success embedded in formal processes at the time.

This shift also led to an environment, where the trust that had developed among constituencies, was said to be largely localised between specific individuals who represented constituencies, rather than a broad social consensus (Parsons, 2018. P. 62). Again, seen through the lens of institutional theory, the institutional field of national social dialogue in South Africa became dominated by institutional entrepreneurs, and boundary spanners or reformers who embodied the new ideal of social dialogue, and facilitated incremental and occasionally sudden shifts towards more collaborative engagement on policy-making (Fine and The National Institute of Economic Policy South Africa, 1997).

By way of example, in the early stages of the so-called golden triangle of the government-business-labour engagement, the likes of then South African Finance Minister, Derek Keys (1992) and the then Senior Economic Spokesperson for the tripartite alliance between the ANC, SACP and Cosatu, Alec Erwin, played significant roles as conveners of the social partners. Often informally, these personalities convened stakeholders to deliberate on economic policy issues to great effect (Parsons and Parry, 2018).

Corporatist social dialogue towards multi-party engagement

When the Convention for a Democratic South Africa (Codesa), the formal constitutional negotiations, took place from 21 December, 1991 and eventually brought an end to apartheid, submissions were made on issues such as property rights and monetary policy, which emphasised the rule of law, independence of the judiciary and the South African Reserve Bank (SARB). In this process, South Africa's distributional policy debates and constitutional debates had become almost fully intertwined as a new national compact began to be forged during the transition to democracy.

In the wake of Codesa, the case was made for embracing a corporatist manifestation of "tripartism", first through the National Economic Forum (NEF), and later through its successor, Nedlac. The institutional field of national social dialogue in South Africa was becoming increasingly formalised and corporatist; and it was dominated by organised business, which

was overshadowed by big business, the democratic government under the ANC's leadership, and with counterparts from organised labour, which was dominated at the time by the ANC's alliance partner, Cosatu.

This set the tone for heightened expectations of what so-called 'talk-shops' – informal cross-sectoral social dialogue as precursors to formal engagement – could achieve (Parsons and Parry, 2018. P. 48) in terms of consensus-building among parties pitted against each other both ideologically and in terms of their real interests. In the process, the South African business community, government, and labour became increasingly involved in institutionalised social dialogue as a dominant frame and vehicle for thinking about approaches to policy deliberation. Nedlac, and more broadly, institutionalised social dialogue, had effectively found their roots in "workplace issues" (Parsons and Parry, 2018. P. 57).

Organised labour emerges as a political force

Significantly, the political vacuum that was created by the facilitated collapse of the apartheid façade resulted in a rising level of politicisation between labour formations and business. This meant that labour effectively stepped up as a political force to be reckoned with, and asserted an influence that transcended collective bargaining in a narrow sense (Parsons and Parry, 2018 p. 62). Labour's show of force, in the form of strikes and boycotts or stay-aways, parallel to other struggle formations' efforts in the 1980s, spurred on the recognition among business leaders of the need for a less adversarial approach in general, and a more consultative approach based on dialogue, and for seeking to forge agreements to address socio-economic issues. It also meant though that in the early years of democracy after 1994, labour would be at the dialogue table representing both worker interests and the broader national transformational agenda. The politicians in the ANC and in government used this new-found power by labour to great effect. The power of organised labour, in alliance with the ANC, represented a political instrument in the form of a symbolic opposition to previous hegemonies, such as the apartheid government and the systems of law, education, and the economy it produced, as well as against big business, which had been complicit in their creation (Terreblanche, 2014).

Through the institutional evolution set out above, South Africa's policy process became committed to be participative and deliberative on the assumption that it would lead to superior results, despite its inherent complexity and difficulties. This institutional evolution towards

participative policy planning was born out by a quote of South Africa's then Minister of Public Enterprises during the period of transition, Alec Erwin:

> *"The notion that you can have social dialogue without delays is profoundly wrong. Delays are inherent in social dialogue and the South African Government appreciates these, as long as they do not lead to paralysis. The implications of unilateralism is that you might reach policy decisions that are poorer"* (quoted in the Nedlac Annual Report, 2007, n.p.).

With the establishment of the National Planning Commission (NPC) and the subsequent development of the NDP a decade or so into democracy, the South African Government began to adopt a more long-term view of policy in general and economic policy in particular. What emerged was a form of institutional decoupling, whereby the NDP, which had been gestured under then President Thabo Mbeki and created during then President Jacob Zuma's era, would be formally adopted by the social partners at Nedlac; yet, the underlying contestation among the social partners would remain. The NDP came to represent a mere symbolic policy stance by some portions of the ANC, government and business, while being abandoned, ignored or even counteracted by the actions of labour and some political, government and business segments.

Nedlac is formed as an Act of South Africa's first democratic Parliament

With the formation of Nedlac, by the promulgation of the Nedlac Act (Act No. 35 of 1994), significantly one of the first acts of the new democratic Parliament of South Africa, the new democracy set itself the ambitious goal of institutionalising social dialogue within a formal institution, as the means by which social and economic policy would be shaped collectively by the social partners. Nedlac was tasked to build consensus and agreement among the social partners on policy, as a precursor to policy and subsequent legislation passing through Parliament for enactment.

The institutionalisation of social dialogue and Nedlac's mandate were a product of the social partners' response to the high levels of distrust and contestation among them at the time. Nedlac was the culmination of attempts at structuring national social dialogue and finding a recipe to resolve policy issues collaboratively. Forerunners of Nedlac were the National Manpower Commission (NMC), a statutory body, and the NEF, a non-statutory body (Nedlac, 1995). The use of the term "manpower" in the former is indicative of the gender and labour relations perceptions pervasive at the time, as is the use of the term "forum" for the latter informal structure. The fact that the formation of Nedlac followed these structures is borne out

by Nedlac's then Executive Director, Herbert Mkhize, in 2007 (n.p.), when he explained the reasons for the development of Nedlac's predecessor, the NEF from the point of view of labour [quoted at length due to relevance]:

> "…little progress was made… Labour's recommendations for restructuring the NMC made little headway with government, as government did not take seriously the commitment to consultation. The NEF was then launched in October 1992, as a response to the introduction of a regressive Value-Added Tax (VAT). The body was seen by the progressive forces as an attempt to prevent the apartheid state from unilaterally restructuring the economy during the transition period. The NEF was a non-statutory tripartite structure served by the CBM, a business-supported group, as its secretariat."

> "Neither of these two bodies undertook substantial policy or legislative work, although the NEF did finalise South Africa's offer to join the General Agreement on Trade and Tariffs (GATT) (Adler and Webster, 1995). Indeed, these bodies served as a 'catch-all' to limit the ability of the apartheid state to manoeuvre during its dying days. Thus, the goal of social dialogue was not to enhance, but to constrain the capacity of the 'undemocratic state' to impose its will on society. As Christian Sellars, then of the Chemical Workers Industrial Union, argued: "The National Economic Forum did not accomplish much, but then its purpose was to block unilateral reform by the National Party rather than to develop new policy" (cited in Gostner and Joffe, 2000). Nevertheless, the shortcomings of the NEF highlighted the need and paved the way for the creation of the post-apartheid participatory mechanisms (Mkhize, Nedlac Annual Report. 2007, n.p.).

Nedlac was launched publicly on 18 February 1995, and in a formal institutional and structural sense, it rose from a merger between the NEF and the NMC. Nedlac was conceived of in its founding documents as an "appropriate statutory cooperative body … to address economic, labour and development issues" and specifically, to assist in the "implementation of the Reconstruction and Development Programme (RDP) (Nedlac, 1995, n.p.). In fact, the founding documents of Nedlac portray it as the "constitutional successor to the NMC". Nedlac drew its foundations from these institutions that had their roots in the pre-democratic era, and had a measurable capacity in terms of negotiation, facilitation, and mediation, all of which amounted to the seeds being sown for a more collaborative decision-making process in South Africa at the policy level (Parsons and Parry, 2018. P. 61).

The terms of the engagement of social partners, according to the Nedlac Act, are merely that "participants should have a proven constituency from which they can obtain a mandate… [there being] nothing to prevent any new representative organisation from joining the policy-making process" (Parsons and Parry, 2018. P. 59).

Social dialogue, a preferred mechanism for national reconciliation

Importantly, this commitment to democratic deliberation came in the wake of the release of Nelson Mandela, and this ushered in a period of unprecedented national transformation and optimism in the form of a resettlement of multiple social forces having to be reorganised from a system of suppression and state-sponsored coercion, to an arrangement of representative democracy for reconciliation. Mandela's philosophy of reconciliation, coupled with a belief and acute commitment to the development of institutions, whereby the long-term nation-building and democratic process might be secured, set the scene for the formal institutionalisation of social dialogue in South Africa (Parsons and Parry, 2018, p. 67), and it also provided an informal institutional pretext, an implicit institutional logic, or meta-frame for the time, while participative policy-making was the right path. It was understood that sustainable social cohesion would require sustainable national progress in socio-economic terms, and that this in turn, would require sustainable consensus (Misra-Dexter, February, Institute for Democracy in South Africa, 2010).

Former President Nelson Mandela outlined the ambition for institutionalised social dialogue when he addressed Nedlac's 4th Annual Summit in 1998, four years after Nedlac's creation:

> *"Nedlac and sustainable consensus – [Nedlac] is one of those institutions that has helped weave the fabric of our democracy, through a period of momentous change and daunting challenges. It has contributed to the stability that has confounded the sceptics. There have indeed been times when the differences playing themselves out in this forum might have seemed to loom larger than the factors that made for cooperation, but managing those differences has precisely been one of Nedlac's functions. It has served us all well in this regard, despite the critics and those who are wont to see a national crisis in each dispute. …Government for its part is committed to genuine consultation with all stakeholders. That is the foundation for a genuine partnership. … It is my hope that the Council's work will continue well into the future, and that its constituencies will sustain their commitment to finding sustainable consensus on important issues of social and economic policy. … It will need in abundance that overriding commitment, whatever the differences, to seek a consensus that puts the long-term interests of all above short-term considerations* (Speech: President Nelson Mandela. 3rd Annual Nedlac Summit, Johannesburg, 1998, 16 March).

Then President Mandela expressed the *hope* that Nedlac, as the apex council or forum for policy deliberation, would produce sustainable consensus. He pointed to the need for authentic engagement, in good faith, and the centrality of the national and the long-term

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interests of the country. His plea assumed that South Africa's social partners could come together, and through reasoned dialogue, overcome controversy and contestation, to achieve a shared perspective and plans for action.

Schön and Rein (1994) argued that the core mission of policy discourse, the search for policy rationality, is itself a quest for hope, saying:

> *"The hope is that human reason might have a modest place in the reality of policy practice; that policy-makers need not inevitably function only as partisan adversaries or as players who unilaterally seek their own advantage on the political game, or as swimmers whose feeble strivings towards reason are bound to be overwhelmed by the sea of chaos and complexity … [but] might contribute to the pragmatic resolution of the controversies in which they are embroiled, if only they learn how better to conduct their inquiry."*

However, as history has shown, difficulties have occurred in Nedlac effectively delivering on its mission, and these would later arise as government itself failed to adequately follow the basic protocols of Nedlac, and in some instances, fall short of understanding both the institution's purpose or process or social dialogue in the first place:

> *"The argument from some government departments [is] that the Nedlac processes are usually lengthy; hence, little enthusiasm or outright resistance from tabling policy proposals in Nedlac … is therefore flawed and lacks appreciation of what social dialogue is all about"* (Mkhize, 2008, n.p.).

Inherent contradictions in the order of a democratic South Africa

As discussed, Nedlac arose from the political bargain struck to end apartheid, and this might be thought of as an expression of the 1993 Interim Constitution, which brought society together under a new democratic banner, and thereby helped shape the environment for the creation of the 1996 Constitution. Yet, the Constitution of South Africa calls not for socio-economic progress in a narrow sense such as growth, but for a transformation of society, depicting a broad vision of the new democratic dispensation that would include justifiable socio-economic rights. Yet, the Constitution is not prescriptive in policy terms, but highlights only principles, leaving it to institutional mechanisms, including the Constitutional Court, Parliament, and in this case Nedlac, to flesh out the detail and materialise the nation's aspirational new order.

Contained within the bargain struck by the ANC during negotiations with the apartheid state, were trade-offs such as for socio-economic rights, entrenched property rights, and the creation of new provincial governments with some degree of decentralised powers and functions through the three-tier system of government. All of these trade-offs represented new complexities associated with lingering historic inequities that would have to be navigated at Nedlac. In that sense, Nedlac inherited an unresolved set of societal contests, but was given national policy aims relating to socio-economic transformation. It also inherited the entrenched interests and patterns of ownership and participation of an apartheid economy that was still largely intact, as Alistair Smith, Nedlac's Executive Director appointed in 2013 reflected:

> *"When we celebrated the dawn of democracy in 1994, we understood that our democratic journey had only just begun. We understood that we faced the socio-economic equivalent of a Mount Everest ahead of us. We also understood that our dream of a prosperous nation was under threat, unless we dealt with the structural problems in our economy and society. Our Constitution thus embodied a road map for the transformation of the socio-economic system of apartheid through democratic means"* (Smith, Nedlac Annual Report, 2013, n.p.).

These unresolved features of societal inequity and uneven power relations in South Africa are understood to be central to much of the contestation, conflict and low trust levels that continue to manifest themselves in the chambers of Nedlac and bedevil the policy process in South Africa today. Importantly, the power relations referred to at this point reflect the views of Foucault (1979, 1982) and Bourdieu (1979), who argued that power, its pursuit and use, is both concretely manifest in the formal structures of government and the state, of commerce and social institutions (such as faith communities or traditional leadership hierarchies), and in a post-structuralist sense, in that they inform the worldviews, the values and normative commitments of social actors as protagonists of institutionalised social arrangements.

Not only is Nedlac the embodiment of South Africa's constitutional agreements of the period, but as an institution, from a structural theoretical point of view, has become the embodiment of the informal, distributive and discursive character of South Africa's tacit agreements and social contracts. This implies that the expectations of change or hopes which South Africans placed in the new democratic dispensation were projected onto Nedlac as the arena in which their requisite agreements would be materialised. In that sense, over time, Nedlac has been the cumulative expression of what Hajer and Wagenaar (2003) called the grand narrative, which served as a frame of reference for the behavioural dispositions of the social partners, for better or for worse. Hajer and Wagenaar (2003, p. 20) used the notion of a dialectic

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between the actor-structure dichotomy, in institutional terms, by which "…in the process of acting in a concrete situation, each brings the other into being". Nedlac as an institution embodies South Africa's past and present complexities.

Social dialogue for consensus-building at Nedlac today

Social dialogue is considered to be vital to the success of South Africa's democratic project. Therefore, Nedlac is tasked with facilitating social dialogue among government, organised business, organised labour, and so-called community constituencies to thereby manage the tensions between their short- and long-term goals, as well as to coordinate their divergent sectoral interests, with a view to achieving consensus and agreement on policy and legislation. Referring to the creation of Nedlac during the policy-era of the RDP, the keystone economic policy of the ANC-led democratic government under former President Nelson Mandela, Executive Director Smith (Nedlac Annual Report, 2013) stated of Nedlac's purpose:

> *"This was the context of the Nedlac Act 35 of 1994, which introduced a unique model of social dialogue – bringing together the functions of the national Manpower Commission, and the National Economic Development Forum. The core mandate of Nedlac was inspired by a commitment to involve the social partners in the making of socio-economic policy and legislation. It was also inspired by a sense of optimism and vision (guided by the RDP) that a democratic government in partnership with organised labour, organised business, and community organisations, would cooperate to ensure growth and equity, and thus break down the socio-economic foundations of the apartheid system (Smith, Nedlac Annual Report, 2013).*

Social dialogue, in the context of Nedlac, is thus an approach to participative governance (Hajer and Wagenaar, 2006), of deliberative policy-making, and societal management at the intersection of social, political and economic interests and plans. It follows that facilitation is akin to what policy scientists call policy practice, in which the logics and frames of policy actors ideally converge. Nedlac's work thus constitutes a form of group sense-making and decision-making, which either diverges into consensus and agreement, or converges into disagreement.

Applying the lens of institutional theory (Lammers and Barbour, 2006), Nedlac is an organisational vehicle that embodies the political choice made, at least formally, to institutionalise social dialogue as the preferred mode of societal management. As argued above, this choice has been shown to be largely a corporatist agreement between elites on

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the basis of their representation or social partner constituencies. As such, it does not necessarily represent a broad-based agreement by large swathes of society.

Notably, by having opted to institute a formal forum for national social dialogue, South Africa embarked on a process of institutionalising centralised corporatist social dialogue, as opposed to engagement at a purely decentralised, industry, and community level. While such an approach has its merits in terms of the efficiency that accompanies formality, it has come at the expense of accommodating South African society's true pluralistic character. The sectors that were not included referred to the many voices in society, or policy actors such as small business owners, or the unemployed and poor, where upwards of 30% of working-age adults are unemployed in the country, and thus structurally excluded from Nedlac representation. The same difficulties of marginalisation in representation were evident between urban and rural constituencies, as one speaker at the Nedlac Annual Summit (NAS) of 2007 observed:

> "… the marginalisation of the rural areas [is] the Achilles heel of the South African economy. These areas – which are home to about 50% of the population – are not contributing to the skills needs, intellectual debates, national wealth and knowledge as capital" (NAS, Mantashe, 2007).

These observations about the exclusion of societal voices allude to the concepts that underpin insider-outside theory such as contemplated by Crow, Allan, and Summers (2001) and Pettinicchio (2012), especially as they relate to labour market dynamics and to institutional entrepreneurship, but as they are beyond the scope of the study, they are therefore only alluded to here in passing.

At another level of institutional complexity, South Africa's myriad of tribal authorities, which include monarchies, chieftaincies and traditional leaders in various provincial and local authorities, remain structurally excluded from the Nedlac process. In spite of their representation through the National House of Traditional Leaders and government's Cooperative Governance and Traditional Affairs, their engagement with policy issues is funnelled through political party affiliation and thereafter left to informal contestation outside of the formal Nedlac process. Yet, in many instances, tribal authorities play a formative role in the management of local land rights and access, and the social licence to operate businesses in communities. The consequence is that these bodies, where tribal leaders are represented, deal with parochial and self-interested matters such as the public benefits that accrue to them from the state. The absence of structured representation of these strongly adhered to cultural

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and governance institutions is indicative of the rather legal-technical and corporatist conception from which Nedlac's mandate and protocols are derived.

An unintended consequence of the approach taken at Nedlac has been the corporatist realisation of dialogue dominated by elites in government, business, and the organised labour movement, with only weak representation of a vaguely defined community constituency. In that sense, the historically established patterns of economic and their accompanying social relations in South Africa, seem to have been perpetuated through a form of path dependency or hysteresis (Belke, Göcke, and Werner, 2014, Setterfield, 2009), in which the dialogue institutions reinforce rather than challenge the arrangement of the economic institutions.

A multi-stakeholder, multi-sectoral inter-institutional setting

Consequentially, Nedlac might today be thought of as a hybrid organisation, in which not only multiple stakeholders are convened for social dialogue, but multiple sectors of society converge in inter-institutional deliberation. Government, with its inherent logic and informed by the ANC's political and ideological commitments, collides with organised business dominated by large, market-orientated corporations and in turn, these interact with an organised labour constituency marked by its own set of ideological commitments. Beneath the surface of these grand institutional logics operate the myriad of class, racial and gender biases. These seem to mirror the patterns of inclusion and exclusion in the formal economy, and in that sense, a microcosm of the South African society. This imbues Nedlac with a particular complexity in terms of its organisational nature, structure, processes, and institutional character (McPhee and Zaug, 2000). It also means that policy deliberation is a quagmire of interlocking frame conflicts.

This confluence of stakeholders at Nedlac creates a set of conditions where the institutional logics, institutional fields, meta frames and frames of diverse stakeholders (Dunn and Jones, 2010) converge in one organisational and institutional setting. This creates both multi-layered complexities between the macro context and the meso-organisational or institutional setting (Barbour and Lammers, 2007) of Nedlac, as well as the micro-foundational interactions between participants at Nedlac. The nested institutional complexity of Nedlac as a field of societal engagement through social dialogue lies at the heart of this study's focus as will be explained in the sections that follow.

Figure 3 below provides an overview of Nedlac's multifaceted institutional setting referred to

in the discussion above, with the macro-contextual features of the policy-making process depicted at the top, and the micro-foundational dimension of social dialogue depicted at the bottom. Nedlac finds expression in the middle of the two, as an institutional field arising from the interplay between the social partners' respective institutional logics. Please refer to the glossary of terms at the start of this dissertation for definitions of the terms contained in Figure 3.

Figure 3: The institutional setting of social dialogue at Nedlac
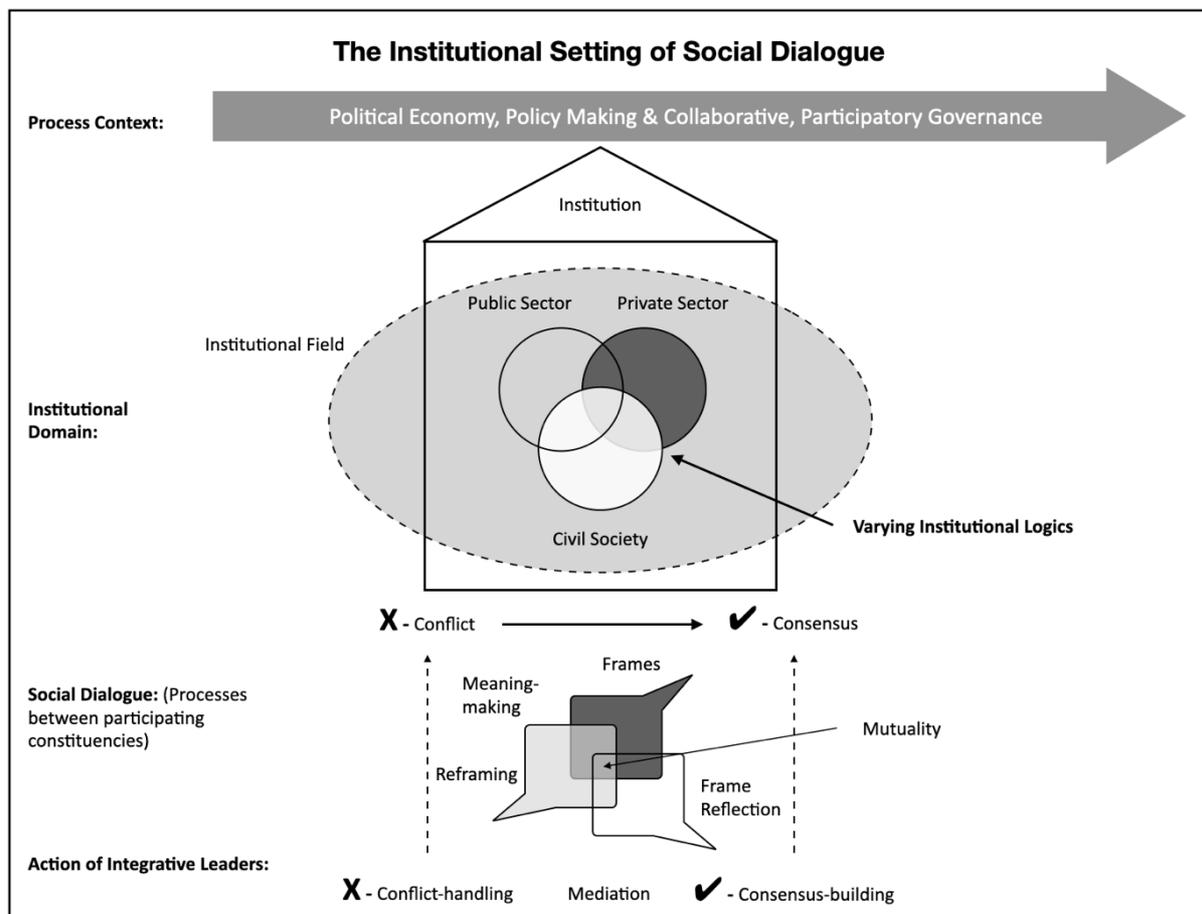
Source: Researcher's depiction

Nedlac, depicted by the *venn* diagram in the centre of Figure 3, is formally a legislatively-empowered agency of the state, where the private sector (business), the public sector (government), and civil society (in the form of labour unions and so-called community constituencies, representatives from a small segment of the broader societal social structures, such as traditional leaders, and civic groups) are convened for social dialogue. This confluence of sectors, labelled in Figure 3 as the institutional domain, exists in a complex

institutional field of interlocking institutions, wherein contending institutional logics interact (DiMaggio, 1988).

Multi-level frame conflict and frame formation

Importantly, as indicated at the top of Figure 3, the political economy of South Africa represents the macro-level contextual setting in which Nedlac as an institutional field exists and functions. Consequently, changes in the political economy such as economic turbulence or political change are likely to result in impacts on the meso-level institutional domain (Schön and Rein, 2000). While these macro-level dynamics play out, as depicted in the arrows surrounding the social dialogue, the policy frames of policy actors are likely to conflict (Schön and Rein, 2000, pp. 16-21, 45-46). Some of this conflict arises from uneven power relations, competing interests, and sectoral or stakeholder agendas and persistence; it can be resolved through mediation and consensus-building. This constitutes an inherent dynamic at the micro-foundations of the institutional field, which includes conflict and conflict resolution in the setting of a formal multi-stakeholder social dialogue setting (Gray and Purdy, 2009, pp. 85-95) at Nedlac.

As indicated at the base of Figure 3, social dialogue undertaken at Nedlac can be thought of as consisting of processes undertaken within the informal as well as formal institutional domain, and aimed at overcoming conflict to create consensus. This, from the perspective of institutional theory, is the micro-foundational layer of the schema, where the diverse frames of participants interact (Powell and Colyvas, 2008). These interactions are both facilitated and spontaneous, and are understood to be the setting in which policy actors interact and policy deliberations are undertaken.

Integrative leadership within the context of social dialogue

Critically though, processes aimed at building consensus among diverse stakeholders require a particular contribution by leaders and leadership – and integrative leaders (See term in glossary) in particular, in order for social dialogue to succeed in its purpose. As Nedlac's Executive Director in 2013, Alistair Smith, observed, there is a nexus between leadership, institutional capacity and the effectiveness of social dialogue in addressing issues of national importance:

> *"It therefore remains incumbent on the leadership of all constituencies to strive to break through*

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the current levels of polarisation and urgently find ways to ensure greater stability and cooperation in order to rapidly grow the SA economy and reduce unemployment and inequality" (Smith, Nedlac Annual Report, 2013).

In the context of Nedlac, there are instances where there was a clear inflection point in institutions' processes, because of the role of the type of leadership, such as during the period with former South African President, Kgalema Mothlante, at the helm:

"The President has called for the new way of doing things, and partnerships through the 'Working together we can do more' war cry. The Minister of Finance has called for a 'New Normal', where all social partners place on the table what they are prepared to do for the country" (Mkhize, Nedlac Annual Report, 2010).

Integrative leaders, as explained in the glossary at the beginning of this dissertation, are individuals who "have the vision to see past the conflict and draw parties into partnership (Hay and Gray, 1985, in Gray and Purdy, 2018, p. 162), and,

"… multi-stakeholder partnerships rooted in conflict might require such leadership… who have the ability to focus people's attention and create a sense of urgency, the skill to apply pressure to stakeholders without over-whelming them, the competence to frame issues in a way that presents opportunities, and the strength to mediate the conflict among stakeholders" (Kania and Kramer, 2011, p. 40, in Gray and Purdy, 2018, p. 163).

1.3 Background to the Research Problem

This research conducted an enquiry into an institutional cross-level phenomenon at Nedlac as an institutional field, examining the institutional evolution with account to the micro-level frame interactions among participants at Nedlac. The research, though wide in scope and multifaceted in its levels of analysis, was limited in scope to the institutional boundary that is understood to exist around the formal multi-sector institution of Nedlac itself, and to the participants' involvement in their capacity as constituency representatives. These social partner representatives serve as a prism through which to view the cascading dimensions of Nedlac's institutional complexity as an institutional field.

As explained, scholars have sought to study institutions and understand why they arise, their propensity for stability and for change, or their dissipation and disappearance. They have also sought to understand the nature of cross-sectoral partnerships and collaboration across

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institutional boundaries, and the dynamics and factors contributing to the success or failure of partnerships in the pursuit of their shared goals. This study aims to investigate the case of Nedlac, as an institutional setting in which these phenomena occur within the context of a national policy-making process.

According to Yin (2018, p. 13), a case study is "an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident."

The case study of Nedlac represents an emergent phenomenon of exactly these questions in practical terms in the policy-making process of pluralistic constitutional democracy, where social dialogue is the preferred approach to policy-making and consensus-building.

This study, uniquely, brings the two considerations of institutional theory and cross-sectoral partnership (as referred to in the literature on integrative leadership) into conceptual relations through the use of a rich case study conducted in the context of policy practice. The case is of Nedlac, a complex hybrid organisation that aims to convene multiple constituencies into a coherent ensemble of policy deliberation, mandated to institutionalise cross-sectoral social dialogue (through negotiation and bargaining) for the achievement of consensus and agreement. Therefore, it provided an ideal setting and case to examine the institutional dynamics in a multi-stakeholder, cross-sectoral environment, where the formal organisational purpose was to create consensus and agreement by facilitating micro-foundational processes.

Importantly, the study achieved this by considering the micro-foundational interactions between policy actors in the institutional field. By studying the historical employment of frames, frame conflict, and frame formation processes of policy actors, the study examined the institutional entrepreneurship, cast as integrative leadership activities by constituency representatives, undertaken in pursuit of consensus-building, or frame formation at Nedlac.

The literature on studies of institutions, of multi-sectoral partnerships and collaboration, and of the role of integrative leaders in these settings, is vast (Gray and Purdy, 2018). However, there exists a significant resonance between the institutional literature's focus on the micro-foundations of institutions, the partnership and public leadership literature on the role of frame formation in creating the conditions, or the consensus and mutuality required for collaboration across sectors.

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There is, however, a gap in the literature in how formal and structured approaches to social dialogue, in multi-sectoral settings within the policy deliberation environment, lead to frame conflicts and how these might be overcome to create consensus through the creation of shared frames by way of frame formation. Therefore, this study considered the notion of a social compact as a shared institutional logic, underpinned by emergent meta frames that are informed by the appropriate field frames and arise from micro-foundational frame reflection.

In light of the above, the study considers as its independent variable the existence of persistent multi-level frame conflict in the absence of reflective frame formation, as a feature of social dialogue in the context of policymaking in the discourse and process. (See appendix 1) This is understood as being related to the persistence of the effects of historic factors at macro, memo and micro level, such as political economy, political development, economic development, social features and personal leadership features of social partner representatives, and the corporatist "framing" of Nedlac as a formal setting for social dialogue between the social partner constituencies. Furthermore, the study considers the dependant variable to be the performance or effectiveness of multi-sectoral institutionalised social dialogue, and concludes therefore that there is a need for a reform of Nedlac, beyond a formal institutionalised corporatist conception in order to account for the complexity of reflexive frame formation through enhanced representivity, integrative leadership, and institutional design which counteracts issues of environmental turbulence, political short-termism and extra-institutional or illicit contestation of interests.

1.3.1 Research problem

Whereas scholars have written extensively about the role of frames in sense-making in institutional fields (McPhee and Zaug, 2009), and in the prevalence of frames and their use in mediation and negotiation (Schön and Rein, 2000), this study was interested in the function of frames in the multi-sectoral organisational and policy-making setting (Hajer and Wagenaar, 2006). Consequently, this study aimed to focus on the role and employment of frames in social dialogue for policy consensus, and especially their use in creating new meta frames and frame formation in an institutional field, in lieu of consensus-building among social partners on issues of social and economic policy.

A qualitative case study approach

A case study is a qualitative research methodology that allows for a reflexive investigation into social processes or texts, an in-depth analysis of a bounded system, or as in the case of this study, into documents and discursive phenomena within institutional fields. From a methodological point of view, a qualitative case study might involve an interpretivist approach to an inductive assessment of language by examination and categorisation (Reay and Jones, 2015; Yin, 2014; Gummesson, 1991; Saunders, 2008). A qualitative case study might consist of an exploratory approach to theory-building through data gathering, and coding such as categorisation arising from content analysis, and the synthesis of insights that emerge from the data (Saunders, 2008).

Reay and Jones (2015) explain the value of such an approach in studying institutional logics, and state that "meaning is tightly intertwined with context", and refer to Myers (2013, p. 38) in saying that "the only way [to] understand a particular social or cultural phenomenon is to look at it from the 'inside'".

By employing a qualitative case study as a pragmatic approach to investigating the case of Nedlac, from the point of view of the micro-foundations of institutions, this study aimed to shed light on the theoretical intersection between institutional theory's notions of frames as operative in the micro-foundations of institutions, and the role of reflexive frame formation employed in integrative leadership theory and of frame negotiation in the context of consensus-building. The study accessed these by studying the use of frames and frame-reflection in Nedlac's economic policy work.

Scholars such as Hajer and Wagenaar (2003), Schön and Rein (1994) argued that frame formation requires conscious reflection on the strongly-held frames of institutional actors. According to various scholars (Morse, 2010; Luke, 1998; Chrislip, 2002; Crosby and Bryson, 2005; Geta-Taylor, 2008; Huxham and Vangen, 2005; Linden, 2002; Morse, 2008; Williams, 2002;, McGuire and Silvia, 2010; Cleveland, 2002; Page, 2010), this process is integral to the role of integrative leaders in building consensus. Thus, this study was interested in how frames have featured in the emergence, operations and successes or failure of Nedlac to achieve consensus on economic policy.

Regarding the formation of shared policy frames and action frames as enablers or collaboration and consensus-building, Nedlac does not represent a case of perfect success. In some instances, Nedlac has struggled to achieve its mandate of consensus-building among South Africa's social partners, and has at times been relegated to irrelevance in the policy-

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making process, including by the very social partners it was tasked to convene or who constitute its members. However, even in its shortcomings, Nedlac represents an ideal phenomenological example of the complexity inherent in discursive consensus-building via participative policy-making (Hajer and Wagenaar, 2006).

Past studies on Nedlac have focused on the organisational design, processes, performance and outcomes of the organisation (Nedlac, 2007). These have emphasised the successes and failures of Nedlac largely in terms of technical policy-making, taking somewhat of a managerialist perspective of the organisation by looking at the formal institution from the point of view of organisational theory and of public policy. Examples of successes by Nedlac include the successful passing through Nedlac of the labour market policy and legislation, such as the Labour Relations Act, No. 66 of 1995 (LRA) and the Basic Conditions of Employment Act, No. 75 of 1997 (BCEA), as well as trade liberalisation, industrial strategy, and competition law reform.

By comparison, critics have seen the weakness of the so-called tripartism at Nedlac as being closely related to formalist corporatism, where government and big business are accused of co-opting organised labour and other social groupings to further an agenda of entrenched and narrow interests (Parsons and Parry, 2018. P. 59). At the political level, the evolution of the ANC and their political alliance partners, the South African Communist Party and the Congress of South African Trade Unions into a democratically-elected government created a setting where such co-option might have been unavoidable. The political evolution of the alliance into the government of the day would create incentives for mutual interests, particularly among business and political elites in government to coalesce (Terreblanche, 2014).

The critics' assessment is that with the formation of Nedlac, South Africa shifted from a commitment to democratic pluralism, the recognition that society is constituted of a myriad of contending and equally legitimate interests and voices, to corporatism, whereby only a few organised entities or formations speak on behalf of their constituencies – often in a formal process (Habib, 2007). Thus, the 1990s are understood to have marked a significant shift in South Africa's labour relations landscape towards an approach dominated by corporatism (Desai and Habib, 1997), which has been widely criticised (Kim, 2014; Kim and van der Westhuizen, 2015). This, one might observe, created from the outset, a pattern of social partner engagement, which would be marked by insider-outside dynamics at the political, technocratic, economic and social level.

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Criticism of Nedlac, and the approach of corporatism, became especially acute in the wake of the Marikana massacre – understandably, as many viewed the violent tragedy as a consequence of failed consensus-building, and laid the blame at Nedlac's door. This resulted in Nedlac being called a mere 'talk shop' in many quarters (Barron, 2014; Biyase, 2013; Jones, G., 2012a; Pela and Salgado, 2005; Sathekge, 2014).

Some argued that the institution needed widespread reform (Joffe, 2013; Maswanganyi, 2012), with the then Minister of Trade and Industry, Rob Davies, even calling for the institution to "up its game" (Van Rensburg, 2012).

This raises again the inherent weakness of a corporatist approach and its tendency to result in important segments of society not being represented, either structurally, procedurally or in a sufficiently representative manner.

This, critics of Nedlac argue, leave such groups vulnerable to their interests being ignored or sidelined. A difficulty arising in the corporatist approach is also how to obtain mandates in domains where constituencies are not clearly defined or bounded. Invariably, in Nedlac's work, the need for consensus and agreements would mean that compromises have had to be reached, sometimes between irreconcilable goals and objectives, and in some cases, likely leading to policies that might be agreed upon, but that are undesirable because of the compromises they represent (Parsons and Parry, 2018, p. 70).

Other critics of Nedlac, for example, former Business Leadership SA's (BLSA) Vice-President, Mike Spicer, and the CEO of the Chamber of Mines (now the Minerals Council of South Africa), Roger Baxter, assert that Nedlac created a façade of stability that merely masked societal biases, and that it had entrenched and re-hashed the narrow interests of "big" business, government and labour (2019).

While Nedlac has formal structures and processes that are linked to the formal policy-making process of the country, Nedlac is not the sole decision-making body in the policy domain, and does not preclude social partners, even those represented at Nedlac, from approaching other institutions in the policy process (Parsons and Parry, 2018, p. 59).

On the other hand, supporters of Nedlac's approach have referred to the structured nature of its endeavours as a strength in seeking consensus though "tripartite consultation" (Donnelly and Dunn, 2007) or enabling dialogue among government, business and labour, instead of
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through conflict and coercion, and in so doing, facilitating the creation of an equilibrium between competing interests and national objectives (Parsons and Perry, 2018, p. 60).

However, in practice, the implication has been that sectoral interests mediated within the political process taking place inside the tripartite alliance of the ANC, the SACP and Cosatu, would lead to resolutions as well as ongoing disputations later in the policy process at Nedlac.

To an extent, as the ANC alliance politics go, so does Nedlac, as seen in the case of Cosatu's role in the removal of former President Thabo Mbeki in favour of installing Jacob Zuma in the presidency and the subsequent rejection of the economic chapter of the NDP by Cosatu. This meant that Nedlac has at times served as a proxy for the ANC's alliance battles and has been circumvented at times for that very same reason (Fine and Fine, 2019).

The present scenario is that Nedlac's important features of the institution and the broader organised business eco-system render it only representative of a minority of businesses. Being based on volunteerism is understood to expose Nedlac to being co-opted by the interests of factions, to capacity issues and other weaknesses (Parsons and Parry, 2018, pp. 142, 143). There is a recognition among the critics as well as the supporters of Nedlac alike that social dialogue and the associated formal institution needs reform (Webster and Sikwebu, 2006; Webster, Joynt, and Metcalf, 2013; Webster and Joynt, 2014).

Importantly, as Hajer and Wagenaar noted, policy-making and policy deliberation do not usually take the form of neat and clear solution formulations, but are often achieved "haltingly, tentatively, through acting on the situation at hand…" and that "… it often finds itself in the 'mud' of policy practice" in search of policy options" (2003, p. 19). This certainly seems to have been the case at Nedlac over the years as other studies have shown.

Previous studies on Nedlac were more interested in the organisational features and operations, from the perspective of organisational studies and labour relations, political science, and management and leadership theory, and examining policy outcomes at Nedlac (Parsons, 2010). This study by comparison, focused on institutional plurality, the institutional field's character and functioning of Nedlac, its micro-foundations, and specifically, the role of frames and frame formation in consensus-building as a mechanism for institutionalising social compacts.

Therefore, this study contributes to theory and practice by delineating, from an institutional

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perspective, how Nedlac as an organisation might be reformed. The study conceives of reform in relation to the institution's structures and processes. The study sets as a goal the preference for Nedlac, in whatever institutional form, to become more effective and its work being undertaken as a true consensus-building forum. As such, it assumes that a preferable outcome would be an increase in the likelihood of Nedlac achieving its goal of institutionalising social dialogue and forming a national social compact, in line with the institution's legislative mandate.

In this process, the study reflects on the conundrum apparent at Nedlac, where on the one hand, it is tasked with consensus-building, which involves building trust and mediating conflict, and on the other hand, Nedlac is expected to contribute formally to the policy and legislative agenda of South Africa, which of necessity implies taking a perspective on policy positions, making policy choices that imply trade-offs, and enabling bargaining between parties with often divergent interests.

1.3.2 Research aim

The aim of this study was to explore the work of the social partners to institutionalise social dialogue in South Africa, with specific reference to the role of frames and frame conflicts, or contending logics that are the micro-foundations of institutions, employed by institutional entrepreneurs in the institutional field of Nedlac. The results contribute to a micro-foundational perspective of institutions; to theorise about cross-sectoral social dialogue; and in terms of practice, to policy-making in contexts such as South Africa that are beset with conflicting interests. The results of the study have implications for institutional design, for discursive approaches to policy-making and mediation, and leadership practices in multi-sectoral institutions.

1.3.3 Research questions

The overall research questions for the qualitative case study research, based on document analysis, were:

i)   How have changes in South Africa's political economy context, the macro-level setting, informed the participating social partners in Nedlac, the meso-level institutional field, with particular reference to competing logics, field frames, frame conflict, and frame formation? (This question takes a top-down macro

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view of institutional formation.)

ii)   How have institutional structures, processes, and the formal institutional features of Nedlac affected the institutional capacity for the creation of consensus and agreement on economic policy in lieu of a social compact for South Africa? (This question takes a meso-level view of institutional functioning.)

iii)   How have the frames and logics participants at Nedlac given rise to frame conflict, frame formation, and shared frames in the context of social contracting? (This question takes a micro-level view of institutional change and institutionalisation.)

A document analysis, as a qualitative and discursive assessment of the study and the primary focus of this study, was used to provide preliminary findings for the above questions, and was guided by the following three questions:

i)   What have been the effects of contextual factors on the frames and institutional logics of social partners at Nedlac?

ii)   How have participants or institutional actors' approaches to engagement affected the framing formation of social partners and the resultant effectiveness or ineffectiveness in creating consensus?

iii)   What can be understood about the performance of multi-sectoral institutions tasked with consensus-building, from the confluence of context, structure, process and engagement at Nedlac, and more specifically, of the role of social partners' contending frames and logics?

1.3.4 Research objectives

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The study focused on the following five research objectives:

i)   To examine the institutional genesis and evolution of Nedlac since 1994 (for example, the factors that initially gave rise to Nedlac as an institution; how the institutional structures and processes responded to the demands of that situation; how the institution has evolved over time, formally and informally, to how it currently operates as a convener of current stakeholders).

ii)   To develop a framework of the relationship between the micro-foundations of institutions and integrative leadership in institutionalised social dialogue (which includes the use of frames, frame reflection and frame formation in the context of deliberative or reflexive policy-making, and their relation to the creation of mutuality or consensus among stakeholders).

iii)   In light of the above, to assess the progress at Nedlac (or lack thereof) in consensus-building through social dialogue towards social compact-building, over various sub-periods or eras since its inception, highlighting successes and failures in this regard.

iv)   Within the context of the above, to explore the dynamic interrelationships between macro-level contextual change, institutional form or structure, organisational processes and micro-foundations (such as frame formation, including conflict arising from diverse frames or institutional logics), and finally the role of reframing features in multi-sectoral settings.

v)   In light of the above, to formulate a framework and recommendations for institutionalised social dialogue in terms of its procedural and facilitative aspects.

In the case of Nedlac, the study has thus allowed for the examination and description of emerging implications for institutional development, institutional entrepreneurship and institutional leadership in cross-sectoral policy-making settings.

1.4 Significance of the Study

This study responds to the need for scholars, analysts and practitioners to better understand

institutional leadership within the context of policy deliberation as part of the institutional life of pluralistic democratic societies. Although the literature on institutions has expanded considerably in recent decades, new challenges have emerged in policy-making and in public leadership as a result of increasingly complex, multi-stakeholder demands. There is a recognition that institutional pluralism must be accommodated and better understood by policy-makers and institutional leaders. Therefore, an important requirement for scholars and practitioners now and in the future will be the ability to design and manage pluralistic institutions that can respond adequately to the complexity of the context.

This study represents the first study to examine the case of Nedlac from a micro-foundational institutional perspective, within a multi-layer framework, and in so doing, it identifies the possible limitations for consensus-building that arise from inadequate management of competing logics and the required frame formation.

This study, besides addressing the gap in the literature relating to the facilitation of social dialogue for consensus-building in multi-stakeholder settings from a micro-foundational perspective, was also concerned with the integration of the related concepts. The study enhances the relationship between theory and practice, and offers policy-makers and institutional leaders in South Africa and elsewhere, executable insights into new approaches to consensus-building. Thereby, it contributes meaningfully towards South Africa's stated goal of developing a social compact between the nation's social partners, and sheds light on the path other nations might take in achieving similar compacts.

1.4.1 Contribution of the study

This study makes a contribution to the integration of the fields of institutional theory, policy theory and public leadership, and specifically, as it relates to the role of frames and framing, frame conflict and reflective policy practice in the context of a multi-stakeholder institution. The study creates new knowledge about the micro-foundations of institutions, exploring how frames and frame conflict, as well as the facilitation of frame formation might enhance the institutional effectiveness in the policy-making process. It sheds light on the role of policy actors, in the context of multi-stakeholder engagement, as institutional entrepreneurs, and how the often illusive social contract(s) arising from policy deliberation might become more readily secured. The study achieved this by conceptualising the phenomena into a new theoretical perspective.

Furthermore, the study makes a contribution to practice in that it alludes to procedures and approaches, both formal and informal, and reforms in institutional design that would ensure better performance in the mandate of consensus-building institutions. These insights are useful to policy-makers and practitioners tasked with facilitating consensus-building and agreement on matters of policy.

Arising from the aforementioned, the study provides a framework for assessing and leading social dialogue in a multi-sectoral institutional milieu at the individual and the micro-foundational level, as well as at the meso level of institutional design and the macro-contextual level, where the social partners are convened. As such, the study makes a contribution to the design of multi-sector institutions for social contracting.

1.4.2 Scope of the study

The units of analysis of the study were the frames, frame conflict, and frame formation, specifically in relation to economic policy that have occurred among the social partners at Nedlac. The study was focused on the discursive dimension of the institution's history, or its micro-foundations. Importantly though, it has to be noted that these can only be understood within their multi-level context, being the macro-contextual level in which Nedlac came to be and operates, and the meso-organisational context of the formal institution and the micro-level interactions that constitute the institutional field.

The study accessed the micro-foundations by first assessing the broad macro-contextual evolution of Nedlac, and within that, the inter-institution and intra-institutional developments in periods marked by significant events or changes in Nedlac's agenda and work programme. Thereafter, the study reflected on the employment of frames, the emergence of frame conflict, and the development of frame formation by institutional actors in the policy-making process.

Notably, Nedlac's work and resultant documentary evidence on the work of Nedlac over the two-and-a-half decades of its existence is vast, and thus, could not exhaustively be dealt with within the context of this study. Therefore, the study provides only a cursory assessment of the macro- and meso-level history of Nedlac, instrumentally, to provide a backdrop to the micro-foundational assessment, which was the core focus of this study. The study was further limited in its scope to the frames, frame conflict and frame formation between past and current participants at Nedlac, within their broader national context, as opposed to enveloping South Africa's public policy discourse in its entirety.

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1.5 Delimitations

Since institutional theory is set on foundations of sociology and the research was by necessity qualitative and interpretive, and since Nedlac's case was set in a multiplicity of contextual and internal complexities relating to diverse actors, macro-systemic and micro factors, it is likely that the study could at most, provide an integrated framework to approach the research questions, rather than providing definitive proofs and generalisable findings, and utilises empirical research in service of exploratory research.

Rather than being viewed as a weakness in research design, this delimitation is a recognition of the complex and illusive nature of the phenomenon under investigation. The implications are that the study will serve to robustly integrate theoretical perspectives and provide a framework for addressing future research into the phenomena.

Some of the factors in the institutionalisation of social dialogue for social contracting that were beyond the scope of this study, were:

a) What is the process of diffusion policy frames in the policy-making process?
b) What specific behaviours, individual or in terms of institutional process, accelerate or hinder institutionalisation?
c) What are the effects of power relations and identity in the dialogical process during policy-making?
d) How does the social contract evolve or weaken over time, given the generational values shifts that might occur at the master-frame level?

These are questions that might have affected the findings and conclusions drawn from this study, and are worth exploring in the future.

While a framework was developed to synthesise a range of factors arising from the literature and document analysis, some of these are beyond the scope of this study. However, they do form part of the complex phenomenon that is an institutionalised approach to social dialogue for social contracting. Thus, some of these factors are alluded to in passing, but were neither discussed in-depth nor investigated in the study. The study instead focused on the micro-foundational level, and dealt with certain constructs and factors in a cursory manner, sufficient to contextualise the micro-foundational perspective.

The study was essentially an exploratory study, based on non-probabilistic sampling. The findings of the study contribute to the development of a conceptual framework and are not an empirical proof of findings or generalisable. Since institutional theory is set on foundations of sociology and the research was by necessity qualitative and interpretive, and since the case of Nedlac was set in a multiplicity of contextual and internal complexities, relating to diverse actors, macro-systemic and micro factors, the study at most provided an integrated framework to approach the research questions, rather than providing definitive proofs, or generalisable findings. However, rather than being viewed as a weakness in research design, this delimitation is a recognition of the complex and illusive nature of the phenomena under investigation. The implications are that the study will serve to robustly integrate theoretical perspectives and provide a framework for addressing future research into the phenomena.

1.6 Preliminary Review of the Documentary Data available on Nedlac

It is crucial that Nedlac is seen in the context of the political and economic context in which it works. This can be achieved by briefly considering the changes in political leadership in South Africa during different periods, as well as the accompanying economic performance of the country, and related major economic policy changes. While it would fall well beyond the scope of this study to discuss these aspects of the South African context exhaustively, they are given at least cursory attention at this point in order to contextualise the discussion of Nedlac.

Political and economic context of Nedlac's work programme – 1994 to 2020

South Africa's democratic dispensation can be understood by considering the political eras defined by each president of the Republic, and the changes in their terms in office since democracy. Former President Nelson Mandela was, of course, South Africa's first democratically-elected president, and only served one term of four years in office.

Era 1: Mandela euphoria

This period might be designated as a period of "Mandela euphoria", when South Africa saw wholesale political changes and democratisation of public institutions, growing levels of business and civilian confidence in the future prospects of the country, and accompanying high levels of economic growth. Growth in GDP averaged 2.7% between 1994 and 1998, and the key policies of government were the RDP of 1994, and the Growth, Employment and Redistribution (GEAR) Strategy of 1996 (SSA, 2021).

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Eras 2 and 3: Mbeki efficiency and the Motlanthe moment

The era of Mandela euphoria was followed by a period of rapid economic growth and gains in public services delivery that might be accounted for as the period of "Mbeki efficiency". Under the leadership of Nelson Mandela's successor, the technocratically-minded and administratively-astute former President Thabo Mbeki, South Africa averaged an impressive GDP growth rate of 3.96%, at one point even reaching 5.6%.

The Mbeki efficiency period saw the introduction of the Accelerated and Shared Growth Initiative for South Africa (Asgi-SA) of 2005, a policy intervention that looked to remove domestic constraints to growth, while seeking to bring about more job-creating growth. President Mbeki would, however, not complete his second term, being recalled by the ANC during a presidential elective conference of the party.

Mbeki's detractors, chief among them the Secretary General of Cosatu, Zwelimzima Vavi, the ANC's alliance partner, and the leader of the ANC Youth League, Julius Malema, raised their complaint against Mbeki's policy approach, stating that it favoured a market-led growth path, investment-orientated policy approach and fiscal prudence instead of expansive monetary and fiscal policy to drive a state-led job-creating agenda. Their critique was that the ANC under Thabo Mbeki had become beholden to capitalist interests, and had fallen victim to a so-called class-project and neo-liberal agenda.

Notably, at the root of this contestation between the Mbeki Presidency and his supporters in the ANC on the one hand, and the ANC alliance partners such as Cosatu, the SACP as well as the ANC Youth League at the time, display an ideological contestation. While Mbeki supported the ANC's conception of a state-led growth path, as conceived of broadly in the notion of a national democratic revolution, Mbeki ideologically accommodated the market mechanism of openness and investment as necessary in the process. The imperative of enabling and attracting private sector investment alongside public sector investment was, within the policy frameworks of GEAR and Asgi-SA, seen to be inevitable by the Presidency. Comparatively, the perspective of Cosatu, the SACP and the then Youth League, championed by their vocal leaders in the form of Zwelinzima Vavi, Minister Blade Nzimande and Julius Malema at the time, was that state subordination of all social and economic institutions was crucial to progress. The resultant emphasis on nationalisation of industries as a policy preference of the EFF, a splinter party later founded by Malema, and SAFTU, a splinter union

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federation founded by Vavi, point to the divergent ideological dispositions that played themselves out at the time.

The ousting of Thabo Mbeki was akin to a palace coup within the ruling ANC establishment and saw the *deployment*, a term used by the ANC to refer to the commissioning of members into positions in the state and government, of President Kgalema Motlanthe. Motlanthe had a short-lived "Motlanthe moment" in the Presidency in 2008-2009, a period that coincided with the global financial crisis, which saw the global economy, and South Africa's economy in turn, go into recession. Economic growth in GDP terms contracted by -1.5% in the period, and marked the beginning of a period of low business confidence, policy uncertainty, and lower levels of domestic and foreign direct investment (SSA, 2021). While the general economic decline and accompanying decline in governance is observable across the periods discussed above, it is important to note the fact that this occurred within a historical context of accusations of corruption by sectoral actors that had endured from the apartheid era, including in the Mandela years as in the case of the Arms Deal scandal.

Figure 4: Eras in the political and economic context of South Africa, in terms of the Presidency, economic growth, unemployment, and major economic policies

Eras in the Political and Economic Context of South Africa

Political Era (presidency)	Major Economic Policy	Economic growth (GDP*):	Unemployment levels:**
Mandela Euphoria Early years (after 1994) President: Mandela (May 1994 - June 1999)	1994: Reconstruction and Development Programme (RDP) 1996: Growth, Employment and Redistribution (GEAR) strategy. (Criticised by Cosatu)	1994: 3.2 1995: 3.1 1996: 4.3 1997: 2.6 1998: 0.5	1994: 30.14% 1995: 30.16% 1996: 30.19% 1997: 30.16% 1998: 30.18%
Mbeki Efficiency Middle years A (after 1999) President: Mbeki (June 1999 - Sep 2008)	2005: Accelerated and Shared Growth Initiative for South Africa (ASGI-SA)	1999: 2.4 2000: 4.2 2001: 2.7 2002: 3.7 2003: 2.9 2004: 4.5 2005: 5.2 2006: 5.6 2007: 5.3 2008: 3.1	1999: 30.2% 2000: 30.23% 2001: 30.9% 2002: 33.47% 2003: 32.46% 2004: 29.58% 2005: 28.49% 2006: 28.49% 2007: 26.67% 2008: 22.43%
Mothlante Moment Middle years B (after 2008) President: Mothlante (Sep 2008 - May 2009)	2009: Industrial Policy Action Plan (IPAP)	2009: -1.5	2009: 23.54%
Zuma Meltdown Later years (after 2009) President: Zuma (May 2009 - Feb 2018)	2010: New Growth Path (NGP) 2013: National Development Plan (NDP)	2010: 3.0 2011: 3.2 2012: 2.2 2013: 2.4 2014: 1.8 2015: 1.1 2016: 0.3 2017: 1.4	2010: 24.69% 2011: 24.65% 2012: 24.73% 2013: 24.57% 2014: 24.9% 2015: 25.16% 2016: 26.55% 2017: 27.07%
Rampahosa Dilemma Later years B (2018 to date) President: Ramaphosa (Feb 2018 -present)	2020: Economic Recovery and Reconstruction Programme	2018: 0.7 2019: 0.1 2020: -7.0% (Covid-19)	2018: 26.92% 2019: 28.18% 2020: 28.74%

Source: Researcher's depiction

*as per World Bank, data.worldbank.org

**Statistics South Africa (SSA). Retrieved at: https://www.statista.com

Notwithstanding these exogenous economic challenges, positive developments had been made in the development of the Industrial Policy Action Plan (IPAP), a policy attempting to align South Africa's trade and industrial policy to prospective growth in key industrial sectors such as the automotive sector. However, the economic environment did not lend itself to business development, and to make matter worse, South Africa experienced the first wave of so-called *loadshedding* (which occurred in five distinct periods, including 2007-2008, 2014-2015, Feb-Mar 2019, Dec 2019-Mar 2020, and Mar 2021-present), the reduction of electricity demand by the state-owned enterprise Eskom caused by an undersupply stemming from under-development or efficient maintenance of the energy infrastructure, in addition to fraud, corruption and irregular expenditure by the utility.

Era 4: The Zuma meltdown

The detractors of President Thabo Mbeki had favoured the former Deputy President, Jacob Zuma to succeed Mbeki. Zuma had already secured the ANC presidency and was deployed in Motlanthe's stead, following the national general elections in 2009. His presidency would be marked by innumerable scandals relating to irregular spending, fraud and corruption on a large scale, and what later became known as "state capture"− a phenomenon, where state apparatus and especially public procurement through SOEs are manipulated by politically influential individuals for selfish benefit, often through the use of inflated costs and fictitious services or channelled through fictitious companies.

In economic terms, the period might be called the "Zuma meltdown", in that economic growth spiralled downwards from a GDP growth rate of 3% in 2010, the year in which South Africa hosted the FIFA Soccer World Cup, to 2.2% by 2012, 1.1% by 2015 and as little as 0.3% in 2016. During Zuma's Presidency, economic growth averaged a measly 1.92%. It is important to note that domestic governance factors were not the only contributing factor, since the end of the global commodity super-cycle as well as low domestic investment and demand, following the global financial crisis of 2008/2009, continued to weigh on growth.

During Zuma's tenure, government ushered in the New Growth Path (NGP) and later the NDP, a 30-year development agenda for South Africa, while in reality, the public purse

was allocated increasingly towards social transfers, above-inflation public sector wage increases, and continued bailouts of loss-making SOEs. By the end of Zuma's two terms in office, South Africa was facing sovereign rating agency downgrades caused by a widening fiscal deficit, spiralling sovereign debt levels, policy uncertainty and decimated investor and business confidence.

Era 5: The Ramaphosa conundrum

President Cyril Ramaphosa had been in the position of Deputy President for most of Zuma's second term, and took the helm as president in 2018, at a point where economic growth was down at 0.7% in GDP terms, declining further to 0.1% in 2019 (SSA, 2021). Though Ramaphosa campaigned for a stance of anti-corruption and investment-friendly "inclusive growth", his emergence marked a period of what might be called the "Ramaphosa dilemma". He was embattled within his own party, beset with factional battles and policy rifts, including the intention by some factions to nationalise the SARB, believed to be a ploy to enable a more expansive monetary policy, as well as proposals from within his party to expropriate land without compensation. The latter became a substantive issue in the policy deliberation and legislative process, including evolving to the point of draft legislation being written with the aim of amending the section of the South African Constitution dealing with property rights and land management.

Ramaphosa's dilemma therefore was the challenge of how to grow the economy by attracting investment and thereby creating employment, while fighting corruption and inefficiencies in the state, and holding at bay voices in his own party and in the tri-partite alliance calling for a state-led approach to policy.

Ramaphosa's era has so far been marked by small gains such as securing the National Minimum Wage (NMW) agreement for South Africa through Nedlac, the tabling of the Comprehensive Social Security (CSS) and National Health Insurance (NHI) proposals, none of which are, however, implementable against the backdrop of non-investment grade credit ratings and non-existent growth. In the midst of this conundrum have come the Covid-19 pandemic, South Africa's aggressive (but efficient) lockdown measures, and consequent decimation of economic growth in 2020.

Overview of reporting on progress and challenges at Nedlac

The body of literature on Nedlac has grown substantially in the last two decades since the institution's inception. Of these sources, the ten most cited academic texts during the almost three decades of Nedlac's existence, in order of date of publication, include a range of articles and reports by Webster (1995); Webster and Gostner (1998); Webster, Gostner, and Nkadimeng (2005); Webster and Sikwebu (2006); and Webster, Joynt, and Metcalfe (2013).

In these published works, Webster collaborated with a range of scholars to investigate the nature and effectiveness of social consultation and dialogue at Nedlac, and evaluated South Africa's institutionalised approach to consensus-building, describing it as the preferred mode of policy deliberation in the new democratic order. Webster, a sociologist with a focus on labour relations and labour market policy, paid special attention to the role of labour unions and social packs or compacts, as central to Nedlac's contribution to South Africa's democratisation process. Webster and Sikwebu (2006) provided a historic account of Nedlac's work in the form of an external report to Nedlac, of social dialogue in South Africa in the period 1995-2006. Finally, by 2013, Webster, Joynt, and Metcalfe had explored possibilities for reform and the repositioning of what they call "peak-level social dialogue" in South Africa, and the possible future role of Nedlac.

Reporting on Nedlac, the early period of the 1990s

In the late 1990s, shortly after Nedlac's inception, Lundahl and Petersson (1996) reported an investigation into the often-adversarial character of policy deliberation at Nedlac as a forum, asking: "Nedlac: A boxing ring or a negotiation forum?". Bethlehem (1997), alluding to the conflicts inherent at Nedlac in the period, stated "Erasing Nedlac will not rub out any problems", signalling the emerging debate in the public discourse about Nedlac's use and effectiveness. Also in this period, Gostner and Joffe (1998) examined the role of organised labour in Nedlac in a study published in the journal *Law, Democracy and Development*. This coincided with Gonomo's (1997) article, entitled "What Cosatu told Nedlac", wherein he outlined organised labour's growing discontent with Nedlac's apparent lack of

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effectiveness. In the following year, Houston, Mpanyane, and Liebenberg (1999) referred to Nedlac as a "tripartite dialogue" in their paper in the *Journal of Public Administration*.

Nedlac's work programme in the 1990s was dominated by labour relations issues, and understandably so, as a newly democratic South Africa grappled with the need to stabilise and normalise industrial relations post the apartheid era. The period was marked by labour's role as a powerful social and political voice in the policy-making arena. Notwithstanding the often-combative tone of the social dialogue at the time, the outcome of the period was the substantive progress in labour market policy reform.

Reporting on Nedlac, the middle period in the 2000s

By 2000, Dexter in his report "Labour Marker policy by consensus? The Nedlac experience" in the *Innes Labour Brief*, reported on the passage through Nedlac of the labour market legislation, while Parsons (2001), in the following year reflected in the *South African Journal of Economic History* on South Africa's steps towards social dialogue and Nedlac's development in the context thereof. Nedlac was coming into its own as a policy deliberation forum, and had become fully functional in formal institutional, procedural, and structural terms. Houston, Liebenberg, and Dichaba (2001) conducted an assessment of the interest groups participating in Nedlac. These scholars concluded in their key findings that:

- "Levels of participation / interaction in legislative processes were generally low, with a correspondingly high level of non-participation / interaction;
- There was limited knowledge of mechanisms for public participation in the legislative process and the functions of political structures, with the overwhelming majority of South Africans having insufficient or no knowledge of these mechanisms and functions;
- More South Africans had no intention of participating in legislative processes than those who were intending to do so; and
- The majority of South Africans felt that it was not possible to influence provincial government decisions, while roughly similar numbers felt that they were either capable or incapable of influencing national government decisions" (Houston,

Liebenberg, and Dichaba, 2001, p. 197).

In the following year, Manji (2002, p. 47) published a doctoral dissertation on the "interest, mediation, and democratic transitions", in which he described Nedlac as "South Africa's experiment in corporatism" and concluded that "While Nedlac contributed towards a stable democratic translon… and corporatism was a valid and valuable institution in the transition…", it is "unclear whether it can aid in South Africa's democratic consolidation", concluding that "Nedlac has reached its 'sell-by date'".

By the mid-2000s, Nedlac had presided over a considerable policy and legislative work programme; it had been handling deliberation among the social partners of issues and crises of national significance, and facilitated thousands of hours of social dialogue. Keller and Nkadimeng (2005) conducted a review for the International Labour Organisation (ILO) into the impact of social dialogue in South Africa in the first two decades of Nedlac's existence. They established that the institution was widely viewed as an innovation in policy practice and a political success story at that time.

Reporting on Nedlac, the later period, after 2010

By the 2010s, however, it was becoming clearer that Nedlac was not delivering adequately on the lofty expectations of the social partners, as articulated by Joffe (2013) in a press article, "Whither Nedlac? Try harder, change it, or chuck it?". Kim and van der Westhuizen (2015) in *Africa Spectrum* examined the significance of Nedlac against the backdrop of the telling question: "Why did corporatism collapse in South Africa?". In the following year, Ngaxabi (2016) published a doctoral dissertation entitled, "The role of social dialogue (civil society participation) in policy-decision-making in South Africa: The case study of Nedlac". The authors confirmed Nedlac's success in implementing the formal processes of corporatist social dialogue, but all shared the view that social dialogue, in the conception and institutionalisation thereof at Nedlac, was being shown to have its limits.

Dentlinger (2017), in a Master's dissertation, examined the Marikana crisis in which 47 miners were killed by police, as a case study to establish the "relevance and effectiveness of Nedlac" as a social dialogue forum. The Marikana tragedy marked a high-point and

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resurgence of an industrial relation conflict, and raised questions about South Africa's progress in transformation, or rather the lack thereof. After providing a brief overview of the concepts of pluralism, corporatism, and social dialogue, and outlining the history of Nedlac in the two eras of "the early years" of 1995-2005 and the period 2006-2016, Dentilinger (2017) examined Nedlac's successes and failures, especially Nedlac's lack of effectiveness in averting the escalation that led to the Marikana crisis. She contends that a failure of collective bargaining at Nedlac and the accompanying fracturing of the labour movement more broadly, coupled with a "brain drain" in the areas of industrial relations as well as a failure of effective leadership and leadership communications, were all contributing factors to the Marikana tragedy (Dentlinger, 2017).

Far from laying the blame for Marikana at Nedlac as an institution, or the legislation from which its mandate arises or its core functioning, on the basis of her study, Dentlinger recommends rather a change in the level of appreciation of and commitment towards Nedlac by the social partners. She furthermore calls for clarity from government about Nedlac's role in the policy-making and industrial relations environment, and argues that for South Africa's social compact to be maintained, higher levels of trust would have to be established among the social partners, and that the substantive national issues of unemployment, inequality and poverty have to be addressed. Dentlinger's final recommendation is the prioritisation of agenda items, by the social partners and by Nedlac as institution, that address national issues from a point of departure by the social partners on a commitment to the national interest, as opposed to the narrow interests of constituencies.

Therefore, the lesson from the Marikana tragedy is that better social dialogue is needed, as opposed to an alternative approach altogether. Nedlac needs to become better at consensus-building. More recently, Milapityana (2019) asks in a press article, "Is Nedlac the ideal forum to forge a new agenda for South Africa?".

Nedlac's central role in the national policy successes and shortcomings in South Africa over the almost three decades of democracy, means that the question of the nation's progress in some measure depends directly on the success or failure of the institution. To the extent that the Nedlac process stagnates or is reformed, this directly affects the policy

process. In terms of institutionalised political norms, the entrenchment and further diffusion of South Africa's preference for social dialogue as an approach for the resolution of intractable policy controversies, depends on Nedlac's progress and effectiveness.

Nedlac's focus areas, work programme, agenda and challenges

Nedlac published annual reports on their website for the periods 2007 to 2019, but failed to do so in 2012, during a time of institutional instability. These reports outlined information on Nedlac itself, such as the structure of the chambers within Nedlac, various work streams of the chambers in Nedlac, project outcomes as well as challenges and key opportunities identified for the year ahead. A review of these reports shows that eight Nedlac work streams are referred to, including Nedlac's Annual Summit, that of the Executive Council (Exco), the Management Committee (Manco), the Public Finance and Monetary Policy Chamber (PFMPC), the Trade and Industry Chamber (TIC), which includes the Fund for Research into Industrial Development, Growth and Equity (FRIDGE) and sector reports, the Labour Market Chamber (LMC), the Development Chamber (DC), and finally, special projects.

According to the 2007 annual report, the Cabinet Lekgotla held in January 2005 had requested that the minister of labour undertake a review of social dialogue and the role of Nedlac, and that this be facilitated by the ILO to examine the impact of social dialogue as an instrument to address social and economic challenges in South Africa. The review focused on the cost effectiveness of Nedlac's contribution to the sustainability of the reform process in South Africa, and identified three dimensions in which Nedlac had contributed positively, namely, institutional innovation, the development of social capital, and its impact on economic and social reform. In their annual report of 2007, Nedlac reported:

> *"The authors of the review supported the view that Nedlac has created social capital through the emergence of a network of individuals and institutions whose interactions bridge the historic divide both within and between constituencies. This social capital includes social networks, a sense of mutual obligation and trustworthiness, a common vision, better understanding of each other's mandates, behaviours and limitations of the negotiation process."*

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Apart from these successes, not only was Nedlac tasked with enabling the resolution to South Africa's myriad policy challenges, but the institution itself was confronted with a litany of its own challenges (See section 5.3 Description of Dominant Themes arising from Interviews, page 219).

Intra-institutional and intra-institutional challenges faced at Nedlac

During the period 2007 to 2019, Nedlac published annual reports detailing a range of challenges faced by the institution at the intra-institutional as well as inter-institutional level. These challenges ranged from: (i.) organisational and operational challenges; those pertaining to (ii.) challenges in the policy-making process; and the associated (iii.) procedural work of Nedlac; challenges related to (iv.) Nedlac's relations with constituencies and other public institutions such as government and Parliament; (v.) the character of engagement during social dialogue among constituencies; and a disjuncture between the (vi.) national versus the sub-national discourses, leading to a lack of alignment between Nedlac's work and the realities playing themselves out more broadly in the country.

These challenges experienced at Nedlac echo the observations of the 2005 ILO review of Nedlac, in which it was found that Nedlac's challenges could be categorised as "extra-institutional, those that emanated from the factors outside of Nedlac" and as "intra-institutional, those that were internal to the institution" (Mkhize, 2007).

Chief among these reported challenges was the tendency in the late 2000s of government bypassing Nedlac and going straight to Parliament with bills, an action about which the Nedlac Management Committee expressed grave concern, reporting:

> *"On 24 July 2008, the Nedlac Management Committee met and raised grave concerns on various bills that were before Parliament, some of which were either not tabled in Nedlac or tabled at short notice, and as a result making it virtually impossible for the Nedlac due-process to run its course"* (Mkhize, 2009).

Dentlinger (2017, n.p.) also identifies an underlying lack of commitment to Nedlac from the social partners as being a source of Nedlac's lack of effectiveness, saying, "…the effectiveness of social dialogue through a statutory structure such as Nedlac, is at risk of collapse because of the low levels of commitment of the social partners involved in the Council's processes*."*

By 2010, a higher-level of buy-in was reported as being forthcoming from government departments; in particular about the role and importance of Nedlac. However, Mkhize (2010) reported that some government departments only tabled issues at Nedlac reluctantly, or "kicking and screaming*",* but that the trend was that "more and more government departments, at least at a political level, were willingly seeking the input of the Nedlac structures in the policies they develop". He alluded to the need to inform and educate government policy-makers about what they called the DNA and modus operandi of Nedlac, and initiated a review of the Nedlac protocol at the time.

Nedlac's challenges are depicted in the concentric circles in the image below, as they feature at the micro level pertaining to the organisation and engagement within Nedlac; the meso level as it pertains to the policy process and procedures, whereby policy issues are tabled at Nedlac; and at the macro level as it pertains to Nedlac's inter-institutional relations as well as more broadly the national policy discourse.

Figure 5: Challenges experienced at Nedlac at the micro, meso and macro level
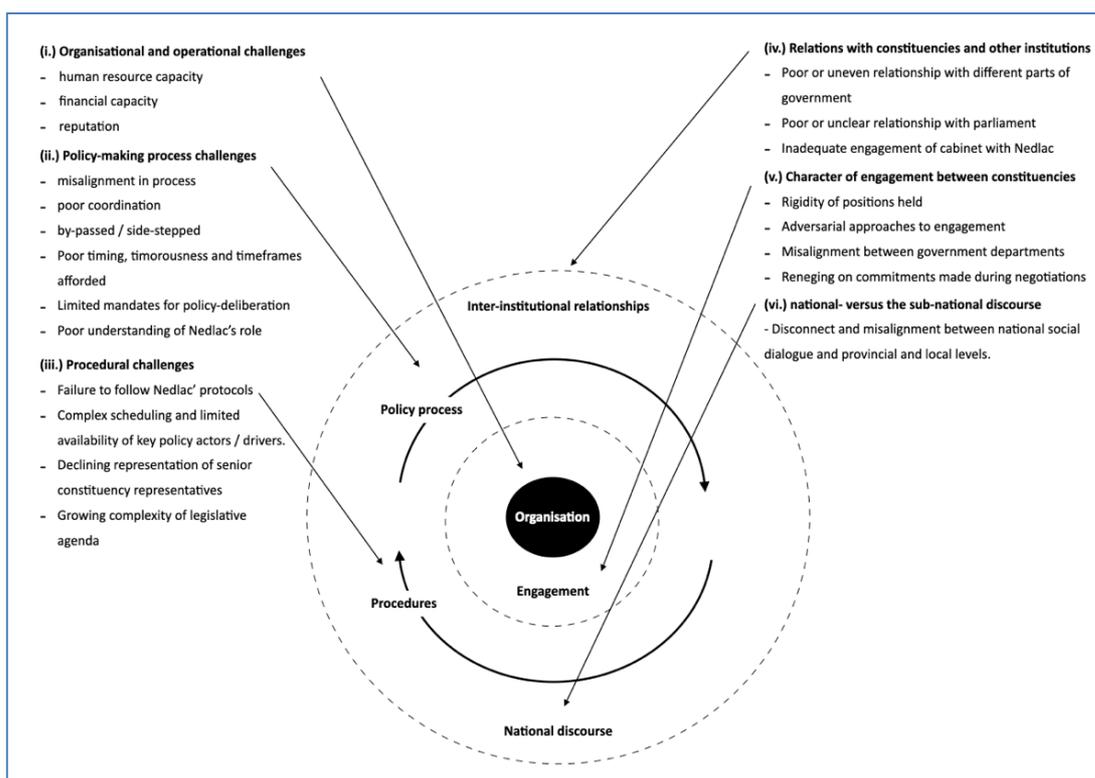
Source: Researcher's depiction

Nedlac's challenges and subsequent interventions were outlined in its reports of 2007-2011 alongside its interventions undertaken until 2013, where after these were detailed in relation to Nedlac's newly adopted strategic objectives and outlined rather as deviations from planned targets to actual achievement.

This change in reporting style coincided with a change in executive management at Nedlac from its longstanding Executive Director, Herbert Mkhize (Tenure: August 2003 to March 2015), to Alistair Smith. Smith was followed by acting Executive Director, Mahandra Maidee, and in quick succession by Madoda Vilakazi at the end of the 2014/2015 financial year. This is significant, in that it signals a period of institutional turbulence.

During the latter two tenures, a change in approach again occurred in Nedlac's management, away from a reference to strategic priorities as set out by Smith, towards a programme-based approach, focused on administrative issues such as entity management, corporate services, finance and administration, and core operations aligned

to the work of the various chambers. Nedlac had undergone a change in institutional agenda and focus, away from its previous long-term national-level concerns, and had become inward-focused and preoccupied with intra- and inter-institutional problems. Vilakazi was placed on special leave because of allegations of financial impropriety alongside his then chief financial officer, and was later replaced by acting Executive Director, Teboho Thejane, in late 2019. While investigations into the allegations were launched and reports to Parliament alluded to them, they were never concluded and reported on publicly. In addition to the intra-institutional challenges, inter-institutional challenges persisted as the OECD (2016) reported on Nedlac's dual challenges and destabilisation as follows:

> "… one key challenge Nedlac faces is that its effectiveness is largely determined by the social partners that comprise the organisation. Internal challenges being experienced by these social partners have an impact on Nedlac's ability to implement its role" (OECD, 2016).

The persistent inter-institutional relations challenges faced at Nedlac pointed to the need for clearly defined and agreed-upon rules of engagement, or protocols for social dialogue, as well as the need for stakeholders and policy actors to be fully familiar with and understand the various mandates and roles of institutions in the policy-making eco-system.

In 2013, Smith, the Nedlac Executive Director, reflected on the way in which these challenges were hampering the institution's capacity to deliver on its mandate of facilitating national-level social dialogue, and thereby preventing Nedlac from contributing to putting South Africa on a more equitable developmental path, in spite of the then prominent NDP:

> "The ground for this type of social dialogue is unfortunately fallow. This is a function of a number of factors, including issues of leadership, political dynamics, capacity and fragmentation within the constituencies, and the lack of a unifying vision for the nation. The recent debates on the NDP underline the blurred nature of our national vision as a platform for coherence and cooperation on key policy areas. It also reflects the ongoing macro-economic policy stale-mate that has existed over the last decade or so" (Smith, Nedlac Annual Report, 2013).

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Notably, however, while the challenges outlined in the earlier Nedlac reports predominantly referred to substantive difficulties in relation to policy-making, which Nedlac faced in executing its mandate within the policy process and broader institutional milieu, the latter reports were increasingly orientated towards dealing with Nedlac's internal problems at the organisational and operational level, including the fact that there was poor governance and that Nedlac had received qualified reports from the Auditor General.

One of the key challenges Nedlac faced was the practical matter of the timing and timeous tabling of legislation, and the sheer volume of submissions from social partners, and government in particular, as indicated by the 2008 executive directors' statement: *"Nedlac was bombarded with over 20 bills that were said to be urgent. This, we were told, was occasioned by Parliament's deadline for submission of bills as being 02 June 2008"* (Nedlac, Annual Report, 2008).

A changing environment's effect on Nedlac's agenda

The work programme of Nedlac evolved against the backdrop of South Africa's changing economic and political conditions over the decades. In 2008, for instance, Herbert Mkhize wrote in the introduction to Nedlac's annual report that "youth unemployment has been, and continues to be, a perennial problem for policy-makers in South Africa … The economy has grown by an average 5% in the past four years, but failed to make a dent on joblessness" (Nedlac, 2008, n.d). This was a departure from Nedlac's initial focus on labour market policy reform, and marked a more nuanced appreciation at Nedlac and in the policy process of the relationship between economic growth, economic structure, and income distribution.

By the 2007/2008 period, Nedlac was firmly embedded in the South African policy process. While social dialogue had been specifically orientated towards labour market and industrial policy issues, a shift was taking place in Nedlac towards larger development-orientated issues. Yet, simultaneously, the institution was encountering deadlocks among social partners that required the involvement of senior Nedlac principals. These breakdowns in the social dialogue meant that the Nedlac Management Committee began

to be drawn into a role increasingly defined by central bargaining and negotiation, rather than relying on the chambers to resolve disputes, as Mkhise reported:

> *"Manco began to assume the function of addressing bottlenecks and deadlocks emanating (sic) from the chambers and other task teams. Manco has also intervened with impeccable precision and success in areas where chambers and task teams could not find agreements"* (Mkhize, 2008).

There were also attempts at the time by the Minister of Trade and Industry to leverage Nedlac as a forum for strategic policy and regulatory deliberation between "senior leadership to engage in high-level dialogue on trade and industrial policy issues" such as BB-BEE, and matters of small- and medium-sized enterprises and cooperatives, as well as trade and industrial policy, including regional investment strategies, and enhancing the role of women in business (Mkhize, 2008). Nedlac's agenda was broadening and becoming unwieldy. Notably though, Nedlac's entire work programme at the time remained dominated by the Department of Trade and Industry's work on industrial policy (70%), followed by labour market policy (15%), with public finance and monetary policy occupying a mere 10% by the researcher's calculation, of Nedlac's attention.

Macro-contextual factors pressurise Nedlac and shift the agenda once more

Understandably, in 2008/2009, during the height of the global financial crisis and subsequent great recession, a number of extra-institutional factors converged to create another shift in focus and the agenda at Nedlac. This included a domestic energy supply crisis at the state-owned power utility, Eskom, rising inflation, which included food prices, consequent job losses in the formal sectors of the economy, and a growing current account deficit, all amid the prospect of the 2009 national general election (Mkhize, 2009). The year 2009 also marked the political upheaval in the ANC, in which former President Thabo Mbeki was ousted through a bitter rivalry with Jacob Zuma, the then Deputy President. Mbeki was recalled by the party at an elective conference, and a temporary successor was installed at the helm of the executive in the person of former President Kgalema Mothlanthe, until Zuma emerged post-election as the new President.

These factors created a perfect storm in the macro environment, and their effects on the

institution were compounded by the outcome of South Africa experiencing its first economic recession in ten years, and by the start of 2009, the deepest recession in 18 years.

By 2010, Nedlac – having fulfilled the role of the arena for crisis management through multi-sector engagement in response to the above – had come into its own once again as the pre-eminent forum for consultation in South Africa, with the executive director reporting that a social dialogue approach had been twice tested, and twice triumphed during the tumultuous period of 2008-2010. South Africa's institutional capacity in the 2009-2010 period was lauded as an example of the institution's contribution to national progress to use social dialogue at Nedlac to overcome the internal domestic challenge of the energy crisis, especially in preparing for the hosting of the 2010 FIFA World Cup:

> *"President Kgalema Motlanthe immediately called on Nedlac and the other stakeholders in South Africa to develop a collective response to the crisis. The Nedlac social partners sprang into action and in no time, a National Electricity Response Accord (NERA), which enjoyed the support of all stakeholders, was initialised and adopted at a national electricity crisis summit. It was indeed social dialogue to the rescue"* (Mkhize, 2009).

Notably, the framing of Nedlac's success in this regard signifies the capacity and role of the president, in legitimising and leveraging Nedlac to convene stakeholders in search of a collective response to national challenges. Similarly, the president's orientation in relation to fiscal and financial matters pertaining to economic management also appears to directly affect Nedlac's orientation. This enabled the formation of ad hoc structures for action, and strengthened the role of dialogue in forging a collective agreement. In the same period, the then president was said to have leveraged Nedlac successfully to navigate the financial crisis:

> *"Towards the end of 2008, it became clear that the global financial crisis was likely to develop into a global economic crisis not seen in many decades. Again, President Motlanthe instructed the Nedlac social partners to develop a national response to the crisis. It took the Nedlac social partners four weeks to emerge with a national framework to respond to the crisis, aptly called "the Framework for South Africa's Response to the Global Economic Crisis." This was another case of social dialogue through Nedlac, demonstrating*

beyond doubt that social dialogue is an unassailable instrument through which to address national challenges" (Mkhize, 2009).

These acts of political leadership coincided though with changes in the administrative influence of government, which was under the new influence of Jacob Zuma "redefining what is to be done" in addressing national difficulties, and as the strategic plans of government departments changed, so did the agenda and work programme of Nedlac, which all but came to a standstill (Mkhize, Nedlac Annual Report, 2010).

The combination of global economic factors and domestic political and economic factors was simultaneously beginning to erode national social cohesion and was placing serious strain on the social fabric in South Africa, as "…job losses increased and the citizens generally became restless, the poor even resorting to protest actions last seen in the mid-eighties … a serious setback for the national transformation project" (Mkhize, Nedlac Annual Report, 2010).

Consequently, the scale of South Africa's unemployment crisis was growing significantly, and this would emerge as a key Nedlac agenda point that would ultimately resurface during the Marikana tragedy. During this period, Nedlac played a significant role in supporting the executive's response – under the direction of the president – to the global financial crisis, and this resulted in the drafting at Nedlac of the framework for South Africa's response to the international economic crisis. Notably, however, the limitations of Nedlac as an extra-governmental agent outside of the executive also became apparent in the process, as the framework, presided over by a leadership team and task teams, ran into difficulties in operationalising their proposals:

> *"There have been difficulties, such as those proposals that carry cost implications, which are often linked to government budgetary processes. In these instances, the task team can only signal an agreement in principle, subject to the outcome of the government budgetary processes"* (Mkhize, Nedlac Annual Report, 2010, n.p.).

The inter-institutional complexity of how Nedlac's work interfaced with government's mandates more broadly under conditions of crisis and rapid changes in the environment had not been worked out or resolved. Good intentions and agreements at Nedlac were

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hampered by misaligned institutional structures and processes elsewhere in the state.

Unemployment, South Africa's perennial economic policy problem

By 2011, in the wake of the global financial crisis and subsequent domestic downturn, unemployment had made its way to the top of the national dialogue agenda at Nedlac:

> *"Nedlac's social partners acknowledge that unemployment in general, and youth unemployment in particular, remains the biggest challenge for the country. The situation was exacerbated by the significant job losses in the preceding reporting period because of the global economic recession"* (Mkhize, Nedlac Annual Report, 2001, n.p.).

There was, however, a growing recognition at Nedlac that South Africa's national socio-economic issues could not be addressed effectively by government alone. This emphasis on collective action remained a key perspective in policy-making in general and informed the policy approaches of the Industrial Policy Action Plan II (IPAP 2) and the NGP at the time (South African Government, 2010). Nedlac as a forum was moving beyond policy deliberation as social dialogue, in search of a language and means to enable collective policy action.

> *"However, the 'new normal', as pronounced by the Minister of Finance in the previous reporting period, calls for social partners to move beyond only recommending what government should do, to affirming what each constituency is prepared to put on the table in the effort to address the country's challenges"* (Mkhize, Nedlac Annual Report, 2011).

The policy frames that related to collective action to address the economic recession, joblessness and poverty began to mark the national discourse, as well as the policy deliberations at Nedlac. This frame formation with unemployment at the centre occurred during a time of national reflection or of "taking stock of what works well, and jointly rethinking interventions necessary to lift the country out of economic recession, joblessness and poverty" (Mkhize, Nedlac Annual Report, 2011). Nedlac was no longer functioning as a bargaining chamber on labour market policy and industrial development, but was asked to provide policy direction, options and solutions to critical national questions.

However, by 2012, the domestic pressures of South Africa's inherent social contradictions were beginning to weigh heavily on relations among the social partners once more. The political tensions, economic difficulties and social strain were felt in the chambers of Nedlac, as Smith (Nedlac Annual Report, 2013) observes:

> *"For South Africa, this is a time of immense challenge, not just economically, but also socially and politically. We have seen rising instability in the labour market and heightened levels of polarisation between social partners and increased community-based protests. This points to the underlying fault lines in post-apartheid South African society and the fragility of its institutions, especially within the broader labour market."*

Nedlac's response to the Marikana crisis *(See section, The 2012 Marikana Massacre: An extreme case of violent contestation, page 44)*

These pressures and tensions escalated and culminated in the Marikana tragedy during the dreadful period 10-16 August 2012, in which 8 police officers, 2 security guards and 36 miners were killed, and 78 miners injured during a spate of highly politicised labour action. They also translated into pressure on and scrutiny of Nedlac:

> *"It is understandable that in such a challenging context, Nedlac, as South Africa's primary institution of social dialogue, will come under closer scrutiny. Indeed, over the past year, it has become somewhat fashionable for some commentators to harshly criticise Nedlac in the media. We should not shy away from robust criticism. There is no doubt that Nedlac, as the apex institution of social dialogue, needs to respond to the challenges that were so tragically reflected at Marikana"* (Smith, Nedlac Annual Report, 2013).

By 2013, Nedlac's framing of their mandate had expanded significantly towards an all-encompassing national-level developmental perspective of the structural features of South Africa. Nedlac's own language and framing had evolved to encompass the "deeply structural and societal nature" of South Africa's challenges, recognising that there is "no quick fix" and that dissolving or abandoning Nedlac would be counter-productive (Smith, Nedlac Annual Report, 2013). Naturally those invested in Nedlac's continued existence would be reluctant about its disbandment. As such, the fundamental question of Nedlac's

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continued existence enjoyed little public debate compared to a widely held willingness among stakeholders to contemplate reform.

Coupled with the challenges faced by Nedlac at the formal institutional level, added pressure translated into the degradation of social dialogue itself at the micro-foundation level, into adversarialism in its chambers at the time:

> *"Notwithstanding the progress on the recent accords and the high-level Presidential Dialogue initiative, the social partners are still polarised and entrenched in their positions, as much of the economic policy debate and discussion on the labour market are dominated by rhetoric and remain adversarial"* (Smith, Nedlac Annual Report, 2013).

Short-termism and crisis management overtake social dialogue

Recognition of the need for a more fundamental dialogue about how South Africa might undertake a widespread economic restructure were then hampered, bogged down into incremental and short-term deliberations based on the challenging national environment and institutional context. Much talk had ensued about the need for another Codesa in South Africa, only focused on the economy, but the environment had become fraught, the institution weakened, and the social partners more polarised. Trust was at an all-time low. Nedlac's executive director reflected on how the environment implied that grand bargaining and consensus were illusive and improbable at the time:

> *"Under these conditions, it is unlikely that calls for an economic Codesa or other grand intervention will result in a significant breakthrough. A more gradual process of tilling the soil for social dialogue is perhaps more realistic. While the overall environment remains challenging from a social dialogue perspective, it also provides a unique opportunity for social partners to work together to confront the structural challenges in our economy. In this regard, the debates on the national minimum wage and the NDP, if approached differently, could provide an entry point for a bigger conversation and hopefully greater consensus on the tough choices that are required to stimulate growth, employment, and incomes"* (Smith, Nedlac Annual Report, 2013, n.p.).

Economic restructuring and unemployment as policy issues began to be accompanied by

a debate about wage disparity. This was the result of the central role that wage disparity had played in the rhetoric that accompanied the escalating tensions in the build-up to the Marikana tragedy. In its wake, NMWs became a rallying cry. In an environment where the NDP was non-implementable, the policy debate became tactical and focused on sub-national issues.

By 2014, Nedlac had come through a period of being fully beset by national-level environmental pressures and again, adjusted its overall policy frame to be in line with the dominant issues and discourse of the time. In a reflexive manner, the lingering national social problems, such as structural inequity, were manifesting at the industry-level, specifically in the mining industry and in turn, resulted in new issues in the policy and legislative agenda at Nedlac. Smith (2014) outlines the interrelationships between the economic environment, industrial action, mistrust, and questions about Nedlac's effectiveness.

> *"However, as evidenced by the platinum miners' strike, the problems bedevilling labour relations in the mining sector are deeply structural and go beyond just the workplace. The impact of the platinum strike on the economy, and the associated violence, has given rise to debate over whether the labour laws need to be amended to deal with industrial action that impacts significantly on public interest. This debate has been given added momentum, following the recent four-week-long strike in the metal and engineering sector. In this regard, the legal framework, including our labour market institutions such as Nedlac and the CCMA, have also come under fire from some quarters. Regrettably, many of these views are reflected mainly in the business-orientated media and are based on a poor understanding of our labour relations system, and a tendency to seek easy scapegoats for deep-seated problems"* (Smith, Nedlac Annual Report, 2014).

Therefore, in the wake of Marikana and the associated labour conflict, the issue of wage inequality was placed on Nedlac's agenda. It was becoming clear at Nedlac that the overarching question of consensus among South Africa's social partners about how the country's socio-economic legacies would be reformed remained elusive, and policy actors settled instead for the more manageable question of wage levels.

Poor internal governance undermines Nedlac, typical of state decline in the period

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The annual report of 2015 took a decidedly more inward-focused tone as the newly appointed executive director, appointed only in an acting capacity, reported on interventions made at the organisational level to stabilise Nedlac in the wake of management changes spurred on by internal irregularities reported on by a qualified audit of the Auditor General, who noted:

> *"Despite the strides we have made in our internal policy and governance practices, the qualified audit from the Auditor General South Africa shows that there is still work to be done in the organisation, particularly on strengthening the financial management systems"* (Naidoo, Nedlac Annual Report, 2015, n.p.).

Outside of the renewed focus on Nedlac's internal issues, the major policy frame that emerged for the period, and understandably informed by the Marikana wage dispute, which had escalated to the massacre, remained "wage inequality and labour relations" (Naidoo, Nedlac Annual Report, 2015).

By 2016, a permanent new executive director had been appointed and reported in a frank statement on the internal challenges being encountered at Nedlac, stating that "Nedlac was confounded by interesting challenges and setbacks … it did not have a full-time executive director, and for half the period, did not have a Head: Programme Operations" (Vilakazi, Nedlac Annual Report, 2016, p. 14). The decline of the state under Jacob Zuma, in the form of weakening governance and poor delivery, had equally infected Nedlac. Yet, in spite of these intra-institutional problems, under the then Deputy President Cyril Ramaphosa, progress was made on wage levels through the Ekurhuleni Declaration (2014b), which addressed amendments of the LRA and laid the foundations for the NMW. This was lauded as a significant success at Nedlac; yet, the broader economic and social concerns of the country remained unaddressed, and by all indications, the nation's economic situation worsened.

In this period of June 2014 to February 2017, the rand weakened significantly, falling to its worst levels against the US dollar in a decade (XE Currency Charts, 2021, n.p.). In the embattled environment that this signified, Nedlac suffered further organisational

weakening because of an exodus of experienced and key personnel, as well as receiving a second qualified audit from the Auditor General (Vilakazi, Nedlac Annual Report, 2016).

While the internal organisational situation of Nedlac had improved by 2017, with Nedlac obtaining an unqualified audit for that period, the strain of the preceding half-decade translated into broader systemic instability, especially in the labour market, and resulted in Nedlac's agenda being shaped largely by short-term challenges:

> *"The policy discourse in South Africa and by extension at Nedlac has been significantly under the spotlight in the year under review. Of particular interest are the concerns raised regarding poor economic growth and its specific impact on labour market stability. More worrying has been the bigger threat of the surge in industrial action to this stability. On the other hand, Nedlac only approved two protest actions in the last year, which happened at a provincial level, i.e. Johannesburg and Cape Town. Some of the intended protest actions were resolved amicably within the Nedlac processes. These developments in the socio-economic environment sphere kept all Nedlac constituencies occupied with the aim to find workable and lasting solutions for the country"* (Vilakazi, Nedlac Annual Report, 2017, n.p.).

Accompanying the new-found focus at Nedlac on a NMW, was the re-emergence of the policy proposal of CSS. South Africa had, in terms of social and economic policy, drifted markedly towards redistributive policies in the preceding decade. By 2019, with 18 000 000 South Africans receiving some form of social grant in the form of cash transfers from the state (SSA, 2021, n.p., there was a growing recognition that a more sustainable overall approach was needed in terms of social security. This culminated in the release by Nedlac of a discussion paper on comprehensive social security, according to which government intends to achieve the following:

> *"… ensure that all vulnerable South Africans are covered by the social security net, and ensure that there is congruence and consolidation of different government efforts of social security provision, thereby eliminating duplication and wastage. The timeline given for this work is two years"* (Vilakazi, Nedlac Annual Report, 2017, n.p.).

In addition, a new political and policy priority emerged in the form of the proposed NHI. The NHI had featured in the policy deliberations of the ANC for two decades, but had been

backgrounded in light of other priorities. Interestingly, by 2019, the policy framing of the NHI had become couched in terms of social transformation and as being revolutionary: "The introduction of the NHI will contribute immensely to the well-being of citizens, and the equitable provision of healthcare in the Republic for all who live in it. This is indeed a revolution" (Vilakazi, Nedlac Annual Report, 2017, n.p.).

However, the ambitions of these far-reaching policy proposals were constrained by the broader socio-economic context in which the growth rate of the economy had stalled at the time, and the 5%-6% envisioned by the NDP was looking increasingly unrealistic, even in the medium term. Furthermore, the inability of the labour market to absorb new entrants, and of the growing levels of state-dependence of citizens who depend on direct transfers as a result, exacerbated the debilitating effects on the economy (Vilakazi, Nedlac Annual Report, 2017).

Lingering intra-institutional and extra-institutional turbulence in 2019

Nedlac again experienced intra-institutional turbulence in the 2018/2019 period, caused by both the CFO and executive director being placed on special leave, pending an investigation into poor financial governance at the institution (Thejane, Nedlac Annual Report, 2019). The organisation had been significantly hollowed out, compared to a decade earlier, and under successive leadership and management changes, was increasingly considered to be weak and even irrelevant in dealing with the growing socio-economic malaise. Notwithstanding these pressures, Nedlac received an unqualified audit from the Auditor General for that period, signalling the start of an important change in governance culture. In addition, macro-contextual pressures in the economy and political process, as well as pressures in the labour relations landscape continued to come to affect Nedlac at the time (Thejane, Nedlac Annual Report, 2019).

A return to a focus on national economic policy

The period following the election of President Cyril Ramaphosa, who had successfully presided over the national minimum wage negotiations, signalled a shift and re-focusing of Nedlac's agenda towards the longstanding structural issue of unemployment and

economic decline. This culminated in the Presidential Jobs Summit in 2018, and the Investment Summit in 2020, shortly before the onset of the Covid-19 pandemic. Coupled with this renewed focus on economic growth for job creation, was a focus on the creation of a so-called transformed financial sector aimed at accelerating the inclusion of black South Africans in the sector, and making its major institutions more responsive to the needs of new businesses and small, medium and micro enterprises (SMMEs). Nedlac was returning to its roots as an apex social dialogue forum on national developmental issues; only by this time, the institutions of state had been severely weakened and the economy was on an uncertain footing. This was evidenced by successive downgrades of South Africa's sovereign ratings and a lacklustre investment climate both in the private and the public sectors.

Notwithstanding Nedlac's success in 2018 in having finalised the NMW agreement achieved under the theme *United We Can Create Jobs*, which was an indication of progress lauded by all the social partners, South Africa's deteriorating economic situation meant that the Nedlac agenda also had to accommodate the pressing issues of sovereign ratings downgrades on the back of deteriorating public finances and declining investor confidence. The unity achieved among the social partners on the issue of the NMW was a hollow victory in an environment where the fundamentals of the macro economy were still worsening.

This meant that while social partners at Nedlac pressed forward with prior agenda items such as the CSS and the politically attractive move towards the NHI, the economic malaise faced by South Africa fundamentally constrained the policy options both in scope and in favour of addressing the short-term crisis, at the expense of progress on South Africa's long-term structural impediments. It meant that President Ramaphosa, who came to power on the promise of inclusive economic growth and a clean-up of state institutions, would be restrained by the short-term crisis, and see little progress in his core policy agenda. Thejane reflected these sentiments at Nedlac:

> "President Cyril Ramaphosa has invested in significant policy improvements that restored macro-economic stability in the country. However, even though President Cyril Ramaphosa stated that boosting economic growth, cutting unemployment and avoiding

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downgrades by credit-rating agencies constituted his government's economic key priorities, South Africa still faces rising public debt, inefficient state-owned enterprises, and spending pressures, which have reduced the country's global competitiveness" (Thejane, Nedlac Annual Report, 2019, n.p.).

Into this environment, where South Africa was facing a wall of unpalatable policy options on the one hand, and a fiscal and economic cliff on the other, the Covid-19 pandemic shattered South Africa's global trade benefits, and also stalled domestic economic activity. The services and tourism sectors were particularly hard-hit, and in the process, the vulnerability of workers and dependents in the informal economy surfaced.

Nedlac from an institutional perspective

According to Berthod (2016), institutions are taking for-granted beliefs, rules and norms or standards, which shape the creation and spreading of organisational forms, design features and practices. This view of institutions recognises that organisations are formatively influenced by contextual factors such as norms, standards and beliefs, and that these also influence the organisations' structure, processes and standards of operation. Organisations such as Nedlac exist in a sea of inter-institutional complexity and plurality, and they are therefore, likely to exhibit the embedded institutional features of their environment, while they are also shaped thereby. Bourdieu (1987) called this the institutional *habitus* in which both institutional actors in their individual capacities, as well as the institutions themselves are formed and function. At Nedlac, the confluence of South Africa's formal national institutions, as well as the pluralistic and divergent institutional micro-foundations, frames of reference, policy frames and perspectives converge. Nedlac thus presents a multiplicity of converging institutional fields, where a contest for Bourdieu's (1987) notions of economic capital, social capital and political capital all converge.

Thus, Nedlac can be understood in terms of the so-called new institutional theory, which emphasises the presence of similarities across organisations based on shared institutions (a process called isomorphism), resulting in their structures, the effects of the power of actors, and their rules and practices exhibiting similar features (Meyer and Rowan 1977; DiMaggio and Powell, 1983; Zucker, 1977). From that point of view, Nedlac can be viewed

in light of Foucault's (1979) perspective of institutions, power and contestation, in the first instance, as an aspirational commitment of the South African elites to mediate between their forms of power in a systematic and structured way, through dialogue, rather than through force or unstructured conflict.

New institutionalism, or neo-institutionalism, is widely held to have over-emphasised institutional homogeneity. However, to adequately recognise the plurality of institutions operative within organisations and their interaction, and how the diffusion of new ideas brings about institutional change (Abbott, 1991), while neo-institutionalism focused on homogeneity and stability in institutions, it is understood to have neglected the capacity of institutions to change. Nedlac, as we discussed above, has evolved in concert with the changing institutional landscape in South Africa. In the new institutionalism's approach, the concept of institutional fields became a popular term to refer to the tendency for shared meanings, standards and norms to be adopted or institutionalised (Fligstein, 1985; Hoffman, 1999). From this perspective, Nedlac represents an institutional field, where the confluence of pluralistic institutions have shaped and co-created a shared reality, or a coherent, yet dynamic domain of policy deliberation.

In responding to the new institutionalism, Stinchcombe (1997), Hirsch and Lounsbury (1997) argued that new and old approaches must both be embraced to create a unified institutional theory. This led to a new emphasis in the literature on change in institutions, and it was postulated by Greenwood and Hinings (1996) that legitimacy and homogeneity had been over-emphasised in the new institutionalism at the expense of institutional change. This new emphasis on change meant that issues of power, interests and commitments subsequently became more important as areas of observation in institutions, moving away somewhat from a focus on structure towards the influence of individuals and the concept of "institutional entrepreneurs", as defined by DiMaggio (1998). This did not imply that structure was no longer considered to condition the behaviour or interests of individuals, but it accounted for the ways in which institutions changed as a result of the agency of individual actors, notwithstanding their embeddedness in the institutional milieu. From that point of view, the question arises in the case of Nedlac of how individual institutional entrepreneurs reshaped the policy discourse, the frames used to understand policy problems of formulated solutions, and in turn, shaped the institutional field itself.

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In the fields of policy analysis and approaches to policy discourse, the critical policy analysis approach within the pluralistic tradition sought to explain the symbiotic relationship between the policy process and political arrangements. Hajar and Wagenaar (2003, p. xiv), for instance, argued that such an approach "…with its assumptions about the inherently contextual nature of knowledge, seems more consistent with the contemporary situation in developed democracies with dispersed power, diminishing trust, ambiguous institutions, powerful transnational influences, and increased reflexivity." In Nedlac's case, where the heterogeneity of the social partners is accentuated because of historical factors, where their traditional, cultural, ideological and positional point of view was fundamentally divergent, the institutional field might certainly be understood to be a mosaic of conflicts rather than a symphony of coherence and agreement.

In light thereof, Nedlac might be understood not only as a formal, structured institution with processes and rules or norms that govern its operations and procedures, but also as a bottom-up social construction, or reflecting the myriad institutional differences brought into the field of social dialogue by the interaction of other institutions and of the social partners. It meant that the operative frames, policy frames, institutional frames and meta frames of participants at Nedlac were brought to bear in shaping the institutional field dynamically over time.

Nedlac seen in light of institutional emergence and pluralism

In the literature, the notion of institutional emergence came to the fore as a key perspective on institutional change, and later institutional pluralism (Dacin et al., 2002; Covaleski and Dirsmith, 1988; Friedland and Alford, 1991). Aside from explaining similarities between institutions, scholars also recognised that competing logics exist in institutions, as Berthod (2016), Thornton and Ocasio (1999, p. 118) observed that competing logics are usually antecedents or often the consequence of institutional change. From this point of view, Nedlac's evolution might be understood in terms of new institutional logics in operation and also new forms of institutional emergence resulting from change.

Furthermore, the increasing prevalence of "value pluralism" or the condition in which conceptions of desirable social states are plural and often mutually exclusive, in modern

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societies, as Hajer and Wagenaar (2003) argued, meant for scholars that policy processes are necessarily prone to deep value conflicts. As such, Nedlac might be understood as a pluralist institution, where an institutional field with inherent contradictions and conflicts is an evident expression of a broader societal reality.

The important notion of institutional plurality has more recently been reinforced by the work of Purdy and Gray (2009), Battilana and Lee (2014) and Greenwood et al. (2011), who observed the co-existence of a multiplicity of practices and accompanying logics in organisations, increasingly accommodated by hybridised organisational designs, that afford actors flexibility and adaptability in accommodating contending logics. Such complexity is compounded by the existence of a multiplicity of what Andrews (2013) distinguishes as formal and informal institutions co-existing in an institutional field. The author suggests that these institutions are interacting, some in a mutually-reinforcing and some in a counteractive manner, which results in institutional entrepreneurs having to resort to "purposive muddling" to overcome these inherent contradictions and complexities (Andrews, 2013). Nedlac has, in navigating the macro-, meso-, and micro-level changes over time, embodied this reality by adapting formally and organically to the changing conditions.

It is this contemporary perspective of institutional plurality and competing logics, and of the micro-foundational dynamics at work in institutional fields that form the theoretical basis for the approach to this study of Nedlac. It is understood that competing logics are often sources of resistance to consensus and collaboration, which is of critical importance, given Nedlac's stated purpose of consensus-building.

A multi-level perspective of Nedlac

The research was undertaken as a qualitative case study, and an in-depth analysis of a bounded case, examining the policy discourse of South Africa as it has been undertaken in the institutional setting of Nedlac, and among leaders representing particular constituencies through their participation in the institutional field. This, of necessity, required taking a multi-level perspective of the setting and of Nedlac as an institution, as well as the inter-institutional and intra-institutional inner workings of the institution, formally and informally, as an institutional field.

The macro level, for the purposes of the research (depicted in Figure 6. Below) refers to the broad systemic context of the study, being the political economy of South Africa. The meso-level analysis takes place at the institutional level, relating to the formal multi-sector organisation. The micro-level analysis takes place at the individual and ideological level, the micro-foundation level, where representatives of the so-called social partners engage as leaders representing their constituencies, and interact in the institution. At this third level, the micro level, interactions are understood to occur between the frames and ideological views of these leaders as representatives or proxies of their constituencies. As such, Nedlac's shifting policy agenda is a manifestation of the reformulation, reframing and re-conceptualisation of the priority areas of South Africa, and a manifestation of the collective product of policy rationality of the social partners in their capacity as policy actors.

Importantly, these three levels are integrated and symbiotic in the sense that the political economy of South Africa, as a formalised embodiment of past societal conflicts (Fine and Fine, 2019), is itself indicative of the competing ideologies and interests, as well as meta frames or master frames operative in South African society. In turn, the formal structure and processes of Nedlac as an institution are, from that perspective, a mechanism for the facilitation of inter-party and inter-frame engagement; and the constituency representatives, or leaders individually, represent particular points of view and interests at all three levels. As such, the micro-foundational interaction between these leaders at Nedlac, by proxy, is by some approximation a manifestation of conflicts at the macro environment, both of which have their bearing on the meso level – the organisational level,

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where the institution's formal and informal operations and performance is at stake. These three levels of analysis are discussed in more detail below.

Micro foundations at Nedlac

Scholars have observed that changes and dynamics in the micro foundations of institutions, or the micro processes of framing, in the interactions between the frames of institutional actors or policy actors, led to macro-systemic consequences or macro-sociology effects, including so-called "social capital" (Bourdieu, 1992). In an introduction to reflexive sociology", Bourdieu (1992) conceived of social capital as including "social networks", a "sense of mutual obligation" and "trustworthiness", which function in a society because of the norms that govern the behaviour and social resources, as well as enabling members of the society to act in mutually-beneficial ways. Similarly, the view was that macro-systemic contextual factors affect the micro foundations of institutions reflexively, and micro foundations are employed by institutional entrepreneurs in the construction of institutional logics, whereby meaning and sense-making occur in institutions.

These micro-foundational aspects of institutions include how actors use policy frames, institutional or meta frames or framing in their discursive interaction strategies, and how these are employed in the various ideologies of actors. Frames are understood to be the building blocks of institutional pluralism, and they constitute discursive fields, where frame resonance, synergy or conflict are the result (Powell and Colyvas, 2008).

Researchers have posited that these frames derive from master frames and identities, and that to an extent, new frames spread through diffusion in organisations, and reshape institutions. From this perspective, Nedlac exists as a policy deliberation forum or institution to facilitate frame reflection for the purpose of creating a shared national logic – or social compact. This process of frame reflection or the creation of new frames, is understood to be vital to consensus-building.

> *"Even when individuals have considerable capabilities to engage in self-governance, there is no guarantee that solutions to all problems will be achieved. Individuals who do not have similar images of the problems they face, who do not work out mechanisms to disaggregate*

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complex problems into sub-parts, and who do not recognise the legitimacy of diverse interests are unlikely to solve their problems, even when the institutional means to do so are available to them" (Osprey, Governing the commons, p. 149).

Recursive processes in organisations and institutions

Meta conversations in organisations and institutions are understood to lead to a form of recursive organisation, or institutionalisation. This includes governance processes whereby organisations seek to comply with laws, regulations or conventions, or the interaction within inter-organisational networks. From that perspective, and in formal institutional terms, Nedlac is a product of the South African meta-conversation or policy discourse of the last two-and-a-half decades. In its accomplishments and shortcomings, Nedlac is an emergent revelation of the explicit and implicit commitments of South Africa's social partners.

In the case of Nedlac, where the formal purpose of the institution is to generate consensus and agreement among the social partners, recursive frame reflection can be argued to be central to the success of social dialogue. Though Nedlac's purpose was set as the creation and maintenance of a social compact for South Africa, and finding sustainable consensus, recursive frame formation as a process within social dialogue at the level of the micro-foundations would be the means by which this purpose would be achieved, or not. Consequently, the rhetoric employed by the social partners, jointly and severally, can be seen as the embodied contests for economic, social and political capital or power (Foucault, 1979; Bourdieu, 1987). Furthermore, the lack of representivity and voice of the unemployed, who are not represented by the labour movement, the poor who are not adequately represented by the community constituency, and the small and micro-enterprise segments who are not represented by organised business, are conspicuous in their absence in the contest.

When the constituency representatives participate in Nedlac's processes, or as the social partners interact in the context of the institution, their reciprocal influence on one another and the institution itself is therefore understood to be formative. It is further understood to shape the institutional field through the process of interaction between their variously held

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policy frames, or varied understandings of policy issues and their respective interests, compared to those of other partners. This might be understood as the process of frame formation.

Coinciding with the inherent institutional interdependence of the social partners having to find agreements and consensus for national progress, are the leaders' diverse and often divergent frames, motives and their individual purposes or interests being pursued through their engagement at Nedlac. Organised labour, for instance, is in practice only imperfectly represented by someone from organised labour, since there is a fundamental misalignment between the growing complexity of the labour constituency itself, in terms of the sectoral composition and membership *vis-a-vis* the economic structure, and the representatives who sit at Nedlac. Similarly, government particulates in the arena of policy deliberation at Nedlac at the behest of the politician or bureaucrat that occupies its offices; and business for its part, by way of its own representatives. Even within business, the groupings that would be considered in the South African context as the *old white business elites* versus the newly emerging *black business* groups, as represented by the Black Business Council (BBC), do not see eye to eye on many factors pertaining to the policy direction of the country. These individuals, as policy actors and institutional actors in their own right, are carriers of a plurality of frames, interests and agendas.

These differences in the frames held and employed by various actors are likely to lead to frame conflict; or in a best-case scenario, through a process of reframing, or processes of translating and frame amplification, might lead to the development of shared frames and frame synergy. This process, according to Schön and Rein (1994), is implicit in the process moving from policy frames used in understanding policy problems, to action frames employed in policy recommendations and plans. As the parties engage in negotiations, interest-based or otherwise, consensus-building therefore might or might not occur, contingent on the occurrence of frame formation, and thus conflict might or might not be resolved. This implies that for Nedlac to succeed in its mandate, it needs to overcome the various forms of resistance experienced from policy actors at the levels of their frames. It is for this reason that building trust emerges as a critical condition in the process of effective policy deliberation, where there is distrust or a trust deficit, or where trust has been eroded.

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Consensus-building at Nedlac, from an institutional theory perspective, therefore implies having to overcome various differences in frames and related interests, which might include differences held in general in relation to race groups, gender imbalances, identity, and/or economic and political interests, and constructively mediating between the underlying values of the various social partners. Activities undertaken in the institutional field, for instance, information-sharing, negotiation or dialogue, integrative leadership as contemplated by Gray and Purdy (2018) play a significant role within the context of institutional entrepreneurship, enabling or frustrating the policy deliberation process. Policy and codified agreements emanating from Nedlac are, in that sense, artefacts of economic institutionalisation in and of themselves, in that they function to inform, shape and set the standards of the economic regime over time. In this process, these convergences towards consensus also have to interact within the institutional eco-system with other influences, such as at Parliament and within its various portfolio committees, or through the media, with public opinion more generally.

In the case of Nedlac's formal procedures, leadership is provided from various quarters of South African society in the form of overall conveners, facilitators, mediators and experts. It is beyond the scope of this study to examine each of these roles in-depth, but essentially, they serve to provide the following leadership roles with in the social dialogue context:

    i.   Overall conveners manage the day-to-day operations of each chamber, collating issues raised, formulating a proposed agenda and escalating these to the management and executive structures for consideration and discussion;

    ii.   Facilitators, occasionally a role undertaken by the overall convenors themselves and occasionally by an outside facilitation expert or more senior Nedlac attendee, are responsible to ensure that deliberation and dialogue on issue-specific matters are adequately considered in the chamber process;

    iii.   Mediators are mostly senior Nedlac members such as the executive director and/or senior social partner constituency leaders, or outside experts on matters that require subject-matter expertise such as labour disputes, undertaken for specific interventions to resolve disputes;

iv. Experts and researchers are brought into the Nedlac process through chambers or ad hoc structures in order to provide technical support and research expertise on matters under discussion.

At times, all of these roles are fulfilled by one or more key individuals and at times, they are dealt with separately by members or outside service providers.

These policy actors, who are contributing to the Nedlac process, depend inherently for their effectiveness on a range of leadership skills such as interpersonal skills, legitimacy and reputation, as well as the facilitative and integrative competency, to deal with various stakeholders, while moving the institutional processes forward, and simultaneously managing the institutional structures required for the process of the actual social dialogue. The *alchemy* of Nedlac's social dialogue therefore does not lie in the formal procedural architecture of the institution, but rests at least as much in the informal and cultural capacity available in the field at any given time.

Power differences

As the inherent power differences (Fligstein and McAdam, 2011; Bourdieu, 1979; Foucault, 1979; Friedland, 2009; Cronin, 1996; Bevir, 1999; Foucault, 1982; Geèienë, 2002) among and between stakeholders come to bear on the process, leaders at Nedlac are required to retain a measure of neutrality, while dealing with the power dynamics, perhaps using soft power (skills), power balancing, mediation, shuttle diplomacy, and ideally, they are promoting reconciliation, where necessary. Shuttle diplomacy in the context of the study refers to the sequencing of inter-social partners' interaction, either bilaterally or multilaterally, either in formal dialogue meetings or back-channel informal dialogues, in order to find common ground or mutual interest on issues, perhaps in principle, in order to improve the likelihood of the success of broader and formal dialogue engagements.

This integrative leadership work might entail employing a range of facilitative techniques such as reflective listening, face-to-face facilitated roundtable dialogues and interviews to surface ideas, concerns and viewpoints, improve perspectives among social partners, and

mobilise resources as institutional entrepreneurs.

These processes are engaged in the domain of meaning and the meaning-making processes of the social partners themselves, and might involve the management of these meaning(s), perhaps through bottom-up approaches, to foster greater mutuality and mutually valued outcomes. Such integrative leadership work also involves multi-stakeholder engagement, and might lead to multi-party collaboration, undertaking constructive work, while managing past, present and future conflict. It usually involves creative problem-solving, working to maintain a level playing field among social partners, and occasionally, the creation of formal Public Private Partnerships (PPPs) that promote shared- and public value in a practical fashion to enhance societal well-being. This amounts to a complex and daunting task in institutional terms.

Recursive frame reflection

In Figure 6 below, representatives of social partner constituencies at Nedlac are depicted to engage in recursive frame reflection when they enter into dialogue for consensus-building. As explained, these interactions function at the micro level of the institution. They are facilitated by the formal and informal structures and processes of the organisation and give rise to field conflicts at the meso level. Importantly, since the constituencies are drawn from society, and also interact as counterparts and participants in the political economy at the macro level, in a sense they might be said to import their respective institutional logics and frames, and those of their constituents into the meso and micro levels of the institution.

Figure 6: Social dialogue as recursive frame reflection within a multi-level setting
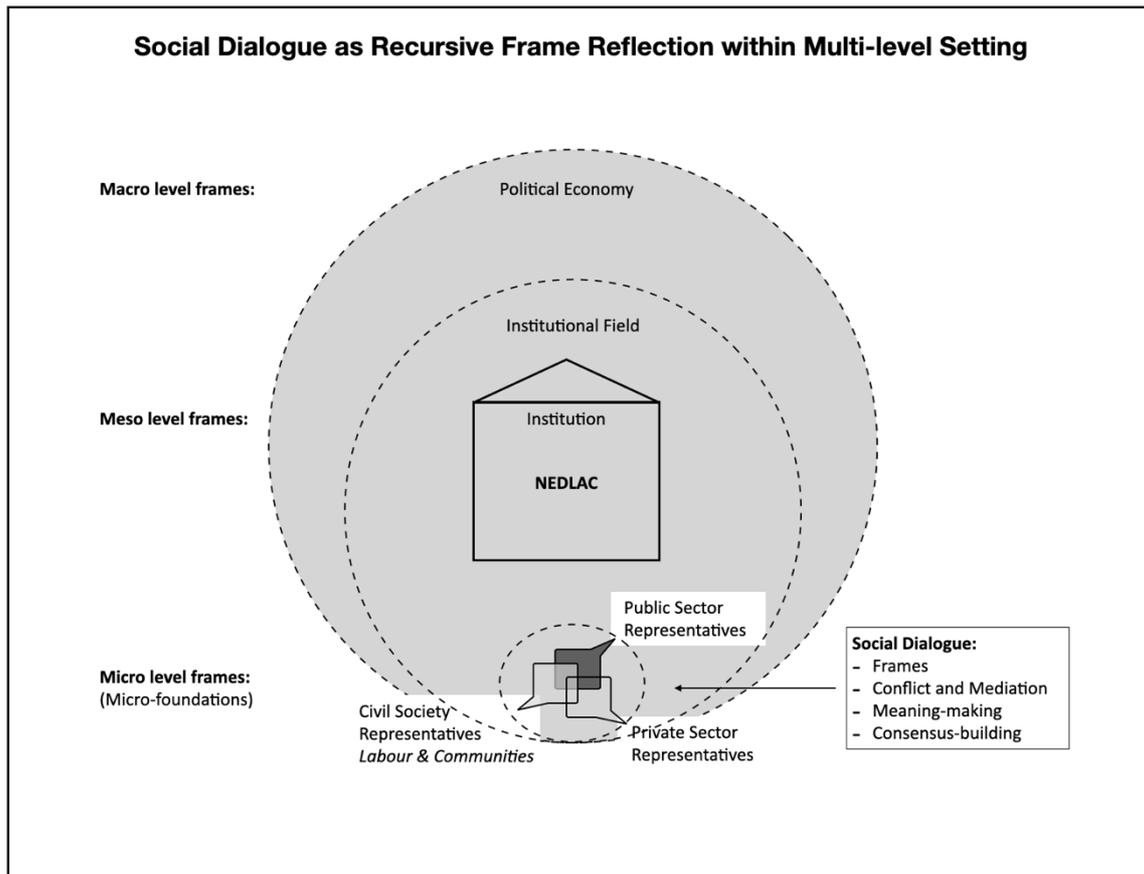
Source: Researcher's depiction

Therefore, to achieve progress in producing consensus and agreement, social dialogue at Nedlac had to transcend the formal institutional processes of convening and meeting for deliberation, and become institutionalised in the sense of being embedded as an institutional competence harnessed by institutional entrepreneurs, or integrative leaders (Gray and Purdy, 2018), who are able to forge new shared frames among social partners.

Such process, moving from conflict to consensus, of necessity would have to account for all the competing interests of any number of actors operative in the institutional field (Hajer and Wagenaar, 2006, pp. 11-14), including the various personal and individual interests that in the case of Nedlac, ought to or actually represent the broader interests of their social constituencies. The result is that although the creation of shared frames, either of policy problems or their prospective solutions or even of the trade-offs between

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stakeholders required in pursuance of solutions, are no guarantee of their adoption or of productive collective action.

In order to better understand Nedlac's institutional character, this study examined the interrelationships between Nedlac's contextual environment, the interaction of various constituencies' frames and logics, and how they intersect within Nedlac, and explored how the structures and processes of Nedlac have affected the institutionalisation of social dialogue in South Africa. Alternative research approaches might have relied on concepts such as the principle agent models or game theory (Laffont and Martimort, 2009, Mashler, Solan, Zamir, Hellman, and Borns, 2020) approaches, which investigate and theorise about the management of interests and incentives between economic actors. However, the selection of micro-foundations of institutions, within the context of policy deliberation in a multi-level institutional setting as the theoretical lens of the study, precluded the use of these theories in favour of brevity. It is likely that further research on the subject, especially with a focus on the power relations and implied in the political economic would provide for important new insights and perspectives.

Meso-level organisational or formal institutional setting of Nedlac

Policy-making in South Africa is understood to be a complex affair, requiring trade-offs and negotiations among divergent interests represented by various constituencies, including labour unions and communities.

As outlined above, this complexity has given rise to the need for social dialogue, as a form of civic engagement through tripartism, corporatism, or quadrilaterism, the purpose for which Nedlac was formed and which it had to facilitate. It implies that civil society and social partners in government and/or business would seek to create social capital through engagement, progressing towards greater consensus and less conflict, through institutionalised social dialogue. This focus constituted the meso level of the research.

This institutionalised process of social dialogue represents an attempt by South Africa's policy-makers and legislators, sectoral leaders such as unionists, and leaders of organised business, as well as political or government leaders, to pursue a greater realisation of the

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social contract contemplated in South Africa's Constitution, through deliberative democracy, and democratic problem-solving and decision-making.

Therefore, in South Africa, many formal and informal attempts were made at cross-sector and multi-sector social dialogue, with the intended purpose of creating consensus among the social partners. Not least of which, this has given rise to the formal convening of social partners into a permanent structure at Nedlac as one of the first democratic Acts, seeking to promote their constructive interaction as part of the formal policy-making process.

Such institutional interaction, as has been undertaken at Nedlac, has involved cross-level dynamics within the institution, requiring cross-level analysis of cross-level phenomena such as institutional formation, institutional change and institution-building.

Effective consensus-building within such a multi-sectoral institutional field depends on an array of factors, including the alignment of participants' motivations; developing and mobilising institutional competencies and resources; building and sustaining the legitimacy of social partners; and ensuring alignment with the expectations of their respective constituencies in broader society, thus linking the micro- to the meso- and macro-level factors.

Macro-level setting: South Africa's political economy

As stated, South Africa's political and economic scenario is both complex and marked by various social tensions, not least of which is a deeply-entrenched social and income inequality. The various interacting socio-economic systems are marked by structurally high levels of poverty, inequality and unemployment on the one hand, and high levels of income and executive pay, fairly efficient and profitable corporate capitalism, and upward mobility for the affluent, on the other hand (Wilson and Ramphele, 1989). This represents a set of policy problems for policy-makers and institutional leaders both in the public and private sectors, as well as for leaders in civil society (Elbadawi, Hartzenberg, and African Economic Research Consortium, 2000).

As argued, to respond to these problems in the policy-making process, Nedlac was formed

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and seeks to build consensus among the so-called social partners on a range of issues related to the aforementioned. Not least of which, this includes the prevention of rent-seeking by powerful business interests, for instance, such as by manipulating public policy or economic conditions as a strategy to increase their profits, or behaving more generally in an extractive or monopolistic manner. At the macro-environmental level, Nedlac was, by implication, given the near-impossible task of mediating the reform of extractive economic institutions that were embedded in the inequitable power relations that pervaded South African society at the time and would continue to do so in time to come (Fine and Fine, 2019).

On the other hand, representatives of organised labour came to Nedlac to represent the interests of workers, both in relation to wage levels and broader labour rights, and in so doing, represented the tension often found between the immediate, particular and short-term interests of workers, versus the general, societal and long-term interests of corporations and the economy at large. Further complicating the confluence of interests, is the fact that union bosses today depend on corporations for the deduction of union membership fees directly from member's salaries, and a divergence of interests has developed between the movement's organisational leaders and the rank and file in their membership.

Thus, Nedlac represents an era of quadrilaterism in South Africa's institutional milieu, and a formal attempt to institutionalise social dialogue. In that sense, Nedlac carries the marks of what Fisher and Forester (2003) called "political timeliness", referring to the way in which policy actors frame their policy discourses in relation to the real-world political setting in which they find themselves. Therefore, Nedlac's promise was that it would extend the political process into the governance processes involved in policy-making, to safeguard and promote the societally-inclusive settlements of inherent contestations.

1.7 Key Points in Summary of Chapter 1

1.7.1. The creation of Nedlac by the architects of South Africa's democratic institutional system, demonstrated an intent to address the legacies of apartheid by way of social dialogue rather than through direct political contestation by way

of party-political or elective processes alone. As such, social dialogue was assumed to enhance the prospects of democracy in addressing the unwanted features of the South African political economy as inherited from apartheid, and as marked by unequal power distribution and patterns of exclusion along racial, class and community lines. Nedlac and institutionalised social dialogue was as such expected to give rise a reformist and evolutionary policy approach created by the social partners collectively. The implication is that social dialogue was selected as the preferred mechanism for national reconciliation, including in material terms.

1.7.2. Longstanding polarisation between business, labour and government on ideological grounds existed in South Africa and informed the context within which Nedlac was formed and has operated. However, and somewhat paradoxically, business-labour engagements in the build-up to democracy set the institutional president (formally and informally) for what later would become Nedlac's quadrilateral approach to social dialogue. As such, collective bargaining offered a prototype for social dialogue, with eventual collective bargaining chambers at Nedlac offering forums for contestation in pursuit of consensus and agreement between social partners.

1.7.3. South Africa's social contract as envision in the constitution and bill or rights, as the country's the highest form of constitutive agreement, makes an implicit commitment to yet-to-be-determined distributive agreements, which are expected to result in wholesale social transformation to address the injustices of South Africa's apartheid past. Nedlac's creation represents an imposition of a social dialogue institution onto pre-existing institutional arrangements which in many instances run contrary to aspirations of the constitution and bill of rights.

1.7.4. Formally, Nedlac reports to Parliament on agreements reached, and does so via the Minister of Labour, who oversees the government department within which it Nedlac is formally located and funded. However, Nedlac can be thought of as both a formal institution, as well as an institutional field in which a myriad of policy frames and institutional logics are operative and contend, especially as they relate to the economic policy discourse.

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1.7.5. Policy deliberation at Nedlac is not limited to formal institutional procedures but occurs in a multiplicity of informal and uncoordinated interactions between the social partners outside of Nedlac. Consequently, meta-cultural frames inform the social partner's conceptions of policy issues, as well as the role of Nedlac itself and thereby shaping the premise for its very existance.

1.7.6. Consensus on policy issues, especially in cases of policy controversies, require the creation of shared-frames through reflexive frame formation among policy actors. For this to occur, institutionalized social dialogue depends on the crucial role of institutional entrepreneurs who work as integrative leaders in the facilitation of social dialogue processes. It follows that micro-level frames, or micro-foundations of institutions play a formative role in informing the emergence and evolution of institutions and eventual policies, equally so in the fostering of consensus and agreement within social dialogue processes.

1.7.7. In pluralistic societies, such as South Africa, where policy processes occur in an interplay with political, economic and social institutional effects, *sufficient consensus or agreement* is crucial in order to coordinate collective action among social partners in the pursuance of national interests. However, Nedlac's founders and framers initially began from a corporatist conception of social partner dialogue which had lasting and formative implications for the effectiveness of the institution.

1.7.8. In terms of effectiveness, Nedlac largely succeeded at providing policy-makers and social partners with a technocratically-orientated review forum for draft legislation and regulation. However, breakdowns in dialogue accompanied policy misalignment and by rising conflicts between the social partners can and did spiral out of control to the point of public violence, as seen in the case of the Marikana Massacre in 2012.

1.7.9. As such, Nedlac has fallen well short of resolving many deep-seated societal conflicts in South Africa, much of which is underpinned by the socio-economic inequalities that arise from colonialism and apartheid's legacies, and that have

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instead been perpetuated and worsened by more recent forms of extractive behaviour by powerful elites from across the social partner landscape.

1.7.10. Five eras mark the political and economic context of Nedlac's operations since inception, being; the Mandela Euphoria marked by high level of confidence, consensus and improving economic growth, Mbeki Efficiency, marked by high levels of economic growth but persistent unemployment and a breakdown in social partner relations, the Mothlante Moment and Zuma Meltdown, when social partner trust and confidence collapsed and saw economic stagnation and institutional decay result, and finally the Ramaphosa Dilemma during which social partners have scrambled together in dialogue to cope with Covid-19, but have been unable to find consensus on a meaningful policy approach to arrest the economic decline of the country or to address long-range development issues.

1.7.11. In each period, Nedlac's effectiveness ebbed and flowed, but worsened most significantly in the Zuma years when institutional turbulence in the macro-environment in the form of *state capture*, combined with cynical self-interest by elites, eroded social partner confidence in many institutions including Nedlac itself, as well as in each other and in social dialogue in general.

a.

CHAPTER 2: FRAME FORMATION IN MULTI-SECTOR INSTITUTIONS: TOWARDS A CONCEPTUAL FRAMEWORK

2.1 Introduction

As indicated in Figure 7 below, this study is located in institutional theory, and specifically, in literature dealing with the micro-foundations of institutions, depicted in the white rectangular textbox in the centre of the spherical part of Figure 7. This theoretical perspective provides the study with a focus on Nedlac as a unit of analysis, appreciating the fact that institutional logics arise from the interactions of actors in the institutional field. In that sense, the study observes the domain of policy deliberation occurring at Nedlac as an institutional field.

This domain of policy deliberation, as Hajer and Wagenaar (2003, p. 20) argued, might be thought of as "[integrating] the policy actor[s], his or her beliefs and values, resources and external aspects", which are understood to be interdependent and where there is an "[awareness] of his or her position in a larger network of relations and obligations", and "the way they test the relevance and validity of their knowledge in particular situations is through public discourse".

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Figure 7. Theoretical framework and unit of analysis
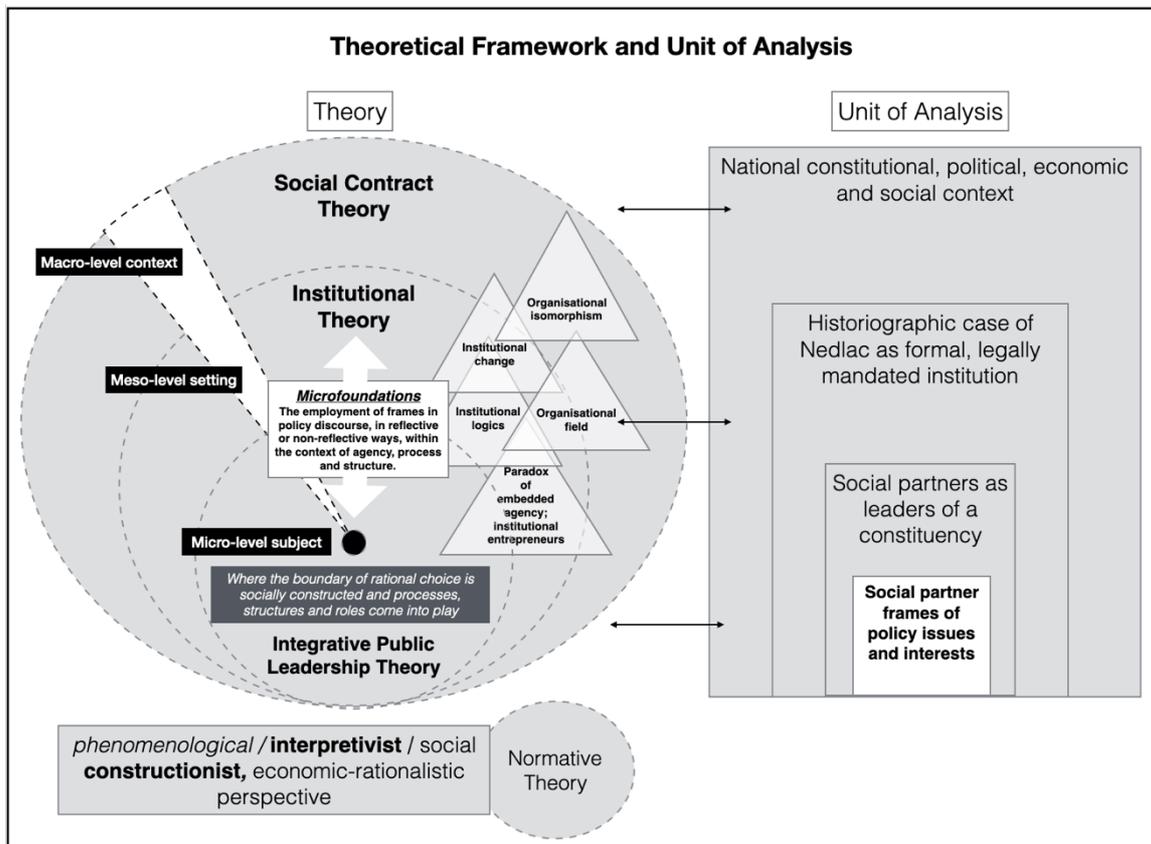
Source: Researcher's depiction

2.2 Directions in Institutional Theory

Institutional theory is a vast field, spanning the decades from the 1930s to today. In the early stages of development, scholars such as Hughes (1939) were interested in understanding societal institutions from a sociological perspective. The concepts arising from these endeavours were useful to later researchers interested in organisations and their formation, for example, Blau (1955), who wanted to understand bureaucracy, and Parsons (1956), who took a sociological perspective in articulating a theory of organisations.

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Origins in sociology of organisations

Institutional theory finds its roots in theories about social action, such as that of Merton (1936). An interest in the sociology of formal organisations (Selznick, 1949, 1952) provided a conceptual foundation for scholars studying structuration in society. With the rise of industrial era organisations, an interest in bureaucracy and administration then began to open new avenues for sociological perspectives of organisations, such as by Gouldner (1954), Selznick (1957), March and Simon (1958), and Dalton (1959), and this gave rise to institutional theories.

However, these approaches emphasised structuration to the degree that they did not adequately address the processes whereby institutions come about, change or cease to exist. Responding to the need for a more nuanced approach to institutional change, Berger and Luckmann (1967) developed their seminal paper, 'The social constriction of reality', in which they argued for alternative approaches that would account for the subjective and constructionist character of institutional development. Foucault (1979, 1982) and Bourdieu (1979) contributed to this tradition, emphasising the role of symbolic power in society as a force of will embedded in social relations that informed institutional formation in innate ways. For them, modernity was a systematic institutionalisation of previously informally-held cultural beliefs, into formal governmental instruments of control.

Ideas such as diffusion (Rogers, 1962) and social constructionism (Berger and Luckmann, 1967) thus began to influence organisational and institutional theory. These developments coincided with an emerging focus by scholars such as Lawrence and Lorsch (1967) on the environments within which organisations exist and operate. They laid the foundation for institutional theory with a growing interest in organisational decision-making (Cohen, March, and Olsen 1972) on the one hand, and societal sense-making on the other (Berger, Berger, and Kellner, 1973).

These developments in theory opened fissures in the previous conceptions of institutions as durable, stable structuration in society, and raised questions about the role of agents and change in institutions, which began to be addressed by Giddens' (1979) notable contribution entitled, 'Social theory: Action, structure, and contradiction in social analysis'.

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Encompassing sense-making in human interaction

While sociological perspectives of organisations continued to evolve, which emphasised human interaction (Hannan and Freeman, 1977), they were accompanied by a new-found interest by scholars in the sociological dimensions of organisational structure, myth and ritual by which institutions influenced and formed organisations (Meyer and Rowan, 1977).

These approaches became distinct from approaches to organisational or institutional theories that instead emphasised resources, organisational efficiency, power and legitimacy (Pfeffer and Salancik, 1978). The latter approaches took a materialist view of institutions, emphasising stability over change as a result, whereas the former instead emphasised meaning and meaning-construction in institutions and organisations. The field came to emphasise institutionalisation as formal structure, such as in the work of Meyer (1970), Mighter and Rowan (1977), leading to highly-cited scholars such as Zucker (1977) to contemplate "cultural persistence" as arising from processes of institutionalisation. However, in the 1980s, the notion of organisational fields came to dominate much of the literature, especially after the seminal works of DiMaggio (1983), DiMaggio and Powell (1993), who grappled with the confluence of interest and agency in institutions, and contemplated the notion of collective rationality.

Economists were also beginning to use institutional theory to understand the modes of exchange or transactions of protecting property rights, and of permitting economic cooperation (Wiggens and Davis, 2006). The literature on economic institutions flourished with the Nobel Prize winning work of the likes of North (1986, 1990, 1991, 1993), and other theorists such as Bourdieu (1987) and Foucault (1979), who had inspired a reconsideration of the ways in which institutions operate in the economic dimension, by creating and sustaining the so-called "rules of the game", and societal norms that govern economic relations.

However, in the 1980s, the inadequacy of approaches that emphasised stability led scholars to consider how aspects of social change and organisational transformation arose in institutional terms (Starr, 1982). This marked a dramatic change in the theoretical landscape and was accompanied by the increased use of interpretive approaches to

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communication in organisations, to understand how institutions evolve (Deetz and Kersten, 1983). Tolbert and Zucker (1983), for instance, examined institutional sources of change in the formal structure of organisations, by looking at the process of diffusion of civil service reform. During this period, Scott (1987) reflected on these divergences in the field and the need for new avenues of exploration that could better accommodate institutional change, in his paper entitled, 'The adolescence of institutional theory'.

Isomorphism and field formation

DiMaggio and Powell's seminal (1983) re-examination of notions of rigidity, or isomorphism (cultural rigidity) in institutions, argued that similarities in organisations arose from rationalisation and bureaucratisation that cause organisations to become enveloped in an institutional field in which rational actors tend to favour creating organisations aligned to isomorphic norms and standards of peers. They called this the iron cage of institutional fields.

The dominant theoretical perspective of the time emphasised the search for legitimacy by organisational actors, compelled by their perceptions of appropriate institutional actions (Meyer and Scott, 1983), but these approaches had still fallen short of adequately explaining institutional change.

2.2.1 Towards institutional pluralism

Scholars responded to the need to better accommodate studies of institutional change by drawing on interpretive approaches to organisational communication theory (Putnam and Pacanopwsky, 1983) to contemplate sources of institutional change. The notion of diffusion returned to prominence as a source of institutional change, underpinning changes in formal structures of organisations (Tolbert and Zucker, 1983).

Zucker (1983), Giddens (1984), and North (1986) were taking an institutional perspective of organisations that emphasised structuration arising from the thought-processes and actions of actors within institutions. Abbot (1988) and DiMaggio (1988) went further in this

vein, to consider how the system of interactions between agents, their various interests, and agency drive institutional change. By 1990, North contemplated the role of institutional change in economic performance by, for instance, emphasising the ways in which institutions, formal and informal, provide the rules and norms by which society is organised, transaction costs are imposed on economic interaction, and the enforceability of contracts in society are determined.

Communication and rhetoric

Scholars continued to couch their observations of intra-organisational dynamics in terms of communication and meaning-construction (Gehlen, 1988; Mumby, 1988), with reference to the use of organisational rhetoric (Sproule, 1988) as a means for causing change in institutions. Further, the wielding of power in organisations to bring about cooperation or co-option, began to form a central perspective of how institutions change (Stohl and Coombs, 1988). Slowly, organisational and institutional change began to gain ground in comparison to perspectives that emphasise institutional stability, until this was finally observed in another seminal paper by DiMaggio and Powell (1991), entitled, 'The new institutionalism in organisational analysis'.

As a result, an ever-present paradox between institutional rigidity, embodied in structures, processes and norms, emerged in the literature, versus dynamic institutional change, which represented a tension between continuity and change in institutions (Jablonski, 1989). Notably, the conceptions of institutional stability and durability that had dominated early institutional theory, were utilised by Tolbert and Zucker (1996) to reflect how institutional theory had become institutionalised.

In contrast, Leblebici et al. (1991) harnessed the new perspectives in institutional theory to consider institutional change within the conceptualisation of what they called inter-organisational fields, and how these bring about transformations in organisations.

This new emphasis on transformation and change led Cheney (1991) to contemplate the use of rhetoric in organisational society in terms of the actors' multiple identities, signalling

another return to the interpretivist roots of institutional theory.

Friedland and Alford (1991) also continued in this vein by re-emphasising the employment of symbols and meaning-laden practices in institutions as tools for the creation of coherency, continuity, and change in institutions.

Neo-institutionalism

In the same year, Jepperson (1991), Powell and DiMaggio (1991) articulated what they saw as a new institutionalism that had previously taken root in scholarship, one which emphasised structuration and stability in institutions, at the neglect of the interpretive foundations required to adequately conceive of the dynamic nature of institutional development and change.

During the following period, scholars increasingly turned their attention away from the structurational perspective (Deetz, 1992) towards institutional change, and even de-institutionalisation (Oliver, 1992; Berteotti and Seibold, 1994; Mumby and Stohl, 1996).

Importantly, scholars such as Tolbert and Zucker (1996) had recognised that institutional theory needed to be reoriented towards a more balanced emphasis of action or change on the one hand, and structure or institutionalisation on the other (Barley and Tolbert, 1997).

This call for a new balanced approach to institutional theory proceeded to Beckert's (1999) important contribution on how agency and institutional entrepreneurship, and the use of strategic choice, can alter the institutional character of organisations.

Late in that decade, Pentland (1999) started to apply a network perspective to organisational theory, complementing the communicative perspective taken by McPhee and Zaug (2000), and Cooren (2001), and thereby signalled a new chapter in the development of the literature.

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Discursive communication

The foundation that had been laid in the literature, with the use of communication as a perspective on institutional formation, re-emerged with the employment of an appreciation of the discursive nature of institutional formation (Grant, Keenor, and Oswick, 2001). Critically, notions of narrative and the employment thereof in organisations to embed and reinforce meaning, became central in the literature as key conceptual handles for the dynamics of institutional change (Seo and Creed, 2002).

Zilber (2002) importantly built further on this foundation to clarify and define institutionalisation as an interplay between actions, meanings, and actors. This was an important synthesis of longstanding aspects of action versus meaning (Lammers, 2003), communication, and rhetoric (Schwarts, 2003), as well as accommodating intentional strategies employed by actors (Brimeyer, Eaker, and Clair, 2004; Cheney, Christensen, Conrad, and Lair, 2004) to bring about mobilisation of actors or change in institutions.

Institutional entrepreneurship

By this stage of the integration of change as a theme in institutional theory, organisational discourse had become a prominent feature of institutional fields (Grant, Hardy, Oswick, and Putnam, 2004; Phillips, Lawrence, and Hardy, 2004; Davis and Marquis, 2005), and provided an anchor for emerging notions of institutional entrepreneurship (Maguire, Hardy, and Lawrence, 2004).

Scholars continued to employ discursive perspectives to examine the role of identity in institutions (Trethewey and Ashcraft, 2004), as well as to contemplate sources of conflict and consent (Ashcraft, 2005) in institutional fields.

The historically important notion of legitimacy in institutions resurfaced with Deephouse and Carter's (2005) comparison of organisational legitimacy with organisational reputation, while the role of communication, rhetoric, and discursive interaction remained central to how scholars understood intra-organisational dynamics (Kuhn, 2005; Lynch, 2005; Real and Putnam, 2005; Saddaby and Greenwood, 2005).

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While the employment of perspectives about institutional communication, discourse, and rhetoric dominated the literature during the decade (Cooren, Taylor, and Van Every, 2006; Kuhn, 2006; Lammers and Barbour, 2006; Lawrence and Suddaby, 2006; Hartellius and Browning, 2008), institutional theory started to be used to explore the phenomena of globalisation (Maguire and Hardy, 2007) on the one hand, and organisational reputation (Bertels and Peloza, 2008; Winn, MacDonald, and Zietsma, 2008) on the other.

Yet, the eminent questions of change and stability in institutions continued to be of concern for scholars, who started to consider what role institutional stakeholders play in using communication to intentionally bring about institutional change (Lewis, 2007). Also, questions about the extent that isomorphism occurred in specific industries persisted (Sheets, 2007).

The concept of institutional entrepreneurship, of change being brought about intentionally by agents (Wijen and Ansari, 2007) and the use of stories or discursive dynamics (Zilber, 2007) by institutional entrepreneurs, became a focus of the literature late in the decade (Hardy and Maquire, 2008).

Field conflict and competing logics

In addition to discursive considerations of the interaction between various institutional fields, the resultant dynamics of competition and conflict and the use of rhetoric in exercising control in organisations became important considerations for scholars such as Green, Babb, and Alpasian (2008).

By this stage, institutional theory had become useful as a tool for understanding and framing societal phenomena in many fields, including economics and political science. Robinson and Acemoglu (2012), for instance, used institutional theory to great effect to explain the comparative economic performance of nation states, arguing that political, economic, and social institutions can take on an inherently extractive or inclusive manner. That is to say, societies might develop institutional arrangements, both formal and informal, which either lead to the progressive inclusion and betterment of the society at large and across social strata and groupings, or extractive ones that diminish the trust,

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investment and value creation in society.

Robinson and Acemoglu's (2012) contribution to the theory was to bring basic notions of societal fairness and coherence, as well as issues of inequality and value distribution in economic terms into the relationship, with the longstanding conceptions of institutionalisation as a form of societal technology by which social processes are mediated. Seen from this theoretical perspective, Nedlac is such a societal technology or institutional instrument. However, since Nedlac exists within the broader context of the institutional eco-system, the character or the institutions in the system in relation to their fairness and coherence, or their tendency to improve or worsen issues of inequality and value distribution, place constraints on Nedlac's capacity for effectiveness. This is born out, as we discuss in Chapter 5, during the so-called state capture period, when the decline in public morality and institutional integrity elsewhere in the system eroded both Nedlac's effectiveness and credibility as a societal instrument for social dialogue towards societal fairness and coherence. It raises the question of how Nedlac could be expected to mediate between the interests of the social partners when some among them, whether political, business, labour or community leaders, are using illicit means in an extra-institutional fashion to further their own narrow or sectoral interests. Chapter 5 addresses this in more depth.

Institutional pluralism

Conceptually, the institutional theory found itself reoriented to fundamentally encompass institutional change, as well as stability, and the emerging notion of institutional pluralism came to the fore as a solution (Kraaz and Block, 2008). This enabled scholars to delineate the contours of the new institutionalism (Palmer, Biggart, and Dick, 2008) and conceptualise the micro-foundations of institutions (Powell and Colyvas, 2008). This reorientation was influenced by authors such as Bourdieu (1979) and Foucault (1979, 1982), who argued that institutions are the product not of rational actors, but of sociological constructions arising from the sense-making of actors who are, to some degree, incentivised by their heuristic perspective on social reality. Thus, institutions arise from micro-foundational interactions between actors and their environment, and with one another, in a bottom-up fashion as much as they exist in a concretised and structural

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sense. The radical ontological perspective of Foucault (1979) framed institutions as the products of powerful societal epistemes that have their origins in humanity's deep-seated needs for power and esteem. In that view, formal government institutions are an embodiment of the collective and often-conflicting pursuits of individual interests.

2.2.2 Micro-foundational perspectives of institutions

Micro-foundations of institutions

The new emphasis on micro-foundations expanded in the literature in the form of studies conducted on the way ideas, behaviours and communication (Sahlin and Wedlin, 2008) are used by institutional agents (Scott, 2008) to create new institutional logics or to further embed old institutional logics (Thornton and Ocasio, 2008).

Constitutive complexity, and communicative constitution

Scholars such as Battlana, Leca, and Boxenbaum (2009) went further, describing the way in which actors change institutions, and in so doing, outlined a now matured theory of institutional entrepreneurship, synthesising the understanding of how communication flows in institutions, and enables what then came to be called the constitutive complexity of institutions (Browing, Greene, Sithin, Sitcliff, and Obstfeld, 2009).

McPhee and Zaug (2009) further developed these notions to arrive at a framework for an explanation of what they called the communicative constitution of organisations. Dunn and Jones (2010) thereafter provided an important contribution in considering how institutional logics function in the context of institutional pluralism as sources of contestation.

Influence of boundary actors

Hardy and Maguire (2010) continued the emphasis of the scholarship on the role of discourse in field configurations and institutional change. Zietsman and Lawrence (2010) deepened this scholarship on transformation in institutions, by considering the role of boundary actors who traverse conventional institutional boundaries and facilitate inter-

institutional interaction, as formative institutional agents.

Lewis (2011), drawing on the rich legacy of scholarship about change and communication in institutions, contemplated the role of strategic communications in intentionally shaping institutions, while Suddaby (2011), responding to the earlier scholarship by Lammers (2011), articulated a systematic outline of how institutionalisation is the product of communication.

2.2.3 Concept Development of Institutional Economics

From the perspective of economics, institutions have been referred to as the "rules of the game" in society (The Ronald Coase Institute [TRCI], 2020), but in the application of institutional theory in the domain of economics, the notion of institutions extends far beyond the normative or codified rules of social exchange. Rather, applications of institutional theory have extended the understanding of economic issues, including the nature of transactions; of property rights; governance; contracts; social costs; collective action; social capital; the informal economy; corruption; rent-seeking; opportunity cost; and the path dependence of economic development.

In Figure 8 below, a schematic representation is provided of three distinguishable thrusts or directions in institutional economics. These are institutional economics *from above, from below and from within*, and are understood to refer to how institutional theory was used to explain macro-level, meso-level and micro-level aspects of economic phenomena within their societal context. Collectively, these myriad forays into institutional economics might be thought of how institutions constitute the rules of the game in society in economic terms.

Figure 8: Directions in institutional economics
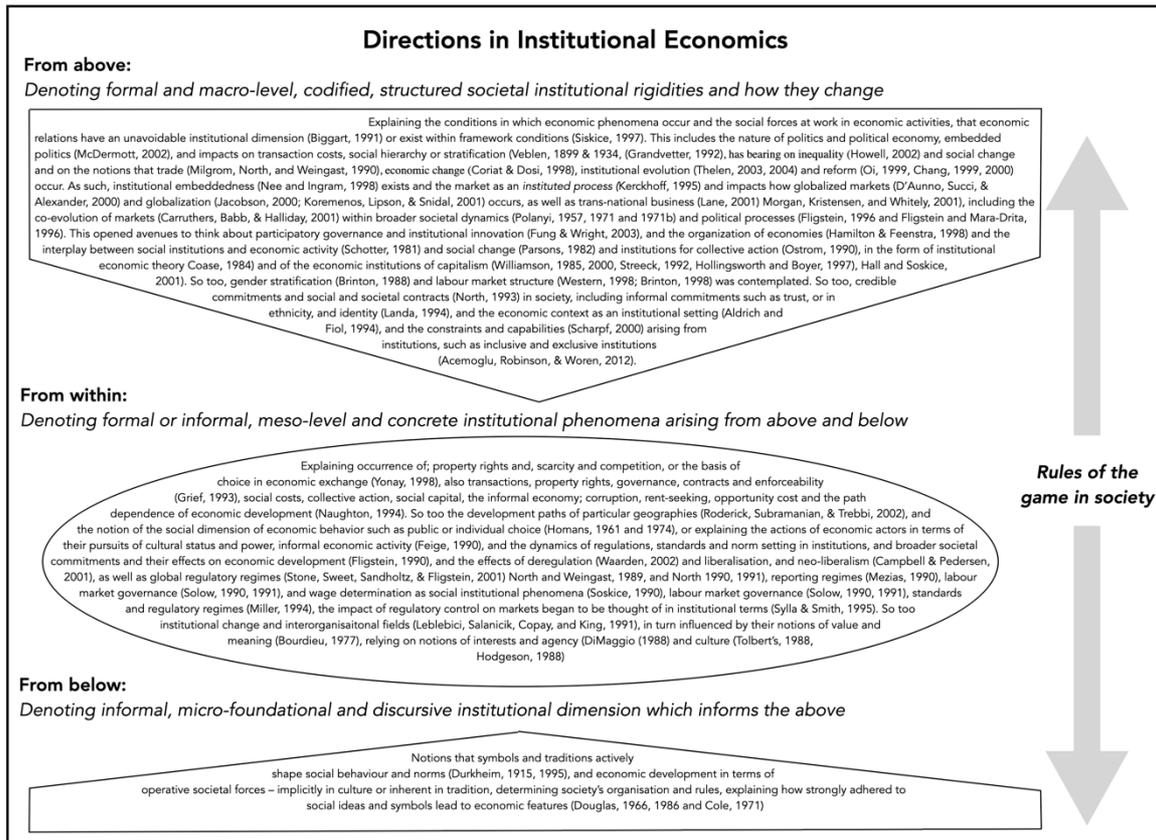
Source: Researcher's depiction

From the 1960s onwards, with the growing attention to public choice theory (Rowley, 1993; Russell, 2013), an increasing number of scholars of economics and classical economic theory began drawing on institutional theories to better understand and explain central issues of economics such as scarcity and competition, or the basis of choice in economic exchange. These scholars were interested in comparing market decisions to political decisions, especially in collective public decision-making. Beyond these considerations, contextual or environmental matters with which economists are concerned, such as politics and political economy, transaction costs, social hierarchy and social change, as well as property rights and public or individual choice, were dealt with in institutional terms. Progressively, theories of institutions began to be the terms by which economic phenomena were understood.

Building on the foundations of sociology and institutional ideas

Scholars interested in economics found the foundational concepts of authors such as Durkheim (1915, 1995), stating that symbols and traditions actively shape social behaviour and norms, useful in examining economic phenomena. Furthermore, as early as 1934, authors such as Veblen (1899, 1934) contemplated social stratification in society in institutional terms. From the 1950s to 1970s, Polanyi (1957, 1971, 1971b) delineated the notions of trade and of the market in terms of what he called an "instituted process" in society, pointing to the emerging idea that economic exchange was occurring within the context of larger social dynamics. Homans (1961, 1974) was quoted by economists as they sought to explain the social dimension of the economic behaviour they observed.

Macro rationality and a theory of economic practice

Through the 1960s and 1970s, scholars such as Douglas (1966, 1986) and Cole (1971) began to define economic development in terms of operative societal forces – or institutions, often implicitly in culture or inherent in tradition, and how these determine society's organisation and rules. To explain the way in which strongly adhered to social ideas and symbols led to economic features in society, they and others drew on the work of Bourdieu (1977) to explain the actions of economic actors in terms of their pursuits of cultural status and power, in turn influenced by their notions of value and meaning. While this was not a dominant perspective on economics at the time, it lay a foundation for what was to become a mushrooming of institutional perspectives on economic issues in the 1980s.

Social change, economic institutions, and the role of interests and agency

The decade after 1980 saw many scholars resort to institutional theory concepts in their economic analysis. Notably, Schotter (1981) offered an economic theory of social institutions in which he considered the interplay between social institutions and economic activity. Drawing on the sociologists such as Parsons (1982), who outlined social change in institutional terms, scholars such as Coase (1984) were able to fully synthesise the core notions of institutional theory with the core concepts of economics, to create a new

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institutional economic theory. Williamson (1985, 2000) extended the field by focusing specifically on the economic institutions of capitalism, and proceeded to provide a perspective of possible future avenues for institutional economics to pursue. Throughout the period, economists found the work of institutional theorists' work such as that of DiMaggio (1988) on interests and agency, and Tolbert's (1988) work on culture, useful when trying to expound the unquantifiable aspects of economics. Hodgeson (1988) demonstrated this in his work on economists and institutions. However, the period also saw attempts to explain issues of gender stratification (Brinton, 1988), and labour market structure (Western, 1998; Brinton, 1998) in institutional terms.

Fully integrating economic and institutional perspectives in the 1990s

With the seminal book by the first female Nobel Prize winner Ostrom (1990), 'Governing the Commons: The evolution of institutions for collective action', there began to be widespread appreciation in the field of economics for the usefulness of institutional theory to give an account of the conditions in which economic phenomena occur, and the social forces at work in economic activities. Ostrom's work pointed to the empirics of actual institutions rather than just theory, and the empirics often contradicted the theory, creating an impetus for further theory-building.

Feige (1990) referred to informal economic activity in institutional terms, and Milgrom, North, and Weingast (1990) used institutional theory to explain the enablers of trade in that period. These were precursors to the significant contributions of Fligstein (1990), North and Weingast (1989), and North (1990, 1991) who respectively framed the dynamics of regulations, standards and norm setting in institutions, and broader societal commitments as well as institutional conditions that impinge on or affect economic development. These works set a basis for more targeted applications of institutional theory concepts to explain reporting regimes (Mezias, 1990), labour market governance (Solow, 1990, 1991), and wage determination as social institutional phenomena (Soskice, 1990).

By that time, it was understood that economic relations had an inevitable institutional dimension (Biggart, 1991), and that so-called "credible commitments" (North, 1993) and other societal or social contracts, including economic and transactional ones, were

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institutional in character. Landa (1994) explored the informal nature of such commitments in trust, ethnicity, and identity in the work, 'Beyond the new institutional economics of ethnic trading networks, contract law, and gift-exchange'. Institutional economics now afforded scholars the conceptual tools to think about economic phenomena in a language that accounted for language, culture, symbol, and tradition. This was a considerable shift from the neoclassical tradition with its predominant focus on atomised, individual economic agents. Standards and regulatory regimes such as accounting (Miller, 1994), and the impact of regulatory control on markets began to be thought of in institutional terms (Sylla and Smith, 1995).

Institutional rigidity and change as a context for economic activity

These developments in economic institutionalism coincided with institutional theory's own shift towards new institutionalism (Powell and DiMaggio, 1991), which focused on the constraining and enabling rules or norms in processes of institutionalisation. Understandably, economic theorists found this helpful in contemplating rules, standards, and regulatory regimes as pertaining to economic behaviour and markets. However, this would change when institutional theorists such as Leblebici, Salanicik, Copay, and King (1991) began to orientate the field towards institutional change, and the transformation of inter-organisational fields.

There was much interest among scholars in the development of the European community and especially the so-called single market at the time (Peters, 1991), and the concept of "economic institutions as social constructions" (Grandvetter, 1992) was useful to consider economic performance in industrial relations, and the way in which capitalist societies were operating (Streeck, 1992). Scholars such as Posner (1993) articulated what they saw as an encounter between the new institutional economics and traditional fields of law, and classical economics at the time. As firms extended their reach into international markets and became multi-national in character, scholars began to grapple with questions of contract enforceability (Grief, 1993), industrial structure, and technology development (Nelson, 1994) in institutional terms.

The rise of the so-called Asian Tigers and the notion of the *Developmental* State as

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demonstrated by China's economic emergence and firms' engagement across various institutional settings also gave rise to a need to explain economic development in broader terms, and Naughton (1994) used institutional theory to contemplate China's economic rise as a form of "privatisation from below" on the back of what was called "Chinese institutional innovation". What was emerging was a view of the economic context as an institutional setting, and this was fully embraced by the likes of Aldrich and Fiol (1994), who considered the entry of firms into new institutional settings and how they account for these settings.

Institutions create markets and markets create institutions

Kerckhoff (1995) observed at the time that as societies industrialised, so their social strata took on firms informed in large part by their institutional character. Fligstein (1996), a decade after his seminal paper on societal norms, contemplated markets as inherently political in the sense that they are the product of political-cultural processes.

It is important to note here that in the South African case, both formal institution factors such as the policy orientation or legal framework created by the governing regime, such as during apartheid, as well as informal institutional features such as common law marriage and inheritance practices have played a role in shaping the economic setting. Thus, in line with Kerckhoff (1995) and Fligstein's (1996) observations, market conditions in South Africa were not the product of narrow economic or commercial forces, but they were also broader and interwoven societal and political forces.

This theoretical development described above marked a deepening in institutional economics beyond examining economic activity, or their standards and rules in institutional terms, to a view of market mechanisms as institutional manifestations in a more direct and fundamental sense. Fligstein and Mara-Drita (1996) articulated this perspective explicitly in their paper, 'How to make a market: Reflections on the attempt to create a single unitary market in the European community', and Sterns and Allan (1996) similarly framed economic behaviour as taking place within institutional environments.

Hollingsworth and Boyer (1997) recast capitalism in institutional terms, referring to what

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they called the "embedded" nature of institutions as the progenitors of economic conditions and operations. Similarly, Siskice (1997) outlined the framework conditions created by the policy environment in Germany as an enabler of national innovation, placing institutions as central to an understanding of economic conditions and progress. By this time, institutional economics was a maturing concept and provided a language to delineate the holistic organisation of economies (Hamilton and Feenstra, 1998).

Since institutional theorists were increasingly interested in institutional change, this allowed economists to contemplate the role of institutions in helping or hindering economic change (Coriat and Dosi, 1998). The converse is of course also evident, how economic change such as brought about by rapid change in or adoption of technology, also precipitates institutional change. Nee and Ingram (1998), for instance, considered the interplay between social structure, economic exchange, and institutional embeddedness as a hindrance to economic change and development. By this time, Yonay (1998) recognised the way in which institutional theory was reforming the classical emphasis of economics on rational choice.

Institutional change and reform, coupled with economic change and reform, emerged as a direction of inquiry, especially to try to explain changing economic conditions in China (Oi, 1999), and the collapse of some of the large family-owned corporations called the Chaebol, in Korea (Chang, 1999, 2000) in the decade before.

A focus on global institutional change, embeddedness and competition in the 2000s

This marked a period in which institutions shaped market forces (D'Aunno, Succi, and Alexander, 2000), and how institutional contexts affect entrepreneurship (Kloosterman, 2000), the performance of immigrant businesses (Rath, 2000), and more generally, how market conditions are influenced by dominant cultures and institutions (Chang, 2001, 2003, 2004). The effects of regulation and deregulation, as institutional conditions, began to inform economic thought (Waarden, 2002), as scholars studied the economic development of Asian countries, and the growing normalisation of inter-continental regulatory regimes in Europe (Stone, Sweet, Sandholtz, and Fligstein, 2001).

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Authors such as Kenney and Von Burg (2000) drew on institutional theory to consider the emergence of Silicon Valley and the market for technological innovation, while Ingram and Clay (2000) grappled with the notion of choice within the context of institutional constraints and capabilities (Scharpf, 2000). A concern with innovation, and enabling innovation through conducive institutions, became a key feature of developments in the decade (Bruno, 2000), while the continuing march of globalisation caused scholars to look to institutional theory to explain international economic developments (Jacobson, 2000; Koremenos, Lipson, and Snidal, 2001).

By this stage, institutional economics had developed to the point where Hall and Soskice (2001) were able to recast capitalism in a variety of terms, using institutional theory to contemplate the comparative advantages of each for capitalism. It was similarly evident to Lane (2001), Morgan, Kristensen, and Whitely (2001) that one could contemplate globalisation and transnational business as a form of trans-institutional phenomena. The development of global financial markets in concert with global trade, however, raised questions about the co-evolution of these markets versus the formal and informal institutions that govern them (Carruthers, Babb, and Halliday, 2001).

Simultaneously, the drive towards deregulation and liberalisation, and neo-liberalism, were seen by scholars in institutional terms (Campbell and Pedersen, 2001), and it was again Fligstein (2001), who would make a significant contribution in outlining the institutional character of the era's economic developments in his paper, 'The architecture of markets: An economic sociology of twenty-first-century capitalist societies' and in his depiction of the European Union's (EU) formation (2002) in institutional terms.

However, aside from the macro-contextual use of institutional economics, scholars were still grappling with the embeddedness of institutions within industries and markets, and the way in which these reflected a form of embedded politics (McDermott, 2002), led to earnings inequality (Howell, 2002), and shaped economic development trajectories in specific geographies (Roderick, Subramanian, and Trebbi, 2002).

By then, scholars were interested in how institutions evolve (Thelen, 2003, 2004), and the role of rational choice versus institutional effects in economic transactions and regimes

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(Weingast, 2003). Especially capitalist societies and democracies, struggling with questions of economic growth, inclusion, and stubborn institutional arrangements and mediating structures, gave rise to an interest in participatory governance and institutional innovation (Fung and Wright, 2003), as part of a broader set of questions about the role of inclusive or exclusive institutions in either enabling or hindering economic development (Acemoglu, Robinson, and Woren, 2012).

2.3   Related Concepts in Policy Science and Policy Deliberation

Policy analysis, 1950 to today, from positivism to critical interpretive and mediated negotiation

Three major traditions emerged in policy science and research in the last 70 years or so that try to explain the conceptions of rationality in policy practice, how policy is made or ought to be made, and how policy disputes arise and can be settled. These traditions each advanced a model of rationality within the context of the policy-making process. The traditions developed largely within the context of the fields of policy analysis and public administration, the implication of which was that they tended to emphasise the practice and process of policy-making and policy-makers as their units of analysis.

Table 2 below summarises the three traditions, as well as a new approach referred to as design rationality, argued for by Schön and Rein (1994) and relevant to the focus of this study.

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Table 2: Successive traditions in policy science and policy deliberation

	Tradition 1	Tradition 2	Tradition 3	New approach
Model of rationality	Positivist, realism	Post-positivist critical realism	Deliberative economic rationality within an interpretive approach	Design rationality (Schön and Rein, 1994)
Focus	Policy choice and formal political institutions	Political and pluralistic perspective of, discursive dimension of public policy	Conflicting interests and power, dispute resolution for joint gain	Frame-reflexive policy conversation, from controversy to consensus
Philosophical paradigm	Philosophical realism, matter of fact	Critical interpretive account of governance	Consensual dispute resolution, mediated negotiation	Pluralistic, subjective, social construction of policy problems
View of actors	Rational actors	Rationally contending over perceptions and interests	Contending and mutually inter-dependant, networked	Framers, contending through frame conflict
Interacts with outside world	Via data and observations	Via data, arguments, power and interests	Via participatory pluralist networks of meaning	Via generative metaphors and meta frames
Epistemological approach	Objective, certain knowledge	Objective, certain knowledge, discursively embodied	Interpretive analysis	Constructed, frame-critical policy stories,

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	Tradition 1	Tradition 2	Tradition 3	New approach
View of words	Nothing more than labels for stable objects in the external world (Hajer and Wagenaar, 2003)	Themselves constructive of reality	Constructivist, means and ends of bargaining and negotiation, embodiments of interests	Embodied representations of policy frames and their underlying meta frames, frames as diagnostic-descriptive stories
Resolution of conflict	Through assessment of policy situations, identifications of policy options in search of objectively correct prescriptions	Through dynamic dialogical, discursive process of contestation, multiple interest groups holding conflicting interests and perspectives for control over the definition of policy and allocation of resources, policy outcomes are products of a competitive political game (Schön and Rein, 1994)	Through collaborative dialogue and democratic deliberation, through or in spite of classical-modernist institutions (Hajer and Wagenaar, 2003, p. 6), pragmatic	Policy conversation: Translation, reframing and reflective frame formation, surfacing, adjusting, co-creating frames

	Tradition 1	Tradition 2	Tradition 3	New approach
Assumed posture of policy actors	Neutral	Fallacy of neutrality	Contending, invested	Co-creative, emergent discourse
Policy problems seen as	Instrumental	Dynamic contestation	Deep-seated conflicts and interests in dynamic interaction	Controversies, arising from deep-seated frame conflict
Practice logic	Non-self-reflective, planning, programming and budgeting	Focus on problem formulation, practical judgement in understanding policy problems and finding policy solutions	Participative, deliberative, dialogical collective inquiry and pragmatic bargaining, expansive democracy (Warren, 1992)	Progressive practice up the Ladder of Reflection from practices, through rules, processes and debates, arguments and positions to beliefs, values, interests and societal meta frames (Schön and Rein, 1994)
Limitations	Inadequate for contextual societal complexity	Did not systematically address the institutional dimension of pluralistic policy approaches	Problems of representation, difficulties of setting an appropriate agenda, obstacles to joint fact finding, difficulties of	Complex dialectical process within the actor-structure dichotomy (Hajer and Wagenaar, 2003, p. 20), at risk of

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	Tradition 1	Tradition 2	Tradition 3	New approach
			binding parties to their commitments and obstacles to monitoring and enforcing negotiated agreements (Susskind and Ozawa, 2010)	predicament of epistemological relativism (Schön and Rein, 1994, p. 42)

Source: Researcher's summary

The first tradition took the form of a positivist approach, and conceived of policy analysis and policy science by focusing on policy choice, and seeing policy actors as rational agents. Philosophical realism, the belief that policy interacts with the external world via data and observations in a matter-of-fact manner, delivering "objective, certain knowledge" (Hajer and Wagenaar, 2003) as an input into the policy process, initially dominated the field. Within such a view, "words… are nothing more than labels for stable objects in the external world" (Hajer and Wagenaar, 2003) as opposed to themselves being constructive of reality.

This tradition, emphasising the role of the rational actor, assumed that policy conflicts could be resolved through the assessment of policy situations, and identification of policy options in search of objectively correct policy prescriptions. It also assumed that this would be achievable through neutrality on the part of policy analysts, to the politics of the policy situation. The implication was that the tradition naïvely treated policy problems as instrumental problems to be solved through instrumental remedies sought through value-neutral policy science. Neutrality proved elusive, since neutrality is a fallacy in practice, and this led to a search for a new approach that could accommodate the inability for policy actors to come to agreements and consensus, and have to account for the politics of the policy process. This consequently led Lasswell (in Hajer and Wagenaar, 2003) to call for

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a "policy science of democracy".

Critics of the earlier tradition such as deLoen (in Hajer and Wagenaar, 2003, p. xiii) noticed a blind spot or lack of self-reflection in institutional terms, of the approach and argued that:

> *"These scholars asserted that the methodology and epistemology of positivist policy analysis tacitly assumed – and required – a certain hierarchical social ordering. A 'scientistic', quantitative policy analysis was itself part of a particular institutional order in which political and economic elites, effectively insulated from the citizens' voice, sought to design economically efficient and technology efficacious … to what they perceived as society's problems. … the better informed few prescribed for the many."*

Other critics of the tradition included Stone et al. 2001 (in Hajer and Wagenaar, 2003), who tended to focus on the foundational and methodological dimensions and limitations of the positivist approach in their critique. The earlier approaches have also been criticised by the likes of deLeon (1988) for being limited, in that their inherent styles, for instance, of "planning, programming and budgeting" (PPB) constitute a logic that resulted in a policy evaluation tradition, which tended to limit policy deliberation to the often-illusive and inadequate evaluation criteria imposed on policy problems by analysts, and failed to account for the contextual social complexity that forms part of policy situations.

Post-positivist critical approaches

The second tradition that emerged took the form of a post-positivist critical approach to policy analysis, being orientated towards a political perspective of the policy-making process. This tradition was in part the result of the need for an interpretive account of governance, as distinct from earlier approaches that emphasised positivist accounts of formal political institutions. This approach was advanced by authors such as Torgerson, Fischer, Amy, and deLeon (in Hajer and Wagenaar, 2003), who were critical of the fallacy of neutrality inherent in the first tradition. Thus, the approach took an interpretive perspective, arising in the 1960s, by embracing a pluralistic model of the policy-making process, which emphasised a view of policy-making as a dynamic process: *"…*of political contention, where the multiple interest groups hold conflicting interests and perspectives for control over the definition of policy and the allocation of resources, and policy outcomes

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are products of a competitive political game" (Schön and Rein, 1994).

Hajer and Wagenaar (2003) reported the attempts of Schön and Rein (1994), Hajer (1995), Yanow (1996), Fisher and Forester (1993) in the much quoted book, 'The argumentative turn in policy analysis and planning' of the period, as pointing towards "… the importance of problem formulation, and practical judgement in understanding policy problems and finding policy solutions", and attending to the discursive dimension of public policy and politics. They argued that the public policy challenges, typical of the policy controversies contemplated by the likes of Schön and Rein (1994) and their contemporaries, were "too complicated, too contested, and too unstable to follow schematic, centralised regulation" and thus, required alternative institutional arrangements and accompanying deliberative approaches to policy-making.

The macro-sociological changes afoot in the period, such as technological developments, globalisation, individualisation, and various forms of emancipation relating to the post-colonial period (Hajer and Wagenaar, 2003) also informed the second tradition. However, this tradition did not systematically address the institutional dimension of pluralistic policy approaches, in that it was said to have neglected the recognised symbiosis between methodology and political organisation (Hajer and Wagenaar, 2003).

The second tradition, still assuming the rationality of actors, emphasised the collective and contending search for furtherance of each actor's or group's interests, while not adequately accounting for their values, even as it emphasised differing levels of control over or power in the policy situation. However, authors such as Coleman (1982) were critical of this approach, questioning the nature of the judgement of policy actors as rational, and instead emphasised the contested nature of the process. New approaches thus emerged that accounted for the often chaotic, dense institutional, and political fields in which policy-making occurs, a setting in which competing freedoms, powers and interests play themselves out. Schön and Rein (1994) observed that researchers such as Pressman and Waldavsky (1973) elucidated the "radical distortion of centrally-formulated policy intentions" resulting from the contestation often involved in the policy process.

These approaches emphasised collaborative dialogue and democratic deliberation in

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situations of what Hajer and Wagenaar (2003) called deep-seated conflict, where they argued that a focus on the discourse and practices to understanding concrete policy controversies offered "practical and epistemological justification of more direct, participatory forms of democracy". Hajer and Wagenaar (2003, p. 5) further argued that interpretive approaches were most useful if focused on "concrete manifestations of policy-making and politics in the era of the networked society", as Beck (1992) called it. As a result, Hajer and Wagenaar (2003, p. 6), building on the tradition of interpretive analysis, argued for an analysis of the policy process, whereby:

> *"… the way in which different actors nowadays conceive of politics, which actors participate, what they see as effective political action, how actors frame conflict, and to what extent the classical-modernist institutions indeed hamper finding effective solutions to problems people want to see resolved."*

The latter of these questions, of how actors frame conflict and the effect of institutions, related strongly to the development of notions of pluralism and complexity in the micro-foundational perspective of institutions, and as such, are central to the concerns of this study.

Consensual dispute resolution and mediated negotiation

The third tradition, again emerging in response to the former, was that of consensual dispute resolution – or mediated negotiation, which arose around the 1970s, and flourished in the 1980s. It started from a point of departure that emphasised the process of conflicting interests and power, but proposed practices of mediated negotiation in the policy process (Forester, 1989). This latest tradition was strongly connected to a model of economic rationality by which disputes can be resolved for joint gain. The third tradition to some degree shared a vocabulary, theory, and ideology with the legal practice of handling labour management disputes, and to some degree also that of the micro-economic tradition of the policy sciences, having turned these to a "theory of bargaining for joint gain" (Schön and Rein, 1994). All three these traditions share an important philosophical foundation in that the central idea of instrumental rationality dominates their view of the way in which policy actors engage in the policy-making process.

That is to say:

> *"… that policy-makers are rational actors who choose the means – policy positions, strategies of policy action, or negotiating ploys – that they believe to be best suited to the achievement of their ends, which are rooted in their interests" (Schön and Martin, 1994).*

Hajer and Wagenaar (2003) argued that this evolution of the policy analysis tradition coincides with a societal and institutional shift in democracies worldwide, towards more complex network-orientated and decentralised approaches to the organisation of political initiative and as a result, policy deliberation. Interest groups, they argued, were no longer reliant solely on engagement with often hierarchal and top-down political institutions, but instead, created and mobilised networks and coalitions of actors in concert to address issues and pursue their agendas. Hajer and Wagenaar (2003) described the often transient and informal arrangements that resulted and were used to formulate solutions. These phenomena point to an emergence of what Warren (1992) called "expansive democracy", which transcends liberal democracy, in that higher levels of participation and interaction mark the relationship between citizens and broad-scale institutions by involving citizens more directly and closely in policy decision-making.

Hajer and Wagenaar (2003, pp. 8-13) identified five challenges for policy analysis on the back of these traditions, including the emergence of "new spaces" for politics; conditions of "radical uncertainty" under which policy must be made; the growing importance of "difference" in one's understanding of politics; the importance of "interdependence"; and the role of the dynamics of "trust" and identity" in the policy-making process. They argued that these set the scene for a new approach to policy-making that used deliberation such as continuous interactions, where the "practical rationality of careful attention, critical listening, setting out issues, and exploring working relationships were pragmatic aspects of problem construction (Forester, 1999, p. 34, in Hajer and Wagenaar, 2003). This importantly preceded more traditional notions of "rationality of choice" to respond adeptly to the new landscape within which policy-making occurs.

Frame-critical policy analysis in policy deliberation and conflict

Hajer and Wagenaar's (2003) book 'Deliberative Policy Analysis' contemplated the link between conceptions of policy science and related knowledge on the one hand, and the nature of political organisation on the other. They explored a set of linkages between conceptions of epistemology, and conceptions of purposes and methods of policy science, arguing that these have a bearing on the opportunities for collective inquiry and problem-solving in the policy-making process.

This study is concerned with what might be considered a sub-set of the aforementioned relationships – being the role of frames in policy conflict, set within a formal institution or forum tasked with facilitating policy deliberation.

Donald Schön and Martin Rein, in their earlier 1994 book, 'Frame Reflection', about the resolution of intractable policy controversies, discussed the problem of "reframing" in the context of policy deliberation or in policy controversies, which they referred to as forms of "frame conflict". They offered frame reflection as a means to make sense of intractable policy controversies, or to better understand the policy-making process itself. They argued that:

> "…policy evolves dialectically through the unfolding of a policy drama, a partly cooperative, partly antagonistic interplay of institutional actors in the policy arena. Policy controversies arise in the process of shifts in the situation… trigger conflicts of interests rooted in the actor's divergent frames" (1994, p. xix).

Their work is conceptually related to that of Susskind and Ozawa (2010), who examined the use of mediated negotiation for the resolution of environmental disputes. In their work, Susskind and Ozawa (2010) addressed five concerns associated with the practice of mediated negotiation in policy disputes, namely: Problems of representation; the difficulties of setting an appropriate agenda; obstacles to joint fact finding; difficulties of binding parties to their commitments; and obstacles to monitoring and enforcing negotiated agreements. As discussed in Chapter 5, all five of these concerns have pervaded the institutional case of Nedlac.

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However, Schön and Rein's (1994) perspectives transcended the mediation-orientated perspective later reported on by Susskind and Ozawa (2010), in that they were aligned with the interpretivist paradigm of sociology, wherein knowledge and social reality is constructed, as opposed to being concrete as in the approach of positivism. This is significant, in that problems of social and economic policy are understood to be set in a complex set of social and political contexts, wherein disagreements arise because of a myriad of factors, including material as well as social, philosophical and ideological reasons. However, the notion of frame reflection takes a constructivist view of the issue that can be located under the second of Susskind and Qzawa's (2010) concerns, being that of joint fact finding.

The focus of Schön and Rein's (1994) work was on policy situations in which an examination of the situation's facts by the actors and recourse to evidence do not necessarily lead to a resolution of the disagreement or conflict between the policy stakeholders. Such policy situations (or controversies) are understood to be "…immune to resolution by appeal to the facts … and tend to be intractable, ensuring, and seldom finally resolved" (1994, p. 4).

In that sense, policy controversies transcend policy disagreements in that the causes of conflict lie beyond the facts. Schön and Rein (1994) argued that facts play a different role in policy controversies than in disagreements, such as that in the former, parties to controversies employ "strategies of selective attention" in deciding which facts are relevant to the situation and even arrive at "different interpretations" when looking at the same set of facts (1994, pp. 4-5). As is discussed in Chapter 5, Nedlac appears to be prone to this phenomenon, given the divergences between the ideological orientations and strongly held master frames of the constituencies who form part of the institution.

Design rationality for frame reflection and reframing

Schön and Rein (1994) argued for the adoption of a paradigm they called "design rationality" in policy discourse, especially in situations of policy controversy or of intractable policy conflicts that would afford policy-makers the capacity to undertake

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"frame-reflective policy conversation" as a means to shift from conflict to consensus between policy stakeholders. They argued that such a shift requires the use of reframing and frame reflection as part of the policy deliberation process.

Schön and Rein's (1994) notion of the "social construction of policy problems" provides a useful approach with which to understand how policy researchers make the "normative leap" from the "is", or matter of fact descriptive delineation of policy problems, to the "ought", or prescriptive recommendations for policy solutions. They argued that policy frames, the "taken-for-granted assumptional [sic] structures of policy research", derived from what they called "generative metaphors" that represent "statements of value", as opposed to "statements of fact" about a particular issue (1994, p. viii).

Using this approach, Schön and Rein (1994) sought to identify the "structures of problem-setting policy stories, the frames and generative metaphors that underlie such stories, and the possibility of a frame-critical approach to policy analysis". In so doing, they provided an approach to the assessment of policy discourse that takes the pluralistic and subjective constructed realities of policy stakeholders into account, as distinct from the factual reality of the external policy situation in a realist sense.

Schön and Rein's Ladder of Reflection

Schön and Rein (1994) used the metaphor of a Ladder of Reflection to unpack what they meant by the various thinking layers or levels of thinking associated with policy deliberation or discourse. Their ladder consisted of the following six forms of thinking:

Level 1.   Policy practices such as regulation, screening, and verification;

Level 2:   Policy itself, conceived as a set of rules, laws, prohibitions, entitlements, or resource allocations;

Level 3:   The policy-making process, including its debates and struggles;

Level 4:   The particular positions and accompanying arguments held by advocates and opponents in policy debates and struggles;

Level 5:   The beliefs, values, and perspectives held by particular institutions and

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interest groups from which particular policy positions are derived – referred to as institutional action frames;

Level 6:   The broadly shared belief, values, and perspectives familiar to members of a social culture, and likely to endure in that culture over long periods of time, upon which individuals and institutions draw to give meaning, sense, and normative direction to their thinking and action in policy matters – referred to as meta-cultural frames.

Schön and Rein (1994) envisioned an ascending but dynamic interaction as taking place within policy discourse, between the levels of reflection (or thinking) undertaken on each rung of their ladder, according to which their notion of frame-critical policy reflection amounts to a capacity to move between the rungs in the process of policy discourse, where higher-level thinking is employed to identify and address the source of frame conflict.

Schön and Rein's (1994, p. xviii) argument was that policy-makers can employ higher-level reflection fully and systematically in the policy deliberation process, using their approach of "design rationality" wherein they argued that pragmatic solutions become available: "…when controversies are situated in messy and politically contentious policy arenas, they might actually lend themselves, through design rationality, to a pragmatic solution".

Reframing as a mechanism for co-creating pragmatic solutions

Reframing then, is the solution to these situations in that policy actors move beyond a static exchange of costs and benefits in search of a mutually-acceptable settlement, towards a new reality. Schön and Rein (1995) quoted Susskind to illustrate the process of reframing as a situation in which policy actors go beyond the assimilation of technical data, to: "… get caught up in group learning and civic discovery that might fundamentally alter their expectations, goals, and even language". As such, frame reflection comes to be understood as a co-creative process, which occurs between policy actors leading to the emergence of shared frames, as a consequence of their contributions to the process. This, Schön and Rein (1994) argued, might mean that participants in the policy process come

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to change their views of what their interests are. In this view, a group's interests are understood to: *"… be defined by the state of affairs [that the group] chooses to create in light of its way of understanding and representing that situations to other groups and to itself"*. In this context, Schön and Rein (1994) distinguished between the "artistic" versus "political" representation of interests in that the former is the portrayal of issues in such a way as to deliberately win the allegiance of large numbers of people who agree (tacitly) to let the portrayal of issues speak for them. In this way, the definition of interests is inextricably linked with the definition of issues…", they argued. In so doing, the representation of issues gives life to the interests of policy actors.

Hajer and Wagenaar (2003, p. 20) referred to this process as dialectic, in that it takes place in the actor-structure dichotomy, and explained the phenomenon by using practice theory, as distinct from discourse analysis, in that the former: "…transcends discourse analysis in that it shows that the everyday actions of policy-makers underlie often in an unrecognised way, the very entities and categories that make up political narratives about contentious social issues".

As shown in Chapter 5, the divergent institutional logics at play in Nedlac's dialogue arena (See Conceptual Framework in Chapter 4), demonstrate the way in which policy-makers *act-out* their respective positions on broader South African social issues through their dialogical behaviour.

Institutionalisation of political contention

Schön and Rein (1994, p. 8) argued that sustained policy contention has negative consequences on the policy environment and might lead to inadvertently institutionalising political contention:

> *"…any attempt to conduct public inquiry into policy issues requires a minimally coherent, more or less consensual framework within which the results of policy initiatives can be evaluated and the findings of investigations be interpreted. Then, controversies are enduring and invulnerable to evidence. What tends to result is institutionalised political contention, leading to stale-mate or to pendulum swings from one extreme position to another, as one side or another comes to political power."*

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The failure of the policy process to resolve disputes, but instead to institutionalise disagreement, poses a significant risk to the democratic process and the institutions tasked with resolving policy disputes, in that it can undermine the achievement of reasoned consensus on matters of great public concern. In Nedlac's case, as shown in Chapter 5, the institutionalisation of the formal social dialogue mechanism, in its corporatist and quadrilaterism-orientated form, has meant that the longstanding disagreements on economic policy have to some extent been institutionalised, instead of being resolved.

In response to this risk, Schön and Rein (1994, p. 22) argued that reasoned and reflexive policy discourse offers a potential means to resolve controversies arising within the policy process.

They postulated that frames, which are often tacit or "exempt from conscious attention and reasoning" might be systematically surfaced and grappled with (Dewey, in Schön and Rein, 1994). Frames that are used to articulate problematic situations or poorly or conflictually-framed policy situations, then can be surfaced and adjusted. They identified the problem-setting functions of frames to outline the "salient features and relations from what would otherwise be an overwhelmingly complex reality… [giving] these elements a coherent organisation, and … [describe] what is wrong with the present situation in such a way as to set the direction for its future transformation" (Schön and Rein, 1994) in the policy-making process.

Frames thus serve as elements of "diagnostic-prescriptive" stories that enable policy actors to make the so-called normative leap from data to recommendations, from fact to values and from what 'is' to what 'ought to be'. In many instances, frames serve then as generative metaphors or even myths that convey a constellation of ideas about what is, and what can be in terms of policy options.

The problem that Schön and Rein (1994) saw in the operation of frames in the policy-making process, when frame reflection is not undertaken, was that frames might even lead to "obvious" policy remedies to problems that were in the first instance poorly understood

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– clouded in strongly-held assumptions in the minds of one or more policy actor whose interests are bound up in their representation of the policy issue. This, in instances where policy conflict exists, are occasions of symbolic contest over the social meaning of an issue domain, where meaning implies not only what is at issue, but what is to be done (Schön and Rein, 1994). In the current policy discourse in South Africa, the strongly held views about land ownership and dispossession, and the arguments for wholesale land expropriation without compensation come to mind as an example. As in this case, this is especially the case where contending frames result in mutually incompatible ways of seeing or approaching a particular policy situation, such as between title deed owners of historically dispossessed land, and those who relate to land ownership by way of socio-cultural ties and familial history, including the burial of ancestors in the land under question.

Remembering that frames are grounded in institutions, institutional actors are understood to perpetuate and employ frames on behalf of institutions. This in and of itself can be a source of conflict.

Schön and Rein (1994) advocated an approach to policy discourse, or conversation among policy actors that enables the mutual or reciprocal exploration of alternative, or even contending, frames. They drew on Khun (1964) and Habermaas (1968), respectively (in Schön and Rein, 1994, p. 49) to ponder both the structure of translation across conflicting paradigms or in idealised discourse that this would entail. Within such idealised discourse, "a reciprocal and symmetrical distribution of rights [enjoyed] by autonomous citizens" would have to occur, whereby "each participant has an equal chance to initiate, question, or defend assertions, and an "equal chance of having an argument accepted on its own merits". This idealised view, rightly criticised by the likes of Benhabib (1990) as being utopian, however, points to the possibility of what a more practical cognitive competence could be for what she calls a so-called reversibility of perspectives, in which listening is employed actively to diverse perspectives, with the use of the notion of moral imagination that seeks to make sense of the frames of reference of one's fellow discussants.

Schön and Rein (1994, p. 42) warn against what they call the "predicament of

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epistemological relativism", according to which a frame-critical approach that embraces frame reflection as central to resolving policy controversy, might not be able to argue the basis for why it is assumed that frame conflicts are resolvable or that there is an objective case for choosing among alternative frames. Their solution to the relativist problem was to claim that policy situations are not infinitely interpretable, or able to be appropriated subjectively in an infinite number of ways, and therefore, there is an external and objective external world that policy-makers must take into account. They argued for a nonrelativistic approach to frame reflection in the pursuit of what Hajer and Wagenaar (2003) referred to as a theory of policy practice.

2.4. Implications for the Case of Nedlac

The implication of the theoretical framework outlined in Chapter 2 is that Nedlac can be seen as a manifestation of the formal institutional architecture created for South Africa by the framers of the constitution after 1994. That in their conception, the institutions of democracy in South Africa would not be sufficiently served by party-policy voting practices in how they mediate the interests of societal stakeholders.

Instead, the framers of Nedlac's founding documents saw the societal stakeholders as partners in the creation or a policy approach that would lead to a reform of the political economic system, in favour of wholesale socio-economic transformation. However, from the point of view of institutional economics, the rigidity and persistence of the apartheid economic architecture and its socio-economic mirror image of patterns of exclusion, would prove to be resistant to the institution of social dialogue.

Importantly, the conception of social dialogue as a quadrilateral corporatist endeavour, demonstrates an assumption that those newly powerful elites in government, and their equally entrenched counterparts in business and organised labour would undertake a process of national reform seemed unrealistic.

Whereas social dialogue as conceived of in Nedlac's founding documents was intended to produce consensus, and thereby provide space for institutional entrepreneurs and integrative leaders to foster greater levels of consensus for change, the institution instead

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saw the deeper entrenchment of narrow interest-seeking forms of extraction.

Rather than resolve policy conundrums and offer creative, or co-created policy frames and solutions for the national agenda, the institution, in keeping with the embedded logics, structures, frames and ideological battles, became tactical in its focus.

2.5. Key Points in Summary of Chapter

2.5.1. The study developed a theoretical framework through which to explore Nedlac as a bounded case, using a multi-level conception of the institutional, including a micro-foundational perspective with a focus on policy deliberation and policy frames as units of analysis. This was done in order to understand the institution's history and evolution, effectiveness or lack thereof and possible recommendations for improving such uses of institutionalised social dialogue for consensus building.

2.5.2. Institutional theory sought to make sense of the ways in which collective meaning and organisation occur in society, and how these remain consistent or change over time. This has included contemplating the role of institutional entrepreneurs and micro-foundations of institutions, including frame conflict and frame-formation, to give rise to institutional change. Beyond that, institutional pluralism has come to terms with the constitutive complexity of societal institutions and the role of rhetoric in the formation and evolution of institutions.

2.5.3. Institutional economics in turn has made the link between social meaning-making or sensemaking in human interaction, or macro rationality, and economic structures and processes that over time tend to become rigid and result in path dependencies and constraints in economic systems. This has shown how markets create institutions and how institutions create markets, thereby shedding light on the interplay between social, cultural and political factors and economic activity.

2.5.4. Integrative leadership theory has shown how boundary-spanning leaders employ discursive strategies to create mutual-understanding and alignment between stakeholders, and how these enable shared understanding and collective action.

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These conceptions overlap significantly with the notion of institutional entrepreneurship as contemplated in institutional theory. Similarly, shifts in scholarship in policy science and policy deliberation, from positivist to interpretive approaches and mediated negotiation, have grappled with processes and modes of engagement among policy actors, and how these inform institutional rigidity and change. Scholars have further developed frame-critical approaches to policy analysis, that arrive at the notion of the ladder of reflection in policy-making, to contemplate levels of policy meaning-making.

2.5.5. Taken together, institutional theory, institutional economics, integrative leadership theory and new perspectives on policy deliberation offer a right theoretical framework within which to contemplate the case of Nedlac as a case of institutionalised social dialogue in post-apartheid South Africa.

CHAPTER 3: A CONCEPTUAL FRAMEWORK OF MULTI-STAKEHOLDER INSTITUTIONALISED SOCIAL DIALOGUE FOR NATIONAL SOCIAL CONTRACTING

From the literature discussed in Chapter 2, and the preliminary analysis of documentary evidence about Nedlac, a conceptual framework was derived, which offers an integrated view of institutionalised social dialogue as a means for social contracting. The framework presents social dialogue as a cyclical process, which gives rise to the notion of a *social dialogue arena* within, a conceptual and participatory 'space' in which policy discourse occurs, and through which sustainable consensus is sought with the purpose of securing a social contract. The framework is depicted in Figure 10 that follows later in this chapter.

As noted in the delimitations of the study, the following discussion of this framework synthesises to a range of factors arising from the literature and document analysis, which are beyond the scope of this study, but form part of the complex phenomenon that is an institutionalised approach to social dialogue for social contracting. Thus, some of these factors are alluded to in passing, but were neither discussed in-depth nor investigated in the study. The study instead focused on the micro-foundational level, and will only deal with other constructs and factors in a cursory manner, sufficient to contextualise the micro-foundational perspective.

3.1   Consensus-Building as a Means for Social Contracting

The role of social dialogue in democratic social contracting

In a constitutional democracy such as South Africa, the need exists to translate the social contract contained in the Constitution, into other social contracts such as at the policy level in terms of macro-economic or monetary policy, as well as at industry and or sectoral level such as in terms of regulations of legislation. The South African Constitution of 1999 was transformative at the institutional level as a social contract in that it outlines principles (for example, The Bill of Rights) and created processes and institutions, including Nedlac. However, it provided principles only, rather than the detailing the substance of the social contract in technical terms relating to policy options. In that sense, it deferred hard trade-offs, which allowed the negotiated settlement to proceed, but left much of the distributive

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agreements that would follow open to negotiation, through dialogue.

These social contracts must be forged formally, for example, in the form of codified agreements, but also institutionalised tacitly in the form of the implicit relations among the society's various sub-groups and social partners. The process of social contracting, in the context of democracy, is also not a once-off event, but must be continually maintained as conditions change, as the political and economic as well as social order evolves, and the expectations and demands of society's social partners are raised and adapted.

Accordingly, institutionalised social dialogue for social compacting might be thought of as a dynamic and ongoing process, or a mechanism for the systematic and structured facilitation of the social or public discourse, in this case, specifically relating to national development and economic policy options.

The need for consensus is therefore implicit in the notion of social contracting in a democracy, since a social contract requires a measure of agreement among the social partners as the basis upon which social partners can cooperate, and without which they remain in a state of stale-mate or conflict.

In the unique case of South Africa, given the nation's colonial and apartheid past, the social dialogue process must also contend with the additional societal commitment to 'transformation' of the social and socio-economic order to correct the historic wrongs, still prevalent in the economic and social institutional arrangements of the country. Thus, institutionalised social dialogue can be seen as being a mechanism for institutional reform and transformation.

Nedlac's normative 'transformational' purpose

In Nedlac's case, therefore, a formal institution tasked with social dialogue for consensus-building, there is an implicit normative purpose assigned to the institution – that of securing a social contract as part of a process of social transformation, by way of the policy deliberation process. This normative purpose importantly includes the desired outcomes, stated as overcoming the so-called "legacies of apartheid", which means materially

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improving the socio-economic conditions of citizens, and especially, black South Africans.

It is therefore likely that the measure of success of the institution might include the developmental trajectory not only of the country as a whole, for instance in terms of GDP growth, but also in terms of intra-national development factors such as the reduction of inequality. It is interesting to note that in a more explicit sense, the Constitution itself and the growing case law on socio-economic rights, and development issues are now starting to address these questions.

In light thereof, institutionalised social dialogue might be thought of as a present-time endeavour with the purpose of achieving an improved future outcome at the societal level. In Nedlac's case, where social dialogue is institutionalised at the national level in the form of a multi-sectoral process or structure, the institution is therefore inherently imbued with the normative purpose of co-creating a preferential future conception of the political, social and especially the economic order as part of the contracting process to which the social partners hope to be aligned.

As a dialogue forum, Nedlac is therefore not narrowly negotiating particular policy alternatives, but more broadly negotiating the processional social contract in societal terms within the context of changing conditions. In Nedlac's particular case, national reconciliation and the resolution of historic injustice and social outcomes, thus lie at the heart of the institution's normative purpose, not only in the form of political democratisation, but also in the form of economic and social reform.

Locating social dialogue in the political, policy and legislative process

As depicted in Figure 9 below, social dialogue in the case of Nedlac is nestled in-between the political elective process (See 1 and 2 in Figure 9) and the legislative process (See 7, 8 and 9 in Figure 9).

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Figure 9: Policy-making process: from party-politics to legislative enactment
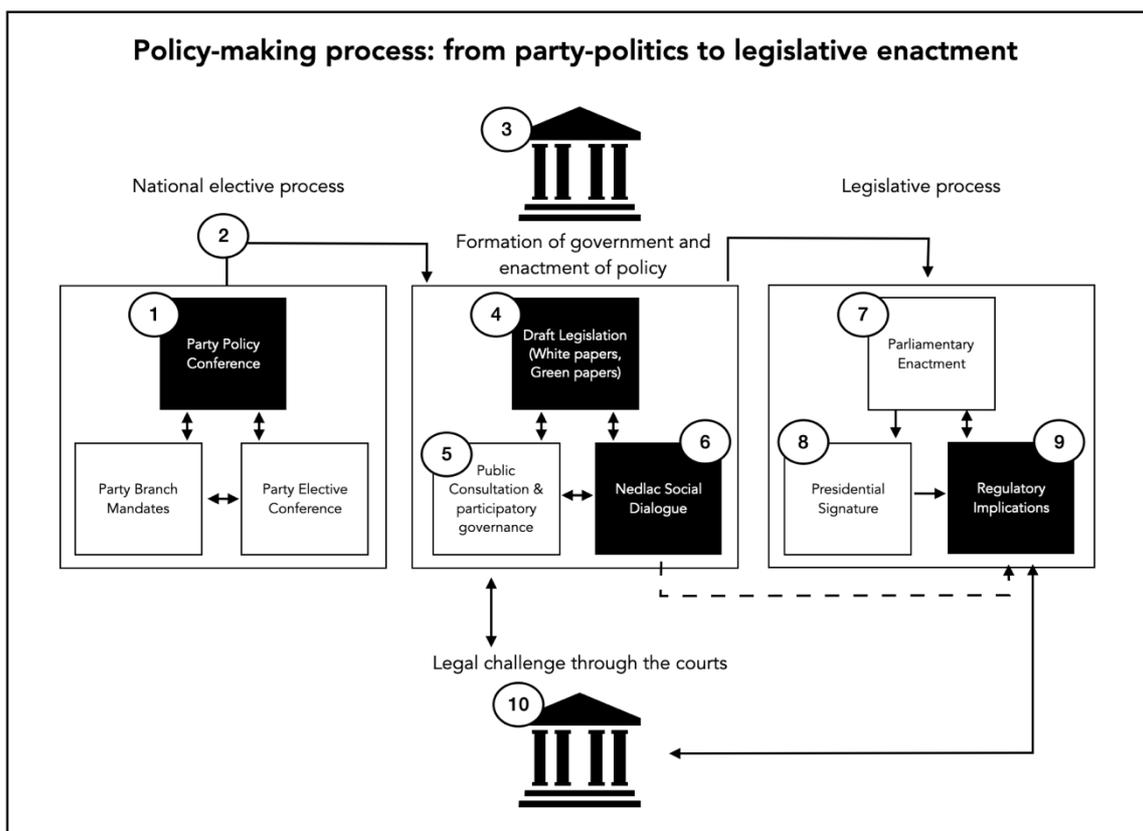
Source: Researcher's depiction

Therefore, social dialogue is in one sense central to the process by which political contestation is translated into legislatively enabled action by the government of the day. It is is central to the way in which political contestation is translated into policy, before being codified into law. Social dialogue, one might argue, is an extension of the mediation of interests that occurs in the political process, and the management of interests that occurs in the legislative and judicial process.

Thus, social dialogue is intended to provide the social partners with a means by which disputes can be managed, through dialogue as opposed to other forms of conflict such as violence, direct conflict such as boycotts or mass action, as a first port of call. In another sense, the formalisation of social dialogue within the policy process affords the social partners the opportunity for more technocratically orientated engagement, which is not necessarily possible in the process of political contestation, or in day-to-day governance

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within the confines of the law. While political parties might contest elections on the basis of a manifesto, which might be informed by sophisticated policy planning and analysis, the political setting might not afford social partners the *space* to make policy arguments in technical terms. Similarly, while codified laws might be in one sense the embodiment of past policy choices, including the unintended policy implications that arise from such choices, the day-to-day challenges of governance *within the rules* might constrain the social partners from exploratory dialogue about new policy options.

The consequence is that the location of a forum or preference for social dialogue as central to the policy process (See 4, 5 and 6 in Figure 9) represents an opportunity for the creation of *conducive spaces* for engagement beyond the political process and aside from the legislative constraints. However, as we discuss in Chapter 5 when we revisit the dialogue within the policy process, the choice of the social partners to use the social dialogue forum, or to avoid or misuse it on the basis of extra-institutional or even illicit acts, undermine its potential.

In an idealised sense, social dialogue as conceived of in the case of Nedlac ought to provide the social partners a means by which to navigate the mediation of their respective interests on the one hand, and the immediate as well as long-term national interest (by national interest we mean the interests of all citizens, as opposed to that of the nation state proper in international relations terms) on the other, while doing so in the requisite technocratic depth and adaptive flexibility, to ensure national cohesion. In that sense, social dialogue is both a surgical scalpel for targeted technical policy deliberation and a pressure valve to prevent the spiralling of political or other contestation into forms or levels that erode the overarching national social contract. As such, the conception of Nedlac as a democratic institutional innovation, notwithstanding its weaknesses and flaws in practice, sets out the aspirational theory of change that democracy can be socially transformative in socio-economic terms even in post-trauma societies such as South Africa, without recourse to violence or the risk of repressive majoritarianism or the imposition of policy approaches by segments of society through wild swings in political processes. Rather, that thoughtful and participative dialogue, as a complimentary mechanism to electoral politics, can strengthen the democratic process itself and in so doing, secure the national interest, while seeking mutual interest and consensus at the

level of contending social partners' interests.

Institutionalisation of social contracting, on a policy-by-policy basis

In this way, institutionalised social dialogue is a process undertaken to create and institutionalise the social contract, or as in the case of South Africa's democratic transition, a process envisioned as a mechanism to translate the constitutive agreement enshrined in South Africa's Constitution at the national level, into the appropriate distributive agreements at the policy, legislative, regulatory, or industry levels.

The framework which follows, sees institutionalised social dialogue through the lens of a structural theory of institutional culture, with a specific interest in the discursive process of institutional change, institutional complexity and pluralism inherent in the multi-stakeholder setting.

Conceived of in the policy planning process, and geared towards building consensus on policy, Nedlac as a case implicitly sought to broker trade-offs among the social partners, and thereby enhance their adherence to the spirit and the letter of the agreed-upon commitments, to which they are party as a result of the Nedlac process. Furthermore, the Nedlac process serves to improve regulation or other codified agreements through consultation, as part of the policy process prior to their enactment.

From an institutional theory perspective, Nedlac therefore represents an attempt at national isomorphism as a product of collective participation, on the assumption that greater levels of consensus will result in optimal societal outcomes. Although this was beyond the scope of this study, it merits the question of whether there are not instances where the reverse is true. This question is applicable in cases where there is less consensus and greater contestation, for instance, among powerful stakeholders contending over their embedded or vested interests, which might not be preferred from a societal point of view, and where corporatist consensus-building does not represent a risk of oligopolistic and extractive network formation and rent-seeking. In such cases, the unrepresented social voices or those excluded from a seat at the table, because of weaknesses in representivity, and consequently, they are excluded from the decision-

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making process. Again, an insider-outsider dynamic emerges as a product of the institutional arrangement and norms.

Institutionalised social dialogue fora such as Nedlac can then provide a mechanism for bargaining, negotiation, and the creation of sufficient consensus (See glossary for definition of term) among the social partners, based on the assumption that this is required for the economic and associated political and social institutions to function optimally, and ideally in a manner that would meet the social partners' expectations of future outcomes. However, it also means that the formal institutionalisation of such structures and processes represents a risk of entrenching the power and privileges, including uneven levels of access and voice, as opposed to reforming the stakeholder landscape and normalising the interests and power relations between segments of society.

Measuring institutional effectiveness

In terms then of measuring the effectiveness of such social dialogue institutions, one might consider it appropriate to not simply count the number of legislative, policy or regulatory agreements reached as an indicator of success as has been done in Nedlac's reporting, but more broadly, consider the degree to which and the quality of the agreement reached against the overall normative purpose, and of building consensus pertaining to the national-level social contract.

From the perspective of economic institutionalism, Nedlac represents a mechanism for society to achieve a "credible commitment" (North, 1993) at the macro level, and of how to proceed collectively towards a shared national future. Therefore, rather than to only measure the performance of such an institution at the level of its work programme or agenda, one would consider the overall "work of Nedlac" as the cumulative effect of the institution's effectiveness at national level, in bringing about the adoption of a widely accepted set of economic institutions, norms or rules, by which the society might proceed in the pursuit of its constitutive goals.

Naturally, the achievement of such an outcome would be dependent on a myriad of factors, not least of which is the effectiveness of the institution at the intra-institutional

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level, in mediating between the alternative interests of the social partners and the degree to which they are negotiating, or participating in social dialogue, in good faith. In turn, and within this context, the institution's effectiveness as mediating consensus and frame formation would be considered critical to success.

Describing the framework: Social dialogue as a cyclical process

As depicted in Figure 10 below, the framework presented herein suggests that consensus-building in the context of institutionalised social dialogue and social contracting might be thought of as a cyclical process whereby policy actors engage one another in a series of four stages.

Stage 1: Tabling emerging issues
The first stage involves the tabling of emerging issues (numbered 1), or policy issues requiring a collective response. Before social partners can table issues, there has to be a prior agreed-upon mode or mechanism for tabling issues, or agenda-setting. In the context of formal institutional dialogue, the chosen dialogue forum as is the case with Nedlac, is deemed the appropriate avenue for tabling issues. In the absence of a formal institutional mechanism, any number of informal and alternative fora or modes of engagement might be employed for the raising of issues, systematically or sporadically as they occur.

Stage 2: Iterative process of policy deliberation
Thereafter, policy actors are engaged in the ensuing process of policy deliberation (numbered 2). Policy deliberation in the context of this study is not only the formalist process followed within Nedlac, such as through its agenda-setting, various chamber engagements and reports, but refers to the broader discursive engagement among the social partners. In that sense, policy issues arising might be thought of as forming part of a pre-existing stream of discourses, of which the momentary issue is but one focus point.

Figure 10: Institutionalised social dialogue for social compacting framework through micro-level and macro-level interaction at the meso level
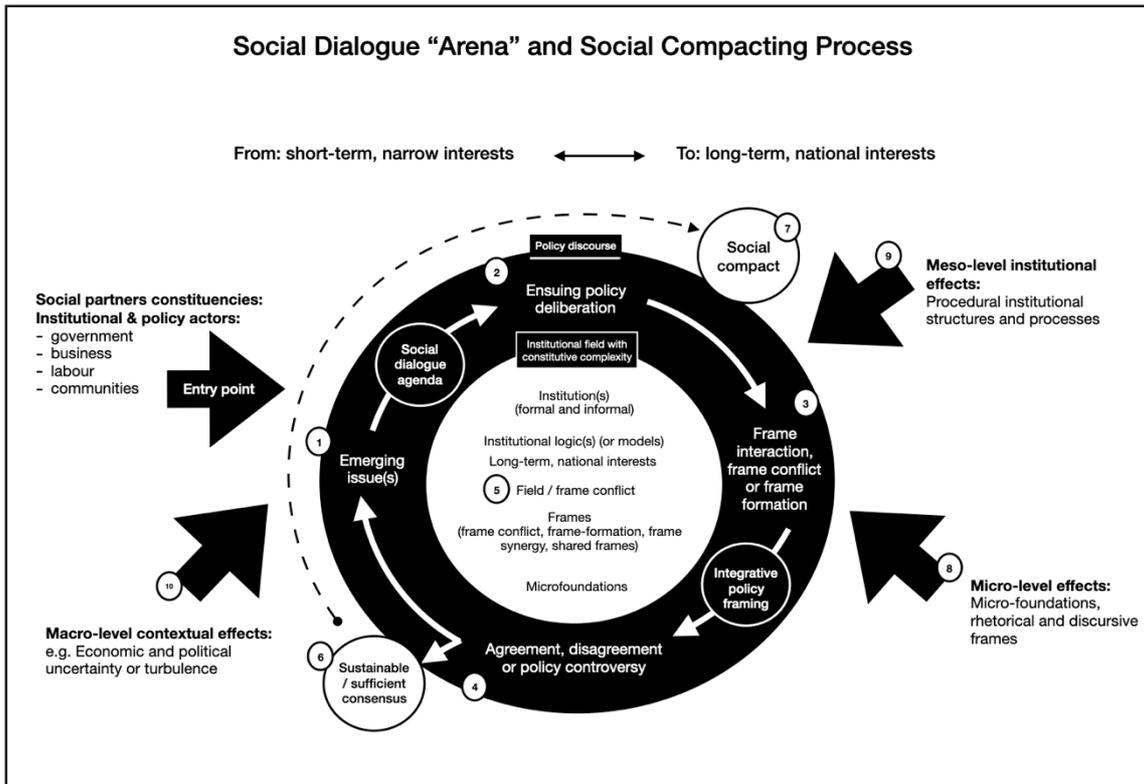
Source: Researcher's depiction

Stage 3: Frame and logic interaction and formation

Importantly, from the point of view of achieving consensus for compact-building, policy deliberation is not an end in and of itself. Instead, as Schön and Rein (1994) argued, effective consensus-building requires deeper processes of frame interaction (numbered 3) that give rise to frame formation, sometimes in spite of or arising from frame conflict, thereby serving as a mechanism for new forms of contracting. In the context of Nedlac, where there is a formal legislative agreement among the social partners to utilise the institution for agreement and consensus-building, the prior commitment exists for frame interaction as well as the assumption that such interaction would be useful in increasing agreement among the social partners. Implicitly then, Nedlac is assumed to be a vehicle for frame formation, and not merely for frame conflict.

Stage 4: Reaching and reporting on Agreement, disagreement and consensus
Following from the policy deliberation and frame interaction, and as a consequence of effective frame formation in the social dialogue process, agreement or amicable disagreements (numbered 4) might be reached on the issues initially tabled, as an outcome of the dialogue cycle.

The emergence of the social dialogue arena

Conceptually, the 'space' created by and required for the social dialogue cycle might be thought of as the *social dialogue arena* (numbered 5 in Figure 10). In the arena, the micro-foundational processes of field conflict, and competing and complementary institutional logics, as well as frame conflicts are played out as the social partners interact.

For instance, a business representative tabling an issue related to trade policy, arguing in favour of greater economic 'openness' in lieu of greater 'market access' to improve the 'prospects of business', might come into conflict with a labour representative who considers greater openness a threat to 'job-security', and views trade policy rather as a mechanism for 'market-preservation' instead of 'working class interests'. This example might illustrate a greater risk in cases where greater economic and trade openness results in the decimation of economic sectors, such as informal garment manufacturing, and where stakeholders in such micro enterprises are not participants in the social dialogue because of being structurally and procedurally excluded.

Thus, the social dialogue arena represents the environment where these contending logics are tabled, discursively employed using rhetorical devices and competing frames, and brought into facilitated contact. While parties might agree that improved business outcomes are in the national interest and that improved outcomes for workers are also in the national interest, they might disagree about the means by which the improved outcomes ought to be secured, who should benefit in what proportion, and over what timeframe they should be pursued. In this instance, government as the drafter of the policy under discussion, would have to find a reasonable level of consensus among the parties to formulate the regulatory or legislative instruments that the social partners would be willing to comply with, without each withholding investment in the case of business or

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withholding labour in the case of the workers.

Therefore, the aim of the cyclical process of social dialogue is what one might call sustainable consensus (numbered 6 in Figure 10), or consensus of a calibre and substance that allows the social partners to proceed functionally and collectively in light of a social contract that is secured or maintained (numbered 7 in Figure 10). This is, one might argue, how social dialogue contributes to the formation of the social contract in the context of policy discourse.

Following from this discussion, a number of propositions become apparent:

i.   The social dialogue arena might be thought of as a messy emerging institutional field, wherein the outcomes of the social dialogue process include disagreements, controversies, ambiguities, as well as sustainable consensus, and ideally, social compacts;

ii. Managing frame or field conflict, contending institutional logics, competing interests, and differing idealised time horizons might be thought of as features of the policy discourse and their resolution, the core work of the institution;

iii. As one might expect, an inter-institutional interplay occurs between formal and informal institutions of the social partners collectively and individually in the social dialogue arena;

iv. The procedural aspects, or process and structures of institutionalised social dialogue, might act as enablers of and impediments to effective social contracting;

v.   Institutionalised social dialogue might be viewed in respect of the multi-level effects of other institutions, and policy actors as institutional actors, as will be discussed below;

vi. Micro-level interactions in the social dialogue arena might give rise to macro consequences and similarly, macro-level events might give rise to micro-level consequences, making the interplay across the levels bi-directional;

vii. Finally, the meso-level capacity of formally institutionalised social dialogue is likely to have both macro- and micro-level consequences for the effectiveness of the institution.

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Institutional logics, field conflict and frame conflict as micro-foundational processes

The social dialogue arena, the participative, collective, and co-creative space for constructive integration between the policy actors might be thought of as either highly contested, harmonised, or exhibiting varying degrees of stability or turbulence, depending on the levels of conflict or coherence in the social dialogue process.

The social partners, constituency or policy actor dimension

Policy actors, entering the arena from their multi-stakeholder perspective, or representing the views and interests, ideologies, or perspectives of diverse constituencies, are understood to import into the social dialogue arena their respective field frames, policy frames, and institutional logics.

As social dialogue participants, policy actors therefore embody multiple institutional roles such as representing their constituency, their individual aspirations or interests, as well as their individual role of social dialogue participant. These roles might at times, be complimentary, contradictory, or stand in complex relations with each other, depending on their constituency or their own position *vis-a-vis* the issue under discussion.

In their capacity as an embodiment of these potential contradictions, policy actors are themselves the source of agreement or disagreement in the ensuing social dialogue process. The degree to which these contradictions are maintained, are compatible or changeable, and are likely to determine the eventual outcomes in terms of agreement or disagreement, and thereby the development of policy conundrums or the achievement of sustainable consensus and in turn social contracting, might eventually occur among them.

Furthermore, dialogue participants import into the social dialogue arena a plethora of short-term, individual or other interests, revealed in their framing of policy issues, which might or might not have a bearing on their chosen approach to participating in the social dialogue and contracting process.

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By way of an example, a union boss or business executive nearing their retirement age might be expected, on the one hand, to take a strong position on a policy question on behalf of their constituency, but at the same time, be incentivised by their own interests to take a more amicable position to secure the prestige accompanying their ongoing involvement in the dialogue, and thereby be conflicted about taking the more confrontational position aligned to their constituency. Thus, the level of contention in the dialogue is influenced by who enters the dialogue arena and on what terms.

3.2   The Effects of Institutional Structure and Process in Formal Institutionalised Social Contracting

In addition to the social dialogue cycle, dialogue arena and types of conflict that might ensue in the arena, the procedural aspects or the structure and processes (numbered 7 in Figure 10) of institutionalised dialogue are likely to play a significant role in shaping the outcomes of the dialogue process and the prospects for social contracting.

Vulnerability of a corporatist, procedural approach

In Nedlac's case, the preference for a corporatist approach, whereby representatives of the social partners each participate on behalf of vast and diverse constituencies, means that the social dialogue process is a highly simplified version of the actual societal discourse, and might or might not be aligned with – or representative of – the views of parties in various spheres of society. The implication is that agreements reached and contracts forged, might have little resonance or support, formally or tacitly, from those outside Nedlac and not directly involved in the dialogue process.

In referring to these structures and processes, and the overall procedural nature of institutionalised social dialogue, a range of factors come into play. For instance, the positioning of the institutionalised social dialogue in the policy process, in relation to the function of other organs of state, government agencies or other public sector actors, gives rise to its own set of complexities that either hamper or help the social contracting process.

Similarly, the nature of the procedural relationship between the social dialogue institution

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and the business sector and civil society, might more broadly result in a myriad of forms of alignment, misalignment, complementarity, or conflict between institutional processes inherent in these societal stakeholder groupings. Each grouping, having their own institutional logic(s), might or might not align themselves with the procedural requirements or protocols of the institutionalised social dialogue process, and thereby influence the progress and credibility of the social dialogue process.

These diverse and competing logics are likely to give rise to frame conflict and contestation in the dialogue arena, and this conflict might take place at one or multiple levels, for example, between policy frames, field frames, institutional frames, or meta frames. Other complexities arise from the possible disjuncture between the formal and informal institutions operative in the dialogue arena. These might include, for instance, the fact that since the policy discourse is not isolated and does not occur in a vacuum, but is informed by the broader societal discourse, the boundary of the dialogue arena might be thought of as permeable. Thus, the dialogue arena draws in influences from the broader discourse at least as much as the social dialogue within influences the discourse, if not more. These influences might be ad hoc in nature, and not follow the formal protocols set out formally for the management of the dialogue process.

Thus, institutionalised social dialogue could be said to be the institutionalisation of societal contention, which might or might not be resolved in the process of dialogue. Conflict and agreement in the dialogue arena is thus likely to be representative of the deep-seated conflicts in society, and consequently, the process is expected to be susceptible or vulnerable to destabilisation.

Macro-level effects on the dialogue arena and process

Participants in the dialogue arena are confronted with the institutional rigidity of embedded national economic structures such as industry structures, embedded social institutions such as education, norms, and power relations, but in Nedlac's case, are understood to be engaged in trying to change these institutions towards a normative outcome – of national transformation.

As a consequence, the formal institution tasked with facilitating social dialogue might become the terrain or platform for political grandstanding, economic rent-seeking or other forms of power wielding by the social partner representatives. In settings where ideological polarisation is pronounced, especially in South Africa, the existence of contending societal ideological camps would be evidenced in the dialogue arena by conflicts among the dialogue partners in terms of the micro-foundations employed in the dialogue.

Therefore, an important feature of the procedural aspects is the question of whether the particular form of institutionalised social dialogue lends itself to the service of the long-term and national interest, or at times, lends itself to being co-opted in the short-term and factional interests of social dialogue participants.

Linked to this external context are the inter-institutional factors, in this instance Nedlac's relationship with Parliament, Cabinet and other government ministries, each of these having their own logic, political or other interests and complexity.

Other external macro-level contextual factors (numbered 10), such as economic upturns or downturns, or economic shocks, political uncertainty or turbulence created by rapid political change, are also likely to impinge on the social partners, and in turn on the social dialogue process, and in so doing, likely to affect the prospects of sufficient consensus (See glossary for definition of term) and resultant social contracting being achieved.

Since the creation of a formal institutional approach to social dialogue also occurs within a historic context, the pre-existing economic, political and social features of society, for example, the stubborn patterns of inequality or injustice prevalent in post-apartheid South Africa, also play a role in mediating the functioning and effectiveness of the institution.

In light hereof, social dialogue at the national level, as in the case of Nedlac, must also take into account the global contextual environment and the international institutional milieu within which the dialogue occurs. This includes the changing conditions in the financial markets, global economic norms and rules, and the role of organisations such as ratings agencies. Of course, each of these institutions have their own institutional logics, operative frames, and effects such as power relations and codified rules.

It is for this reason that major events such as the 2008/2009 global financial crisis, and major political change or incidences of public conflict, for example, the Marikana tragedy, impinge directly on the social dialogue institution, as the related issues enter the dialogue domestic arena. This is evidenced by the effect, for instance, the Covid-19 pandemic has already had on Nedlac's agenda in 2020.

A complex, emerging and pluralist institutional field

The social dialogue arena can be considered a highly complex and emergent institutional field, fraught with contentions and emerging consensus. Instead of viewing the formal institution therefore from a neo-institutionalist perspective, and being concerned with the isomorphic features thereof, this framework takes a pluralist view of the institution, conceiving of it as a dynamic and fluid institutional field, understood as having constitutive complexity and being communicative in its constitution.

The framework thus takes a sociological perspective of the political and economic process in so far as policy deliberation is concerned, and is for that reason interested in the role of micro-foundations of institutions in social contracting.

3.3   Integrative Policy Actors as Framers in the Social Contracting Process – the Role of Reflexive Frame Formation and Shared Frames in Policy Processes

From this perspective, social dialogue for social contracting might be thought of as a multi-dimensional nested process, whereby the space for social dialogue is contingent on the integrity of the social dialogue process. In such process, sustainable consensus is dependent on the resolution of conflict and on consensus-building, and whereby personal factors, on the part of participants, and procedural factors on the part of the social dialogue institution, contribute to the outcomes achieved by the overall process.

Therefore, consensus-building might be thought of as an act of integration among social partners and specifically between their respective frames, in the form of frame formation.

Within this context, policy actors engaged in social dialogue for consensus-building might

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be thought of as integrative framers (numbered 7 in Figure 10), and responsible for playing a synthesising role in the dialogue arena and frame interaction process, to enable frame formation among participants in the social dialogue arena.

Integrative framers, navigating the macro-, meso- and micro-foundational levels

Viewed from an institutional theory perspective, integrative policy actors play the role of navigating the social dialogue arena in light of the macro-level contextual environment and its effects, navigation the meso level institutional setting. This includes the field level conflicts arising from contending logics or competing frames, while applying themselves to the micro-level foundations of the institution and the policies under discussion.

Acting as institutional entrepreneurs, policy actors might utilise the dialogue arena to mobilise resources and support to propagate a particular institutional logic, or in their role as framers, assist their fellow social partners with collective sense-making for the co-creation of shared frames. Participants in the dialling arena are both importers of frames into the arena and potentially frame-critical role-players, in the act of policy deliberation within the arena.

Perceiving the policy process as critical and interpretive rather than positivist and rationalistic, taking the form of democratic deliberation (Hajer and Wagenaar, 2003), the micro-foundational perspective emphasises the discursive process of social dialogue and social contracting.

Seen in this way, and drawing on Schön and Rein's (1994) Ladder of Reflection (See discussion on page 160), for policy actors to be effective, they would need to operate at Level 5 and 6 of the Ladder of Reflection, engaging critically in the beliefs, values, and the perspectives of the social partners of their interests and goals, as well as the broadly shared beliefs of social partners, rather than merely at Levels 1, 2, and 3 of the ladder, which focus on the actual policies, in the form of rules or laws, or on the process of debates and struggles of the process, or on particular positions taken.

Policy actors of necessity would have to employ what one might call the 'art' and science

of reframing, which implies the task of managing the procedural aspect of the dialogue process, and being attuned to the reflexive dimension. Of necessity, this implies going beyond their narrow interests and conceptions, and engaging rather as integrative framers of shared interest (Hajer and Wagenaar, 2003).

Holistically seen, where social contracting might be thought of as a process of institutionalising a particular political, economic or social order, integrative policy actors might be thought of as micro-foundational architects, or institutional entrepreneurs, responsible for the creation of shared and co-created frames by which the social contract might be agreed. They might serve as institutional entrepreneurs at all levels of the framework of social dialogue for social contracting, but most critically, at the level of consensus-building, an important aspect upon which eventual social contracts or policy agreement relies.

3.4   Six Constructs Arising from the Framework

Six underlying constructs arise from the framework set out above that delineate institutional social dialogue for social compact-building, as set out in Table 3 below:

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Table 3: Constructs arising from the conceptual framework of social dialogue

Construct 1	Social dialogue process (meso level): Relates to the integrity, appropriateness and nature of the process undertaken for social dialogue
Construct 2	Social dialogue arena (meso level): Relates to the space created for social dialogue by the social dialogue process
Construct 3	Nature of conflict in the arena (micro level): Relates to the sources, efficacy and severity of conflict existing among the social partners in the dialogue process
Construct 4	Inter-institutional and formal – informal institutional interplay (macro and meso level): Relates to the ways in which the inter-institutional milieu or interplay of formal and informal institutions enable or hinder the dialogue process in the dialogue arena, or give rise to conflict or agreement
Construct 5	Procedural (process or structure) aspect of institutionalised social dialogue (meso level): Relates to the way in which procedural factors affect the social dialogue process and outcomes
Construct 6	Macro-level contextual effects (macro level): Relates to the way in which macro-, meso-, or micro-level institutional dynamics feature in the dialogue arena, come to bear on the social dialogue process, affect the conflicts or agreements, undermine or support the procedural aspects, and thereby affect the social contracting outcomes
Construct 7	Frame formation and consensus, or social contracting (micro level): Relates to the practices and approaches that dialogue participants employ to bring about the resolution of frame conflict and the development of shared frames or social contracts

Importantly, since these constructs are intangible and not directly observable in an empirical sense, they have been operationalised in the context of the study through the employment of observable variables, which were captured in the design of the interview questions and the subsequent analysis. It is for this reason that the research methodology in Chapter 4 below points out the cascading nature of the scope of the study and the centrality of the unit or analysis of the study.

3.5   Key Points in Summary of Chapter 3

3.5.1   As seen in the case of Nedlac in South Africa, consensus-building processes are required in the policy-making processes in pluralistic societies, especially insofar as addressing deep-seated societal conflicts in order to sustain the ability of such societies to cohere. Social compacting, through institutionalised social dialogue can be a means to foster social cohesion and enhance the social contract, which has been shown in this study to be Nedlac's normative *transformational* purpose.

3.5.2   However, in institutionalising social dialogue, structure and process matters a great deal in determining the institution's effectiveness. In the case of Nedlac, the social dialogue institution was located in the legislative drafting and public consultation process which was thought to allow for social partner participation in the formal policy process beyond the party-political process and prior to the Parliamentary enactment process. The implication has been that in practical terms Nedlac, was envisioned to institutionalize South Africa's democratic social contract on a policy-by-policy basis.

3.5.3   Nedlac's effectiveness was assessed in terms of the nature of the work undertaken, compared to the purpose of the institution as conceived in its founding documents and protocols. It was observed that Nedlac was effective at technically reviewing draft legislative and regulation through social partner participation, but that the institution fell short of facilitating transformation national economic policy.

3.5.4   Operationally, the case of Nedlac demonstrates that institutionalized social dialogue is itself the embodiment of a logic, which consisted of four stages, being; the tabling of emerging issues, the iterative process of policy deliberation, within which occurs frame and logic interaction at micro-foundational level and then the reaching and reporting on agreements, disagreements and consensus.

3.5.5   From this logic arises a conceptual domain which might be conceived of as the dialogue arena, itself a messy institutional field in which frame interaction is

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formative of the social dialogue outcomes. An inter-institutional interplay occurs in this domain, and procedural and structural features of the social dialogue institution determine to what extent these influences support or derail the dialogue process.

3.5.6   Within the context of the dialogue arena, the role of integrative policy actors as framers, are central to the social contracting process. Integrative policy actors as framers, within institutionalized social dialogue, represent the meso-level link between the macro-contextual institutional interplay, and the micro-foundational frame formation process. Furthermore, reflexive frame formation in particular can be used as a leadership skill, or institutional competence in the process of social dialogue for consensus-building.

3.5.7   In Nedlac's case, the corporatist, formal and procedural approach used demonstrated vulnerability to macro-level environmental shocks, deficiencies in social partner representation and a lack of intra-institutional capacity to effectively facilitate transformational national social dialogue.

3..8   Seven constructs related to institutionalised social dialogue arose from the analysis, being; the appropriateness of the process, integrity of the space created for dialogue, the nature of conflict emerging in the dialogue arena, hindrances to dialogue arising from the inter-institutional interplay, the appropriateness of the procedural aspects of formal dialogue, macro-, meso- and micro-level shocks to dialogue processes and the resolution of frame conflict through frame formation.

CHAPTER 4: RESEARCH METHODOLOGY

This section sets out in the research methodology employed in the study and the rationale for the selection of a specific set of research procedures and instruments, within a particular research method, in line with the units of analysis under study and the data sources employed in exploring them. Furthermore, it outlines the interpretive framework and philosophical orientation of the researcher and research process, as it approached the research process. The section demonstrates the coherence between the use of an exploratory case study, through both document reviews and interviews, to ascertain insights from a range of data, to construct insights and recommendations about the institution being researched.

4.1   Statement of Purpose

The purpose of this study was to develop a conceptual framework for understanding multi-stakeholder institutions that are created for the purpose of institutionalisation of social dialogue, with the aim of enabling social contracting.

To achieve this purpose, the study examined the policy discourse within the context of Nedlac. By examining Nedlac's case in South Africa, from the perspective of the micro-foundations of institutions, the study examined the role of frame conflict and frame formation in the process of institutionalised social dialogue for social contracting.

The study was guided by two sets of three research questions each, outlined in Chapter 1, the first of which was addressed largely through a document analysis, and the second through one-on-one interviews with past participants at Nedlac.

As shown in Figure 11 below, the study followed a logical process from defining and designing the research, to preparing for, collecting and analysing data, in order to ultimately analyse the data and reach conclusions.

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Figure 11: Research process, design and method

Research Process, Design and Method

Source: Adapted from COSMOS Corporation as cited in Yin (2018, p. 49)
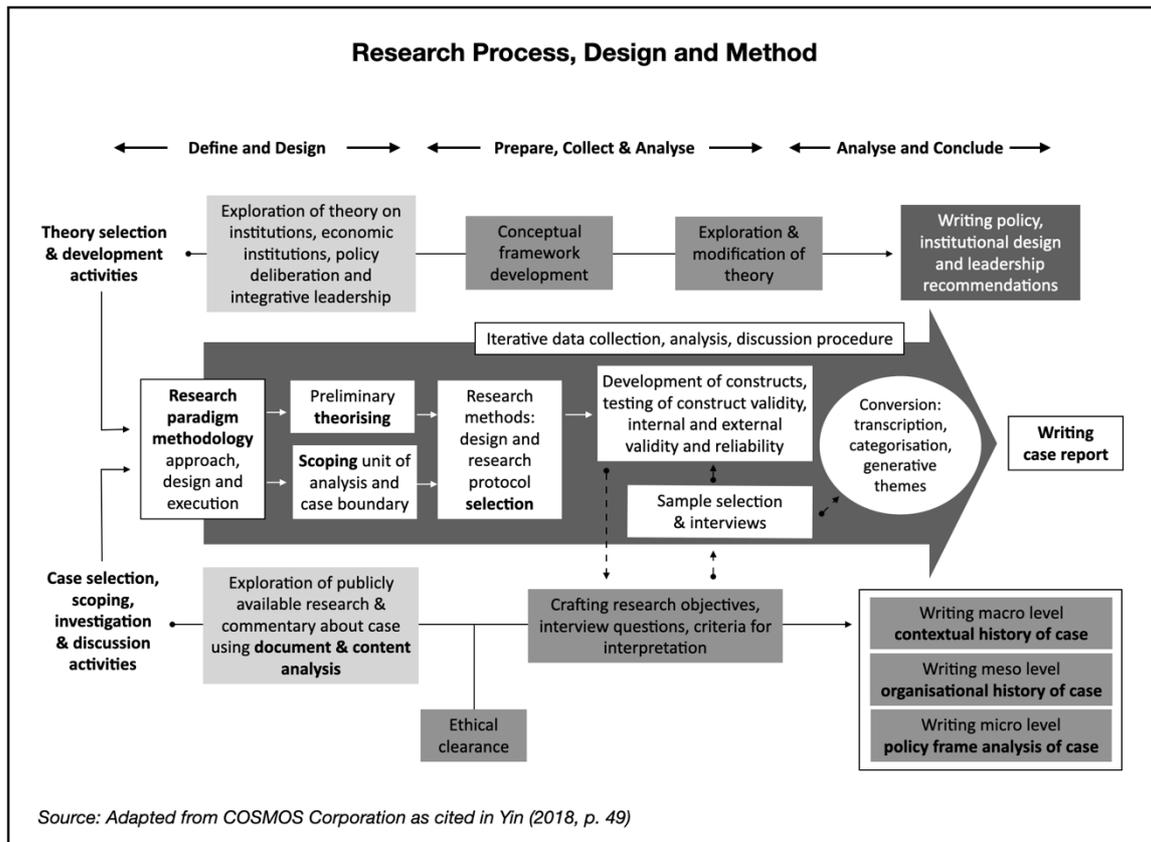
4.2 Research Paradigm and Approach and Associated Ontology, Epistemology and Axiology (or values)

The philosophical setting of research and research approaches

Creswell (2013) argues that all research activities depart from a particular philosophical point of view, in which the beliefs of the researcher, their deeply ingrained view about the world and their theoretic orientation inform their paradigm of inquiry. To mitigate against bias in the research process, Creswell (2013) proposes a reflective stance by researchers to make explicit their implicit assumptions, and their philosophical and theoretical orientations and frameworks. Thereafter, Creswell (2013) argues, the interpretive framework employed in the research context, process and procedures ought to be articulated and grappled with in a self-reflexive manner.

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Researchers have observed that various interpretive frameworks arise from the philosophical orientation of researchers and their respective or associated assumptions, and that these give rise to divergent theoretical paradigms and perspectives. Such interpretive frameworks might include positivism or post-positivism, social constructivism, transformative or postmodern, pragmatism and finally, critical race, feminist and queer frameworks (Creswell, 2013).

As research paradigms, these interpretive frameworks arise from a range of underpinning assumptions related to ontological, epistemological, axiological and methodological beliefs. Derived therefore from the philosophical orientation of the researcher, and their underlying perspectives in relation to these, or at least their selection of a particular perspective informed by these, the research itself is understood to be undertaken within a particular paradigm.

The growing literature arising from critical, race, feminist and queer frameworks usually depend on an ontological perspective in which the nature or reality is based on power and identity struggles, wherein privilege or oppression based on race, ethnicity, class, gender or sexual preference play a defining role. This reality is accessible, epistemologically speaking, through the study of social structures and the social phenomena or freedom, oppression, power and control. It follows, somewhat axiologically that reality can therefore be changed through research and is accompanied by a view that a diversity of values ought to be emphasised within the standpoint of various communities, to appropriately accommodate their innate diversity. Critical and similar approaches methodologically start with assumptions of power and identity struggles, usually documenting these and calling for action and change (Creswell, 2013).

Comparatively, pragmatic approaches share an orientation towards real-world action in research in that they derive from an ontological perspective of reality what is useful and what works. Along this vein, pragmatic approaches favour an epistemology that utilises many tools of research, including deductive as well as inductive evidence in the execution of their methods. Axiologically, pragmatic approaches draw on the values of both the researchers and research participants, and approach data collection in both quantitative

and qualitative ways.

While similar to pragmatic approaches and critical approaches in their commitment to social impact through research, transformative or postmodern approaches emphasise participation among researchers and research participants. The ontological and epistemological foundations of postmodern approaches insist that reality is a construction, both objective and subjective in its emergent character, among the parties to research. As such, epistemologically, co-creation of findings and a plurality of knowing are emphasised by postmodern approaches, which axiologically try to show respect for pluralistic values and consider it necessary to problematise and interrogate them, rather than taking them at face value (Creswell, 2013).

Across the various approaches of critical, pragmatic, postmodern interpretive frameworks exist varying degrees of allowances for the degree of subjectivity afforded their preferred ontology and epistemology. In the post-modern extreme, reality and knowledge is a subjective, co-creative construction, whereas in the extreme critical perspective, one might argue that reality and knowledge are dictated by power relations and constructs of identity. These divergences are somewhat informed by the evolution of dominant philosophical paradigms from positivism to increasingly post-positivist and later, social constructivist approaches.

Post-positivist approaches instead, consider reality to exist beyond the subjective views or interpretations of either researchers or participants, and as such, can be discovered in epistemological terms through approximations only, but in the very least constructed through research and statistics. Thus, the approach validity of research is considered to derive not from the validation of information by research participants themselves, but instead, by the measure of other researchers applying a similar philosophical approach. The use of the scientific method to create new knowledge through systematic execution or systematised methods is therefore emphasised. The methods preferred in this approach usually employ deductive methods, which rest on the analysis of variables in relation to theory being tested through a process of abstraction.

Distinctly, social constructivism rejects the notion of a single external reality and claims

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that multiple realities are constructed through the lived experiences and interactions between and among parties. As such, the assumed way of accessing such realties and deriving knowledge is itself a co-creative process between researcher and participants. Steering away thereby from imposing a single axiological perspective on a research process, the values of parties are sought to be respected and negotiated. What follows from the ontological, epistemological and axiological foundations of this approach is a methodological preference for inductive methods such as interviewing, observing and analysis of texts, where emergent ideas are derived through consensus.

4.2.1 The philosophical orientation of this study

Since the unit of analysis of the study is a multi-level institutional case (See Figure 11, Theoretical Framework and Unit of Analysis, page 190), and includes both a narrow focus on the comparative frames of individual policy actors, as well as the meso level institutional field of Nedlac, within the context of a macro level political economic setting, strands from various philosophical approaches apply in the study.

The researcher's own perspective, at the level of the overall case study analysis in its historical context, is somewhat post-positivist in that events did occur, laws were passed, and institutional decisions, processes, decisions and agreements were made, as a matter of objective fact.

However, the phenomena of social dialogue at Nedlac, in which multiple actors (both individual and institutions) participated, is not simplistic and singular in its ontological constitution. This is based on the assumed role of subjective and interpretive notions employed by the parties' initial discursive engagement at Nedlac, and evident in the eventual observation thereof by the research. That is to say, in the act of social dialogue, or even in the conception of the institution of Nedlac within the legal framework of South Africa, social partners were asserting their own and diverse set of ideas about reality.

So too, in their acts of engagement, either in formal Nedlac discursive and dialogical enactments of procedure, or informally in their embodied actions as constituency leaders, social partners' socially constructed notions of reality were at play. As such, the choice of

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a theoretical lens for the study derived from the micro-foundations of institutions, a perspective informed by a social constructivist view, seeks to accommodate the plurality that is assumed to underpin the case study.

Although in the historiographic discussion of the macro setting and meso level story of Nedlac there are documented and observable facts, such as political events or economic data, the researcher has sought to account for the possibility that those facts might mean different things to the various social partner constituencies and their representatives. Thereby, the research has embraced the constructionist features of the discursive elements intertwined in the case study at micro-foundational level.

The implication is that from an epistemological point of view, the researcher has operationalised the study from a post-positivist perspective, seeking to approximate reality, deduct insights in relation to theoretically informed constructs, but has assumed that the contradictory realities co-exist between and among the social partners, as represented by their own version of the case's different facets.

However, given the historic context of the study, within the South African social setting where oppression, exploitation and discrimination over centuries had resulted in the subjugation and disadvantage of many social constituencies, the researcher took cognisance of the role of power relations in the South African discourse. While only cursory, the researcher alluded to the structures, power relations and struggles of certain race groups, social segments and groups, which would ordinarily be dealt with more comprehensively in the critical approach, not taken here.

Similarly, the commitment at the outset of the research to orientate the research towards the purpose of contributing to practical recommendations for action by institutional leaders and social partner practitioners, point to an underlying pragmatism in the research approach, but the researcher rejects the deeper philosophical foundations of pragmatism as such, and instead, assumes an external and observable reality, underpinned by subjective and constructed meaning systems. As such, the paradigm of the research might be described as post-structuralist with a post-positivist interest in the discursive dimension of a social institutional phenomenon.

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Methodologically, the implications are that the study blends aspects of the post-positivist and social constructivist paradigms in its conception and design, but falls short of social constructivism in that observations and findings are arrived at by the researcher as observer, in line with a post-positivist perspective.

4.3   Research Methods and Design

4.3.1 Approaches to qualitative inquiry

Creswell (2013) suggests that there are five major approaches to qualitative inquiry, including the narrative study, phenomenology, grounded theory, ethnography and case study inquiry. Making reference to Daiute and Lightfoot (2004), Cresswell (2013) argues that the first, narrative inquiry, might refer to texts or discourses utilised in the process of a qualitative inquiry. Comparatively, Cresswell (2013) argues that unlike a narrative study, which focuses on a single text, discourse or individual contributor or participant, a phenomenological study examines the meaning that several participants have in common in the context of their experience. By contrast with these, Cresswell (2013) notes that a grounded theory study goes beyond examination for the purpose of description, and seeks to generate or discover a theory, or "abstract analytical schema of a process" (Cresswell, 2013, p. 63). The fourth approach, ethnography, is said to be an approach that investigates shared patterns of behaviour, language and meaning for large groups such as entire cultural groups.

Table 4: Contrasting characteristics of five qualitative approaches

Contrasting Characteristics of Five Qualitative Approaches

Characteristics	Narrative Research	Phenomenology	Grounded Theory	Ethnography	Case Study
Focus	Exploring the life of an individual	Understanding the essence of the experience	Developing a theory grounded in data from the field	Describing and interpreting a culture-sharing group	Developing an in-depth description and analysis of a case or multiple cases
Type of Problem Best Suited for Design	Needing to tell stories of individual experiences	Needing to describe the essence of a lived phenomenon	Grounding a theory in the views of participants	Describing and interpreting the shared patterns of culture of a group	Providing an in-depth understanding of a case or cases
Discipline Background	Drawing from the humanities including anthropology, literature, history, psychology, and sociology	Drawing from philosophy, psychology, and education	Drawing from sociology	Drawing from anthropology and sociology	Drawing from psychology, law, political science, medicine
Unit of Analysis	Studying one or more individuals	Studying several individuals that have shared the experience	Studying a process, action, or interaction involving many individuals	Studying a group that shares the same culture	Studying an event, a program, an activity, more than one individual

Source: Creswell 2013, p. 78.

Each approach has distinct challenges associated with their operationalisation and entails different procedures, whereby the research interest or focus is determined, such interests being approached in terms of philosophical assumptions, scope or unit of analysis of a study being determined, information and data collected, analysed and described, and how the relationship between the researcher(s) or subject are conceived of.

The challenges and procedures associated with each form of enquiry determines the ideal in a particular research setting and given a specific research project's purpose, objectives and goals.

Creswell (2013, p. 73) describes the fifth approach as the case study method, which he explains as being suited to explore "an issue through one or more cases within a bounded system". The researcher employing this approach is "investigating a bounded system, or multiple bounded systems over time, through detailed, in-depth data collection involving multiple sources of information… and reports a case description and case-based themes" (Creswell, 2013, p. 73).

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The case method is thus ideally suited to situations in which the researcher is able to identify the case with boundaries, and specifically "provide an in-depth understanding of the case" (Creswell, 2013, p. 73).

This raises the challenges often associated with case studies of effectively identifying the boundaries of the case, and developing a rigorous rationale for the purposeful sampling strategy that would adequately account for the case in the process of data collection.

Opting for a qualitative case study, descriptive and exploratory, using documental analysis and open-ended questions in interviews

The study selected a case study on the basis of the methodology's capacity for developing an in-depth description of a bounded phenomenon. The goal thereby was to provide understanding, through an exploration of a historiographic and discursive description, of the case involving multiple individual and institutional actors.

To do so meant that the study had to draw on data sources that represented institutional actors, such as through official reports, as well as documented sources of individual actor's commentary and rhetoric, as well as importantly, the direct views of interviewees with first-hand knowledge of the case under investigation. This allowed the researcher to triangulate sources, and derive insights that have a high level of internal as well as external validity. Furthermore, by relying on a multiplicity of perspectives, both documented and through direct observation by individuals, the researcher ensured the reliability of the data.

Therefore, this study made use of a qualitative case study, or in-depth analysis of a bounded case, to construct an exploratory theoretical framework by linking the theories relating to institutions and economic institutionalism, policy deliberation and integrative leadership. It did so to enable an understanding of the micro-foundational institutional phenomena involved in multi-stakeholder consensus-building during policy-making. This was done to explore the role of frames and frame formation by integrative leaders, seen from the perspective of their role as institutional entrepreneurs.

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As stated in Chapter 1, the study discusses Nedlac itself, and its institutional evolution, as an institutional field within which the self-reported frames of Nedlac participants have played a micro-foundational role in shaping the field. In order to effectively do so, the study took the form of a case study, undertaken through a qualitative documentary analysis, and was complemented by semi-structured interviews undertaken in light of a theoretical framework arising from the literature review.

4.3.2 Aligning the study's questions, units of analysis, data and interpretations

Yin (2018) describes five components of a research design that are especially important for case study research, namely: A study's questions, its units of analysis, the logic linking the data to the questions, and the criteria for interpreting the findings.

As indicated in the flow diagram of the research process (See Figure 11, Research Process, Design and Method, page 190), the research proceeded through a systematic set of procedures, allowing for iterative consideration of the data.

By exploring the theory on institutions, economic institutions, policy deliberation and integrative leadership, while exploring the publicly available research and commentary about the case study, the research formed an initial conceptual view of the phenomena. The selection and scoping of the case, in order to conceive of its institutional, organisational and social boundaries, enabled the researcher to begin to form early theories of the likely sources of data that would provide explanatory insight and descriptions of the case. In this way, the preliminary theorising and scoping of the unit of analysis of the case, enabled the researcher to obtain ethical clearance for an exploratory, descriptive case study, having articulated an appropriate accompanying research methodology.

Having obtained ethical clearance, the research drew on the initial exploration of theory and of publicly available data, including a documentary evidence arising from interviews with previous participants in the institution, who have first-hand knowledge of the institution, to derive preliminary impressions and guiding questions about the history of the

case and the content of the discourse that occurred in the process of social dialogue.

These preliminary impressions were tested against further investigations of existing reports, documents, published speeches and media coverage of the case. The result was an emerging set of issues and observations describing the case in broad historical terms and assessed in light of apparent historic eras – periods at which changes either at macro, meso or micro level punctuated the emerging phenomena. Following from this, broad description and enabled by it, was the identification of six constructs, associated indicators and interview questions relating to the observations.

These questions formed the basis of the core data collection activities in the form of semi-structured and exploratory interviews. The questions related back to the units of analysis (See Figure 7, Theoretical Framework and Unit of Analysis, page 131), and allowed the researcher to collect data specifically related to the construct.

In order to ensure triangulation between impressions and observations arising from the interpretation of the data, they were handled within the context of an iterative writing of the macro level contextual history of the case, the organisational history of the case and a comparative analysis of the individual policy frames of participating social partners. The latter provided an opportunity for cross-referencing observations arising from other sources.

4.3.3 Ensuring validity and reliability

Yin (2018) lists four widely accepted logical tests of the research design that might inform the research tactics to ensure robustness. These include construct validity (using multiple sources, chain of evidence, informants review); internal validity (pattern matching, explanation-building, or time-series analysis); external validity (replication logic, logic in multi-case studies); and reliability (case study protocol, case study data base).

In this study, the choice was made to employ a single case study, with multiple levels of analysis and data sources, as opposed to a multiple case design. The researcher did not set out to compare the case of Nedlac with similar cases or different institutional

experiences within similar policy-making settings, but rather set out to explore in-depth the specific case of Nedlac within the unique South African environment, at a particular point in history and in light of the social partners' policy frames as employed in this context.

A single case with multiple units of analysis

Yin (2018) distinguishes between four types of case studies, depending on whether they are comprised of single or multiple cases on the one hand, and whether they are focused on a single unit of analysis, or on multiple units of analysis. If a single unit of analysis is used, that is to say a holistic approach with no sub-units of analysis, with a single case study, the approach might be fit for a global view of an organisation or phenomenon under investigation. However, if multiple units of analysis, or sub-units are identified in order to inquire into an organisation in multiple facets or dimensions, a range of case studies might ideally be employed.

According to Yin (2018), who quotes Lipset, Trow, and Coleman (1956), the choice of which unit or units of analysis, and what number of case studies are employed, will inform the kinds of data gathered and analysed in the research process, whether system-wide, intermediate unit, or individual level data, for instance.

In the case of the study, the selection of publicly available data enabled the researcher to approach the macro level contextual unit in a manageable way, so as to provide a historic setting for the observation of the meso level institutional case. Similarly, the choice of publicly available reports and studies of the meso level case study and the use of documentary data from past Nedlac participants informed an exploration of the specific institutional structure, process and operational features as conceived of in the context of the study's theoretical model. Finally, the choice of using reports about speeches made by social partner representatives, as artefacts of direct speech within a discursive context, as well as interview data arising from one-on-one interviews, provided the researcher with a rich set of data points within which to explore the phenomenon.

Drawing on these data sets, in the process of an iterative data collection, analysis and discussion process, the researcher sought to convert the data into exploratory

observations by way of a step-by-step process of recording, transcription, categorisation and discussion of generative themes. These generative themes, as an anchor for reflection, allowed the researcher to move beyond the initial preliminary observations, through more in-depth assessment and corroboration, to robustly formulated and affirmed proposals.

4.3.4   Research Instruments and sample selection

Conversion: Transcription, categorisation, and generative thematic categories

Data collection was in the form of mixed methods in that a document analysis took the form of a discursive analysis of Nedlac's official documentation, including annual reports, periodical reports, and institutional publications, as well as speeches given by Nedlac's social partners during Nedlac's Annual Summit. In addition, public statements or speeches, press releases and similar papers and documentation by past and present Nedlac office bearers, where available, were considered as part of the body of data representing the documentary sample. Using a qualitative thematic analysis, the preliminary findings from the document analysis informed a series of semi-structured interviews with previous or current participants at Nedlac.

Sample selection

Interview candidates were selected based on their direct, in-person experience of Nedlac's work. Care was taken to ensure that the sample was representative of Nedlac's social partners, including government, business, labour, and civil society. Matters of gender parity were also considered in the selection of participants. A total of eight interviews were conducted using the video conferencing play form Zoom. The interview data was triangulated with the publically available data arising from a further 12 interviews that had been conducted by the researcher for the purposes of a television documentary. These interviews had been conducted in person. As such, a total of 20 interviews with past Nedlac participants were undertaken. Further triangulation of data was undertaken on the basis of the document review done in the study.

Importantly, since interviewees were likely to have only a partial and limited experience of

Nedlac's work for a specific time-period, interview responses and the implications of their perceptions were triangulated both between interviewees as well as against the documentary evidence available, to ensure that interpretations and observations were verifiable and had adequate validity. In instances where a participant's views were not substantiated by another source, this was stated explicitly.

As stated, the data used in the qualitative analysis arose from two main sources. The first source was documentary data available in the public domain. This included newspaper and media articles, official reports of the institution as well as interviews conducted for the production of a television documentary about Nedlac, produced by the researcher. All of these data sources are open access and were employed in obtaining early thematic insights pertaining to the constructs and research questions of the study. These data sources provided guiding clues and early observations about key developments in the history and operation of Nedlac, as well as the frames employed by policy actors.

Second and importantly, and primarily the data source upon which the study depends, are the semi-structured interviews conducted by the researcher for the express purpose further investigating the thematic observations. Interviews took place virtually, using the Zoom virtual meeting platform necessitated by the Covid-19 regulations and restrictions. Interviewee details are listed below, followed by an assessment of the representivity and diversity of the sample.

2.6.   Table 5: List of interviews conducted

1. Interviews conducted by the researcher with previous participants at Nedlac in the creation of a television documentary prior to this study	
Name and surname of interviewee	**Position and experience in Nedlac engagements**
Business Social Partner 1 (Female)	Senior executive of national business association with extensive past and current participation at Nedlac as a constituency member of the business constituency.
Business Social Partner 2 (Female)	Senior executive of national business association with extensive past and current participation at Nedlac as a constituency member of the

	business constituency.
Business Social Partner 3 (Male)	Senior executive of national business association with extensive past and current participation at Nedlac as a constituency member of the business constituency.
Labour Social Partner (Female)	Former head of policy of major labour formation, with particular expertise in economic and development policy.
Labour Social Partner (Male)	Former senior executive of major labour formation, with extensive past and current participation at Nedlac as a constituency member of the labour constituency.
Communities Social Partner (Female)	Former executive of academic institution and commentator on social partnership and government-business relations in South Africa.
Business Social Partner (Male)	Former convenor of the business chamber at Nedlac, academic and policy analyst, and author of various books on social partner relations in South Africa.
Labour Social Partner (Male)	Former senior executive of major labour formation, with extensive past and current participation at Nedlac as a constituency member of the labour constituency.
Business Social Partner (Male)	Former convenor of the business chamber at Nedlac, academic and policy analyst, and author of various books on social partner relations in South Africa.
Labour Social Partner (Male)	Senior executive of major labour formation, with extensive past and current participation at Nedlac as a constituency member of the labour constituency.
Business Social Partner (Male)	Current convenor of the business chamber of Nedlac.
2. Interviews conducted by the researcher expressly for the purposes of this study:	
Communities Social Partner (Male)	Executive of academic institution and expert in applied socio-economic and development research, political and governance reform. Former researcher for Nedlac.
Nedlac executive (Female)	Senior Nedlac executive.
Business Social Partner (Male)	Participant in business chamber at Nedlac and senior member of various organised business formations.
Business Social Partner (Female)	Senior executive of national business association with extensive past and current participation at Nedlac as a constituency member of the

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	business constituency.
Business Social Partner (Female)	Senior executive of national business association with extensive past and current participation at Nedlac as a constituency member of the business constituency.
Government Social Partner (Male)	Former advisor to the Minister of Finance, and an academic with expertise in the area of economic and development policy. Longstanding member of the ANC.
Nedlac Executive (Female)	Senior Nedlac executive.
Nedlac Executive (Female)	Senior Nedlac executive with extensive involvement in Trade and Industry Chamber of Nedlac, working closely with the Minister of Trade and Industry and Minister of Economic Development.

2.7. Data collection procedure

Phase 1 of 3: Content analysis of documentary evidence

i. Conducted a content analysis of documentary evidence available on Nedlac, including research reports, journal articles, institutional reports such as annual reports, media and press statements and articles, and speeches by constituency representatives;

ii. Identified and selected framing statements made by constituency representatives as contained in the documentary evidence;

iii. Categorised the framing statements as derived from: government, business, labour or community representatives; and categorised either as field frames in that they referred to the economic domain in broad terms, or as policy frames in that they referred more specifically to economic policy issues, options or choices;

iv. Synthesised framing statements of each of the social partners to obtain an overall rhetorical set of frames used discursively in their interaction within the context of Nedlac;

v. Compared framing statements of the social partners to identify and discuss notable frame differences either at the field or the policy level;

vi. Reflected on similarities and differences in frames of social partners as a basis for frame conflict in the context of the social dialogue process and arena.

Phase 2 of 3: Content analysis of documentary evidence

vii. Assessed the documentary evidence for notable changes in Nedlac's work programme and agenda and identified formative events that coincided with the changes;

viii. Explored the impact of these changes on the social partner's respective field and policy frames;

ix. Derived and categorised the eras between alternative field or policy frames employed by the social partners;

x. Identified the accompanying economic indicators such as GDP, unemployment levels, and key policies adopted.

Phase 3 of 3: Semi-structured interviews using open-ended questions (listed in Table 6 below)

xi. Derived questions to be asked of past participants at Nedlac, using the framing statements and events to explore the changes in frames, and social dialogue process at Nedlac in respect of constructs identified in the theoretical framework;

xii. Transcribed and coded the interview transcripts, with the view to identify insights into the way in which macro-level effects, meso-level effects, and especially, micro-foundational frame conflicts had shaped the social dialogue process, within the dialogue arena and affected the overall performance of the institution.

The collected data was stored on an online cloud storage service, password protected. The researcher gathered the data in a conversational manner. Participants' identity was protected by obtaining their informed consent, including explaining the nature, purpose and implications of the study, as well as the confidentiality and security of the data. The collection process consisted of recorded electronic interviews via video conferencing.

In line with the POPI Act, which protects the data and privacy of respondents, the researcher took the appropriate and reasonable technical security measures to protect the participants' personal information, and will not process their personal information other

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than for purposes for which it was collected and in the event that a data breach occurs, and their personal information might have been compromised, will advise them as soon as reasonably possible of such breach in line with PoPIA.

4.3.7 Table 6: Research constructs, related indicators and subsequent interview questions

Instrument used for these questions: Semi-structured interviews with open-ended questions		
Construct	**Indicators**	**Interview questions**
Introductory questions	a. Background information relating to interviewee's involvement at Nedlac b. Capacity or position relating to involvement c. Periods of involvement in Nedlac's evolution	a. In what ways have you personally participated at Nedlac, and were there periods of greater and/or lesser involvement? b. What positions or roles did you occupy at Nedlac during those periods, and on behalf of which constituency, social partner or institution were you involved? c. In which of these specific periods were you involved at Nedlac: Era 1: Mandela Presidency: Early years after 1994 Era 2: Mbeki Presidency: Middle years after 1999 Era 3: Motlanthe Presidency: Middle years after 2008 Era 4: Zuma Presidency: Later years after 2009 Era 5: Rampahosa Presidency: Later years after 2018 to date

Construct 1:
 	
 Social dialogue process (meso level): Relates to the integrity, appropriateness and nature of the social dialogue process undertaken at Nedlac
	1.1. Confidence of dialogue participants in the effectiveness of the "Nedlac process".	The Nedlac process involves the tabling of policy issues, deliberation and dialogue, and the facilitation of conflict to reach consensus and agreement.
		 Please select one answer in response to each of the statements below, and please provide a reason for your answer:
		
		 The Nedlac process has been effective:
		     Option 1: Strongly disagree
		     Option 2: Disagree

		Option 3: Agree
		Option 4: Strongly agree
		Option 5: Do not know
		
		Given Nedlac's stated purpose as to "promote goals of economic growth, increased participation in economic decision-making and social equity" (Nedlac founding documents, 1995):
		
		The Nedlac process is appropriate for this purpose:
		    Option 1: Strongly disagree
		    Option 2: Disagree
		    Option 3: Agree
		    Option 4: Strongly agree
		    Option 5: Do not know

	1.2. Judgement of dialogue participants in the appropriateness of the "Nedlac process"	
		1.2.1 In your view, did the effectiveness and appropriateness of the Nedlac process improve, remain constant or decline during the following periods? Please provide a reason for your answer: Era 1: Mandela Presidency: Early years after 1994 Option 1: Declined Option 2: Remained constant Option 3: Improved Option 4: Do not know Era 2: Mbeki Presidency: Middle years after 1999 Option 1: Declined Option 2: Remained constant Option 3: Improved Option 4: Do not know

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		Era 3: Motlanthe Presidency: Middle years after 2008 Option 1: Declined Option 2: Remained constant Option 3: Improved Option 4: Do not know Era 4: Zuma Presidency: Later years after 2009 Option 1: Declined Option 2: Remained constant Option 3: Improved Option 4: Do not know Era 5: Rampahosa Presidency: Later years after 2018 to date Option 1: Declined Option 2: Remained constant Option 3: Improved Option 4: Do not know
Construct 2: **Social dialogue arena** (meso level): Relates to the space created for social dialogue by the social dialogue process at Nedlac	2.1 Perceptions of dialogue participants relating to the "Nedlac process" 2.2 Impact of extra-institutional, inter-institutional and intra-	Social dialogue requires time and space for participants to engage. Please select one answer in response to the statement below, and please provide a reason for your answer: 2.2.1 Nedlac has created sufficient 'space' for effective dialogue to take place? Option 1: Strongly disagree Option 2: Disagree Option 3: Agree Option 4: Strongly agree Option 5: Do not know 2.2.2 How have institutions other than Nedlac such as those of government,

	institutional influences on the 'space' for dialogue at Nedlac	business or society impacted the 'space' for dialogue at Nedlac? 2.2.3 Similarly, how have developments within Nedlac itself as an organisation over the years affected the 'space' for dialogue?
Construct 3: **Nature of conflict in the arena** (micro level): Relates to the sources, efficacy and severity of conflict existing among the social partners in the dialogue process	3.1 Occurrence and sources of conflict in the Nedlac dialogue arena (frames, personalities, interests, misalignment of social partners)	Social dialogue often involves conflict or contestation among dialogue participants. These conflicts might be resolved, or escalate into controversies or become entrenched. Select as many of the following options as you line in your answer to the following question: 3.1 Which of the following kinds of conflict have occurred at Nedlac over the years? In your view, why did they occur? 3.1.1 Distrust: conflict arising from distrust or low levels of trust among social partners. 3.1.2 Polarisation among social partners: Conflict arising from antagonistic forms of interaction during dialogue. 3.1.3 Competing interests: Conflict arising from competing personal, constituency, short-term or long-term or other interests. 3.1.4 Conflicting logics: Conflict arising from the disparate, competing or conflictual institutional logics of the social partners' constituencies and the organisations they represent. 3.1.5 Frame or policy conflict: Conflict resulting from disparate framing by social partners of specific policy issues, policy situations or policy options. 3.1.6 Industrial relations: Conflict arising from labour market or wage related issues. 3.1.7 Procedural: Conflict arising from a misalignment of the processes and/or structures of various institutions interacting at Nedlac. 3.1.8 Societal: Deep-seated societal conflict arising from historical or current societal conflicts? 3.1.9 Other conflicts.

	3.2 Management of conflict	3.2 Given the conflicts that have occurred, how were they managed?
	3.3 Impact of conflict	3.3 What was the effect of these conflicts, and the handling thereof on the dialogue process and on the 'space' for dialogue?
	3.4 Conflict during different eras.	3.4 In your view, did the nature of conflict at Nedlac change during the following periods? Indicate in which period, and please provide a reason for your answer. Era 1: Mandela Presidency: Early years after 1994 Era 2: Mbeki Presidency: Middle years after 1999 Era 3: Motlanthe Presidency: Middle years after 2008 Era 4: Zuma Presidency: Later years after 2009 Era 5: Rampahosa Presidency: Later years after 2018 to date
Construct 4: **Inter-institutional and formal-informal institutional interplay** (macro and meso level): Relates to the ways in which the inter-institutional milieu or interplay of formal and informal institutions enable or hinder the dialogue process in the dialogue arena, or give rise to conflict or agreement.	4.1 Impact of inter-institutional dynamics on Nedlac's process, and performance 4.2 Influence of formal institutional and informal institutional practices, norms or rules on Nedlac's process?	Nedlac exists and interacts within an eco-system of various public and other institutions. These interactions affect the social dialogue process at Nedlac. 4.1.1 Nedlac's annual reports point to occasional misalignment between Nedlac and other institutions such as Parliament and government departments. What has been your experience of the interaction between Nedlac and other institutions in the South African environment? 4.1.2 How would you describe the influence of other institutions on Nedlac, in terms of their rules, processes? 4.1.3 Were there any power dynamics involved in this interaction of Nedlac with other institutions, and how would you describe them? 4.1.4 The Nedlac founding document's task the president or his/her representative with overseeing the annual Nedlac Summit, as well as tasking other senior government officials with direct involvement at Nedlac. In your view, how have their involvement, or lack thereof, effected the dialogue process and consequent agreements?

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Construct 5: **Procedural (process and structure) aspects of institutionalised social dialogue** (meso level): Relates to the way in which procedural factors affect the social dialogue process and outcomes.		5. The founding documents and protocols of Nedlac have resulted in institutionalised social dialogue taking on a particular form at the organisational level.
	5.1 Effectiveness of Nedlac as formal institutional and organisation.	Please select one answer in response to each of the statements below and please provide a reason for your answer: 5.1 Audit findings at Nedlac by the Auditor General and related challenges affected the social dialogue process: Option 1: Strongly disagree Option 2: Disagree Option 3: Agree Option 4: Strongly agree Option 5: Do not know
	5.2 Procedures of Nedlac in terms of representation, chamber structure and process of deliberation and reporting.	5.2.1 The criteria set by Nedac's protocols for representatives of social partners to participate are appropriate: Option 1: Strongly disagree Option 2: Disagree Option 3: Agree Option 4: Strongly agree Option 5: Do not know 5.2.2 Nedlac's structures. Such as various chambers and the accompanying processes for tabling issues are fit for purpose: Option 1: Strongly disagree Option 2: Disagree Option 3: Agree Option 4: Strongly agree Option 5: Do not know
	5.3 Veracity of agreements reached	

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	at Nedlac 5.4 Robustness of engagement with technical content in the policy, legislative or regulatory agenda	5.3 The social partners have complied with the agreements reached at Nedlac: Option 1: Strongly disagree Option 2: Disagree Option 3: Agree Option 4: Strongly agree Option 5: Do not know 5.4 Nedlac has been adequately capacitated (financially and otherwise) for the task of social dialogue: Option 1: Strongly disagree Option 2: Disagree Option 3: Agree Option 4: Strongly agree Option 5: Do not know
Construct 6: **Macro-level contextual effects** (macro level): Relates to the way in which macro-, meso-, or micro-level institutional dynamics feature in the dialogue arena, come to bear on the social dialogue process, affect the conflicts or agreements, undermine or support the procedural aspects and thereby affect the social contracting outcomes.	6.1 Impact of global economic conditions on Nedlac 6.2 Impact of domestic political changes on Nedlac 6.3 Impact of socio-economic outcomes nationally on Nedlac	Developments in the economic, social and political environment in South Africa and globally, impact on the social dialogue process at Nedlac. 6.1 In your view, how did the global financial crisis of 2008/2009 affect social dialogue at Nedlac? 6.2 In your view, how did the political change from President Mbeki to President Motlanthe and then President Zuma, affect social dialogue at Nedlac? 6.3.1 In your view, how has rising unemployment levels in South Africa affected social dialogue at Nedlac? 6.3.2 How did worsening or improving labour relations at different times, especially in the build-up to and wake of the Marikana tragedy in 2012 and its wake, affect social dialogue at Nedlac?

| Construct 7:

Social contracting, frame formation and consensus, (micro level): Relates to the practices and approaches that dialogue participants employ to bring about the resolution of frame conflict and the development of shared frames or social contracts | 7.1 The emergence of shared frames between the social partners, or persistence of divergent and conflicting frames | Nedlac exists for the creation of sustainable consensus between the social partners on matters of policy, legislation and regulation.

7.1.1 The social partners have at times held different views about the role of 'economic growth' in the national policy agenda. In your opinion, have these views converged, diverged or remained the same over time? Please explain your answer.
7.1.2 The social partners have at times held different views of the ideal monetary, fiscal and macro-economic policies. In your opinion, have these views converged, diverged or remained the same over time? Explain your answer.
7.1.3 What role, if any, have individual social partners played in the divergence, convergence or retention of the status quo, in terms of the policy agenda? |
| **Exploratory closing question**: | d. Future of Nedlac | d. In your view, are social compacts important for SA's future economic development?
If so, is Nedlac an appropriate vehicle? And if so, what should be done to improve its effectiveness.
If not, what alternative vehicle(s) might be required? |

The goal of the interviews was to deepen, enrich, validate, triangulate, and refine the insights gained from the documentary analysis. Interviewees were identified through purposive sample selection, and approached through a letter of request for the interview. This was done using a combination of predetermined and open-ended questions. The documentary review was the primary research instrument of this study and was supplemented with interviews that dealt robustly with the more intangible and therefore inaccessible elements of the institutional field.

Therefore, the research approach cast the interviewees as policy or institutional actors in the context of Nedlac, but accounted to the degree possible, given the scope of the study, for their inter-institutional character as nested within the broader macro environment.

Given the contextual diversity inherent in Nedlac as an institutional field, where various sector representatives are engaged, purposive sampling was used and care was taken to ensure that adequate representation was achieved in relation to diverse and representative views of constituencies, including government, organised business, and small business sectors, as well as those groups that are often poorly represented, organised labour and community constituencies, such as civil society and traditional leadership groupings. In addition, interview inputs took into account the racial and gender dimensions inherent in the structural features of South Africa's institutional milieu and the potential for bias in this regard.

4.3.8 Data analysis

In terms of sample size and data saturation, the data gathering process was iterative, in that the documentary analysis was engaged with recursively, in parallel to the sequence of interviews, and thereby allowed the researcher to reflexively account for emerging themes, new avenues of enquiry, and notable findings that required further investigation. Data saturation arose from the interplay between the initial research questions, emerging themes, notable findings and their validation by way of interviews or documentary analysis based on subsequent questions.

Insights into Nedlac's case are derived first from publically available data, then iteratively

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through interview data specific to this study, and in light thereof, an assessment was made of the frame-level logics that have dominated the social partner interactions through Nedlac. In this way, the qualitative data is engaged with iteratively, and triangulation on observations are enabled by way of multiple perspectives and sources. The content analysis conducted in the process sought to ensure reflexive, interpretivist engagement with the data (Reay and Jones, 2015; Yin, 2014; Gummesson, 1991; Saunders, 2008). Through this process, triangulation is achieved between widely published data in the public domain, institution-specific data available from reports and publications as well as interview data obtained from the interviews.

The interviews were purposive and selective, and directed to areas in the data where relatively little was known, and had been based on documentary evidence alone. Interviews took place once the preliminary documentary analysis had been undertaken and themes arising indicated specific areas for further investigation.

By combining documentary analysis and semi-structured interviews, triangulation was possible to test the conclusions arising from the preliminary analyses. This methodological feature mitigated any form of bias or misinterpretation by the researcher, especially important in the study of a contested terrain such as policy deliberation, where participants hold very divergent views.

The researcher took the role of external or 'outside' observer, relying on the validation of insider-accounts to validate findings, and to strengthen the reliability of the data and interpretation. Through reflection on the analysis within the context of the framework arising from the literature, lessons learned and insights gained, new insights were expected to arise that would be relevant to increasing the effectiveness of Nedlac in future, and might be germane to similar institutions internationally.

Whereas documentary evidence was largely used to discover and delineate the formal institutional characteristics of Nedlac, the interview data was used to further investigate the intangible aspects such as the impacts of informal institutions, participants' mental models, how meaning was co-created and assigned in lieu of these mental models, the impact or roles of personalities and their interaction in the institutional milieu, the role of

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and space for individual agency versus structural dynamics at play, and the role of barriers to collaboration such as mistrust under conditions of uncertainty and tensions, and contradictions in policy situations dealt with at Nedlac. Qualitative research such as semi-structured interviews allow for a richness in the data, or "thick" analysis, which was appropriate for the purposes of this study (Sim, 2008).

Interviewees were engaged by using an electronic platform and were selected based on their specific experiences as past or present participants in Nedlac.

4.3.9 Ethics

Ethical clearance was obtained from the university for the study. Interviewees were invited to participate voluntarily and were afforded an opportunity to opt not to answer any questions they did not want to or did not feel comfortable with.

Although interviewees were asked to give answers to the research questions from their individual point of view, their inputs were reported anonymously and confidentially in order to protect them from prejudice, given the public nature of the topic under study.

Furthermore, interviewees were given full disclosure of the purpose of the research and how their responses were to be used.

Interviewees who contributed to the documentary interviews reported on in the study, were invited to be interviewed with the express purpose of the creation of a widely publicised publication. As such, they were afforded an opportunity to state explicitly when their comments were private, in confidence or not to be circulated publically or attributed to them individually.

CHAPTER 5: DATA ANALYSIS AND DISCUSSION

5.1 Introduction

This section sets out the qualitative analysis of the data. Data sources include documentary evidence available in the public domain as well as interviews conducted specifically for the purposes of this study.

The chapter provides an overview and a discussion of the research results. It lists the interviews conducted, provides an assessment of the representivity of the sample in relation to the social partners and the institution under study, and points out the dominant themes arising from the data. Thereafter, the chapter concludes with a comparative assessment of the social partners' framing of the national policy and economic agenda.

In so doing, the chapter addresses the research problem, research aim and research questions, as these pertain to sense-making through the use of policy frames (McPhee and Zaug, 2009) within the context of policy deliberation in the form of mediated negotiation (Schön and Rein, 2000), and in the setting of a multi-sectoral institution (Hajer and Wagenaar, 2006) and the policy-making process more generally.

By describing the sources of data, and describing and discussing the dominant themes arising from the data, or the generative themes that arise from the analysis of the data, this chapter sets out the qualitative case study of the institution, with reference to the macro, meso, and micro levels thereof. In addition, by presenting and comparing the frames employed by the social partners in describing the national economic policy agenda, the chapter focuses the discussion and analysis on the micro-foundations of the institution.

5.2. Overview of the Qualitative Research Results

Assessment of representivity and diversity of interviewees

Of the total number of 17 interviewees, 7 are female and 10 are male. This is indicative of the historical gender imbalance in the leadership representativity evident among the social

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partners. For this reason, most of the participants at Nedlac have historically been male, and newly involved participants at Nedlac are increasingly female. This is evidenced in the sample as well.

In addition, of the 17 interviewees, 6 have directly represented the business constituency at Nedlac, compared to 4 who have represented the labour constituency, 3 who have represented civil society, and only 1 has represented government. Three of the interviewees are current Nedlac employees, including the current executive director. As such, the government and community constituencies are comparatively poorly represented in the sample compared to business and the formal structures of Nedlac.

Various attempts were made to address this shortcoming, especially by inviting government and community constituents to participate in the interviews, but the response from the government and community constituencies was very poor. In most cases, emails and telephone calls were left unanswered. As a result, the researcher has relied heavily on documents in the public domain, including speeches and reports delivered by government and community constituents through Nedlac, to obtain a more in-depth perspective on their views as it pertains to the analysis. These sources include published speeches delivered at Nedlac events by the representatives of the government and community constituencies.

5.3. Description of Dominant Themes Arising from Interviews

Six constructs were identified in the development of a conceptual framework for this study. The themes presented below that arose from the data will be discussed in light of these constructs and in light of the literature on institutional theory, institutional economics and policy deliberation discussed in this study.

Importantly, as various facets of Nedlac's institutionalised dialogue process cannot readily be separated into distinct themes, since they are interrelated and dynamic in nature, these are discussed in an integrated manner. That is to say, since the dialogue process is a complex, multi-dimensional and fluid social and institutional phenomenon, a synthesis of insights is preferred in discussing the analysis. Observing Nedlac's activities therefore cuts

across the formal institutional stakeholder relations, the informal stakeholder relations as well as the macro-environmental interplay between political, economic and social institutional strains. In order to structure the discussion in a historical context, a series of eras are identified in relation to the political leadership changes in South Africa between 1994 and 2021.

To further systematise the discussion of the data analysis, it sets out seven distinguishable and interrelated themes that arise from the data, and inform each other in a dynamic manner. These themes relate to Nedlac as an institution both in the formal and informal sense of the term, and conceive of Nedlac both as a structured institution and an institutional field in which the policy eco-system actors are participants. Nedlac as a bounded system is thus of a dual nature, being formally constituted by legislation, protocols and processes on the one hand, and pluralistically constituted in that it represents a network of inter-institutional relations.

The dominant and generative themes emerging from the data are:

a. The lack of a clear institutional mission for Nedlac;
b. Inter-institutional misalignment between Nedlac and other institutions;
c. Intra-institutional incapacity within Nedlac;
d. Susceptibility to macro-environmental shocks in Nedlac's external environment;
e. Issues of representativity, associated with aspects of voice, power relations and interest in Nedlac processes;
f. Conflict and procedural effectiveness in the social dialogue undertaken at Nedlac;
g. Social compacts, social contracts and social cohesion arising from Nedlac.

Figure 12: Six dominant and generative themes arising from interviews
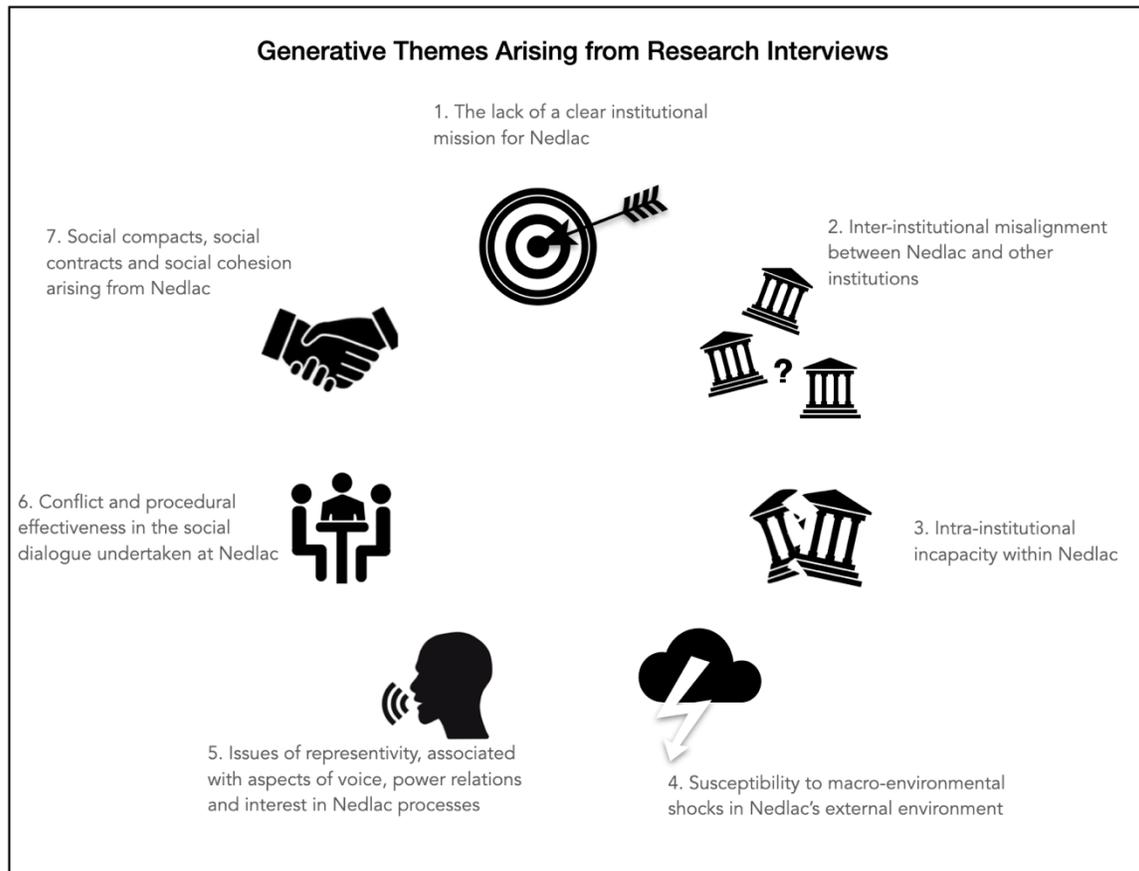
Source: Researcher's depiction

5.3.1 Lack of clear institutional mission for Nedlac

Nedlac's emergent and ever-expanding agenda

Nedlac's agenda has ebbed and flowed over the years with the changes in South Africa's political, economic, social and global context. Given that from a procedural point of view, the Nedlac agenda arises from issues tabled by the social partners in their chambers, it is understandable that to some degree the institutions' agenda would mirror the issues of the day at various stages of South Africa's democratic history.

However, this emergent character of the Nedlac agenda has also led to the expansion of the agenda to an unmanageable scale, when looked at against the institutions' initial

legislative mandate and its institutional capacity. A recurring observation of the interviewees is that the design of Nedlac has never been fit for purpose to accommodate the expanding agenda of the institution. This has included observations that the institution lacks the requisite research capacity, the financial resources required, and the clarity of focus that would make it effective. The question of which issues should not be tabled at Nedlac, as a matter of disciplined focus, and should be addressed elsewhere in the institutional eco-system, has also gone unanswered historically.

It raises the question of whether Nedlac, as a legislatively empowered institution positioned within the Department of Labour, was poorly conceived in the first place. Would it not have been preferable for Nedlac to either focus on crafting social partner engagements around the legislative agenda specifically, or be limited in the scope of its work to the relational dialogue component such as trust-building, leaving Parliament to deal with regulation and legislation? In terms of locating Nedlac in the formal institutional eco-system, was the historic preference for Nedlac to be located in and funded from the Department of Labour the optimal choice, or should it not rather have been located in the Presidency such as is the case with the Department of Planning, Monitoring and Evaluation and the NPC? Had it been the latter, a cluster effect might have been the result, whereby long-term national agenda-setting could perhaps have occurred in a more streamlined and mutually-supportive manner between these bureaucracies.

The view arising from the interviewees is that Nedlac has never fully taken on the mission of facilitating a transformative national social dialogue that would alter the macro-level institutional superstructure of the country, nor has it been adequately resourced to effectively provide guidance on the minutia of specific legislative and regulatory developments. Consequently, Nedlac has been caught between highly technical deliberations on policy matters on the one hand, and highly sensitive trust-building and consensus-building efforts on the other hand. The result is that it has done neither of these efforts with particular distinction.

Therefore, a criticism of Nedlac by interviewees is the somewhat passive nature of the institution in the face of some emerging issues that have been of national importance, such as grand corruption during the Zuma era, and later, incidences of police brutality and

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the killing of individual citizens by the South African National Defence Force (SANDF) during the national lockdown measures in response to the Covid-19 pandemic.

While these matters were ongoing, Nedlac focused somewhat myopically on policy developments even while the national system weakened over time, paying lip-service to its role as the apex chamber for social partner engagement and dialogue. The political dynamics arising from the ANC tripartite alliance, in which Cosatu had become a passive passenger in terms of policy-making and decision-making, aided this lack of impetus at Nedlac. This was worsened by the longstanding orientation of business towards commercial-sustainability at a company, industry or sectoral level as a short-term pre-occupation, often at the expense of the long-term economic trajectory at a national level.

The passive posture of Nedlac on matters of such national importance raises the question of Nedlac's broader societal role and whether it ought to become a more prominent, visible and vocal institution, or whether it ought to play the somewhat silent, supportive and background role, or even the limited technocratic role? Institutions such as South Africa's constitutionally mandated Chapter 9 institutions, the Public Protector, Auditor General, Human Rights Commission, Independent Electoral Commission, and the Commission on the Protection and Promotion of the Rights of Cultural, Religious and Linguistic Communities, have all played a significant and prominent role in shaping the public discourse since 1994.

Comparatively, while Nedlac has been extremely active on regulatory matters, it has not made as prominent and distinct a contribution in the public imagination or beyond the Nedlac participants at the elite level, which is perhaps a feature of the lack of a clear institutional mission for the institution.

Such apparent lack of a clear institutional mission for Nedlac has implications across all seven of the constructs identified for the purposes of this study. While Nedlac has achieved marked successes in social dialogue on specific matters, the integrity, appropriateness and effectiveness of Nedlac's processes (Construct 1) have been somewhat misaligned regarding both the legislative mandate from which the institution arises as well as the needs of the country for social dialogue on the major developmental

challenges the society has faced, especially in the domain of economic and social development.

Nedlac' effectiveness over the years

Interviewees recall that Nedlac's effectiveness rose during the early democratic era of Nelson Mandela and began to wane in the early stages of the Mbeki era. They also state that Nedlac's role differs somewhat from that time compared to more recent years, with a clear low point in its effectiveness during the Zuma presidency. During the early periods, it is said that the *space* for genuine dialogue was opened up for effective engagement, and the social partners began to buy into Nedlac as a key institution for forging agreements and solving national challenges.

It is apparent that under Mandela's leadership, the space for social dialogue (Construct 2), or the robustness of the social dialogue arena as conceptualised in the framework of this study, was opened up and sustained. However, the interviewees are of the view that in the subsequent Mbeki era, the institution's effectiveness declined and continued to weaken, especially in the period following President Motlanthe's brief presidency and directly so as a consequence of the rise of Jacob Zuma. The political sea-change which the period signalled, meant that social partner relations went from being increasingly strained, to being outright combative as they grew increasingly alienated from each other.

The space for effective dialogue was closing and significantly so during the Zuma era, especially as government lost credibility with the business and labour constituency, caused by reports of corruption – which was later shown to affect all constituencies. As the cynical agenda of grand corruption or the so-called *state capture* emerged, with President Zuma at the centre of the narrative, social dialogue was said to have become both shallow and non-committal.

However, there is a shared view among the interviewees that Nedlac's effectiveness is improving again more recently under President Ramaphosa. We discuss below why this is said to be occurring.

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A key observation is that the quality, reputation and integrity, and *modus operandi* of individual leaders and leadership generally, formatively affect the nature and character of the space for social dialogue (Construct 2).

Mission creep and lack of focus

Although the framers of the legislation from which Nedlac derives its mission, conceived of the institution as an apex consultative body for social dialogue between the major social partners in South African society, the institution's core mission has varied in focus over the years. Nedlac's meandering focus has also affected the procedural aspects (Construct 5) such as the processes and structures of the institution. At the times when Nedlac operated as a national bargaining chamber, social partner constituencies were represented by national leaders in high-profile engagements. When Nedlac's agenda shifted to the minutia of regulatory and policy design debates, participation also shifted to more technocratically-minded and more junior representatives. This was mirrored in the structures and processes by which Nedlac's work was operationalised.

Mandela era of 'serious' negotiation

Interviewees indicate that in the early years of Nelson Mandela's presidency, Nedlac was utilised as a negotiating forum and tended to attract the involvement of the senior decision-makers in government, business and labour. Nedlac's framers had aspirations, akin to the German or Scandinavian models, of a compacting mechanism for consensus-building in a newly democratic society. Also inspired by examples from the likes of Ireland, Denmark, Sweden and Australia, who had succeeded in securing social compacts at the national level, Nedlac's early leaders sought to create an institutionalised mechanism for similar social compacting.

However, the development of the RDP, itself seen as somewhat of a social compact for national reconstruction, is said to have interrupted Nedlac's early work, as it concretised the policy approach of government and allowed the business constituency to withdraw their initiative from the national reconstruction agenda.

A norm had developed in the early stages of democracy where it was thought "useful for social partners to talk before you act", as interviewee Prof Everatt puts it. This had resulted in a high-profile dialogue on major national issues such as labour market reform – with great success. However, the social compact achieved in the form of the RDP was symbolic rather than directive and practical, and seems to have undermined social dialogue to some degree. That is to say, as interviewee Lisa Seftel puts it, the compact was a "noun rather than a verb", a national gesture rather than a series of actions that the social partners could actively and practically engage in.

The RDP policy did however set in motion a norm by which the ANC in government rather than the social partners collectively set the policy and legislative agenda. This directive role of government, for better or for worse, would eventually feature dominantly at Nedlac and become a feature of Nedlac's workings, and failings.

From this starting point, Nedlac took on a specific institutional character, acting early on as a clearing house for legislation, serving to review and enhance legislation through consultation such as on labour market reform, but thereby overshadowing the broader policy agenda and question of national development in more fundamental terms.

It is apparent that in the absence of an agreed-upon policy framework for the national economic agenda, Nedlac's emphasis was initially orientated towards the informal aspects of dialogue such as building trust and social partner relations, whereas as soon as formal policies were articulated, Nedlac's orientation shifted also to a more formalist approach.

In line with the formal and informal interplay contemplated in Construct 4 of this study, one might observe that Nedlac has operated at the 'messy interface' between the formal and informal institutional fields, and as a result, the constitutive complexity of the environment would come to affect Nedlac. Its most notable successes appear to have been in advancing formal dialogue on technical matters, while somewhat neglecting the accompanying informal and relational dimension, especially during times of heightened conflict.

This was particularly notable at stages when conflict among the social partners was

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accentuated such as in the build-up to the Marikana massacre, when Nedlac failed to act preventatively to create higher levels of consensus (See sections The 2012 Marikana Massacre: An extreme case of violent contestation, page 44 and Nedlac's response to the Marikana crisis, page 105).

As will be shown below, the informality of complex social partner interaction would at times overwhelm Nedlac's formal agenda.

For instance, interviewees laud the early work done at Nedlac on the Labour Relations Act, No. 66 of 1995 (LRA) as a Nedlac success story, but they bemoan the technocratic burden that this placed on an institution poorly capacitated for the work. Caused by the actions of the social partners, Nedlac increasingly and perhaps understandably, orientated itself towards an agenda dominated by formalist, technocratic and legislative priorities. Negotiations at Nedlac that were initially very intensive and constructive, such as on the LRA and LRA Amendment Act, No. 6 of 2014 and the Employment Equity Act would not, and perhaps could not, be sustained into the future.

The unintended consequence of this success in refining labour legislation in Nedlac's early years, was that Nedlac became a national collective bargaining forum and moved away from the broader agenda of fulfilling the need for a national consultative dialogue forum.

This shift in Nedlac's mission was furthered by the instance of then overall government convenor, and later Minister of Economic Development, Ebrahim Patel's insistence on Nedlac processes having to focus on detailed regulatory negotiations arising from the trade and industrial policy agenda (Fine 2001; The National Institute of Economic Policy South Africa, 1997). Consequently, Nedlac agreements took on a focused technical nature rather than a broad strategic character and focus. Nedlac came to be seen as a consultative forum on regulatory and legislative matters, as opposed to being seen as a "place to negotiate a big social compact", as the current Nedlac Executive Director, Lisa Seftel, puts it.

These developments raise an important question about the ideal level of formalisation or informality (Construct 4) that would have, or might in future result in social dialogue

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functioning optimally.

Interviewees observe that during President Mbeki's presidency, Nedlac's mission fell victim to a combination of pressures within the broader inter-institutional milieu, the emerging political dynamics at play among the social partners as well as specific leadership impacts arising in particular from the leadership style of Mbeki's presidency. This led to a change in Nedlac's focus and is understood to have had a negative impact on its capacity and effectiveness.

Impact of Mandela's leadership style compared to Mbeki's

During the Mandela era after 1994, Nedlac benefitted from what interviewees refer to as a glorious period, or as another interviewee states, a time of great optimism, where Mandela's personal commitment to reconciliation, as well as his willingness to engage the social partners actively as an *integrator*, gave Nedlac legitimacy. There was a shared belief in the ability to improve matters, a real enthusiasm for social dialogue among social partners, and a sense of realisation that South Africa needed to "stitch things together", as interviewee Prof Everatt puts it, among government, business and labour.

This sense was borne out and enhanced by the fact that Mandela and senior Cabinet ministers of his regularly participated in Nedlac meetings. This commitment by senior government officials gave business leaders what interviewees call appropriate counterparts and a sense of obligation to attend. It also ensured that there was real progress on issues raised. Interviewees explain how the *spirit of Mandela* permeated the dialogue process in that Mandela's leadership charisma set a tone for reconciliation in the social dialogue process. The climate, one might say, was favourable for social dialogue, and the leadership of the constituencies bought into the process.

After Mandela, who is described by the interviewees as having been somewhat unique in his consultative approach, successive leadership changes resulted in individuals pushing their own agenda at Nedlac and in other fora.

Mbeki-era breakdown in social partner relations

For a number of reasons, the era of President Thabo Mbeki is bemoaned as a difficult time
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in terms of relations among the social partners. Though the president is said to have supported Nedlac's role initially, interviewees also state that from the outset, he did not enjoy a strong relationship with labour, and that early tensions in the period between government and labour resulted in the labour constituency never really supporting Mbeki's agenda on the economy. At this point, one can observe the early stages of a trend in political tensions transcending the party-political process and permeating the policy-making process across into the Nedlac context and processes.

While the policy-making process might, as per the Figure 13 depicting the policy process (See: Figure 13: Policy-making process: from party-politics to legislative enactment, page 248), be contemplated in a linear and progressive sense from the political process (Steps 1 and 2) to the legal and regulatory (Steps 4 to 9), in practice, the process has been seen to be multi-directional and complex.

Contributing to the social partner's relational breakdown was an approach one interviewee refers to as the Mbeki era's emphasis on *economic rationality* at the expense of managing the complexity and fraught nature of the stakeholder relations landscape. Notably, the less charismatic and more technocratically-minded style of the presidency at the time also changed the tone of engagements at Nedlac, indicating the first of many ways in which contextual factors (Construct 6) would affect Nedlac's effectiveness.

Emerging discontent and misalignment on key policy issues

Business, meanwhile, also experienced strained relations with President Mbeki, partly because of his tabling of a more assertive agenda to transform the racial ownership patterns of the economy through Broad-Based Black Economic Empowerment (BB-BEE). Business, it appears in retrospect, did not willingly buy into the more assertive transformation agenda and only tacitly supported the Mbeki-era policy approach. Business welcomed the macro-economic and fiscal policies of government, but tacitly rejected the regulatory regime that accompanied it in terms of transformation.

While the government-business relationship had become strained, interviewees agree that the relationship was, at least initially, workable. Organised business did, in the view of interviewees, support the overall economic agenda in principle, and likewise government understood business' intentions at the economic level. Labour, as one

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interviewee puts it, during the period became a *weak leg* in the supposed four-legged alliance that ought to have been forged through Nedlac among government, business, labour and communities.

What was emerging at Nedlac was a form of conflict (Construct 3), wherein co-existing agreements and non-agreements among the social partners constituted an uneasy *status quo*. It was a period in which the social partners were mostly in agreement about the desirable trajectory for the country in economic and social terms, but increasingly in conflict about the means by which progress ought to be achieved. This rising tide of conflict would begin to erode the integrity, appropriateness and effectiveness (Construct 1) of Nedlac's social dialogue processes, as parties all defected from the process at some point.

Disruptive effects of forum hopping

Labour's manner of engagement through Nedlac changed substantively under Mbeki, including the emergence of a propensity for forum hopping, which interviewees indicate to be the use of various fora to push their own agenda. In the case of organised labour in the form of Cosatu, at the time highly invested in their tripartite alliance with the ANC and the South African Communist Party (SACP), there emerged a tendency to double-up on Nedlac engagements and use alliance back-channels and structures to pursue their goals outside of Nedlac.

The result was that if Cosatu did not achieve desirable outcomes at Nedlac, they would revert to the National Executive Committee (NEC) of the ANC or to the alliance council, consequently cherry-picking between fora. This undermined the legitimacy both of Nedlac as a forum, and of the agreements and commitments made at Nedlac.

Similarly, President Mbeki is said to have opted at times to bypass Nedlac entirely, and significantly, opted to do so in the case of the GEAR policy. This event, interviewees agree, signalled a significant turning point in the government-labour relations insofar as the economy was concerned, and consequently for Nedlac, it weakened the institution and lowered its profile in the social partners' view. The political expediency of avoiding Nedlac to fast-track policies had the unintended consequence of intensifying the growing conflicts among the social partners.

It can be observed that when the social partners thought the space for dialogue (Constuct

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2) was closing or that they would not be receptive regarding their position, they opted to either look for different spaces and procedures (Construct 5) through which to engage each other, or relied increasingly on informal or back-channel modes (Construct 4) of engagement to express their discontent.

This period was characterised as the genesis of a chasm that opened up among the social partners, echoed by the interviewees who saw the moment as a tipping point in relations among the social partners. Senior representatives from among the social partners, especially the so-called "captains of industry" on the part of business and Cabinet ministers on the side of government, began to delegate their involvement to more junior representatives – resulting in a general juniorisation of the institution. This had significant consequences for Nedlac in that it not only juniorised the institution, but it also delayed and deferred decision-making and resulted in weaker commitments arising from social dialogue. It represented a forum of less powerful actors, and thus became demilitated.

Undermining consensus

What emerges from these developments is the way in which a lack of alignment and consensus on economic policy in particular, coupled with a loss of fervour and commitment for authentic social dialogue through the agreed-upon structure and processes, derailed the Nedlac-based conception of achieving national coordination among the social partners. The social and economic development agenda of the country fell victim to this process.

The growing tensions among the social partners eventually shifted away from Nedlac, as the formal dialogue arena lost the confidence of the social partners (Construct 1 and 2) and led to emerging conflicts (Construct 3), first in the political arena, in the form of a show-down between President Mbeki's supporters and President's Zuma's new-found allies within the alliance. This show-down eventually resulted in the recall of President Mbeki by the ANC's elective conference and the positioning of President Zuma as party president and eventually his *deployment* by the ANC to the Presidency of the country, backed by Cosatu and the ANC Youth League.

Economic rationality versus consensus-building

Two recurring observations about the leadership style of President Mbeki become
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apparent in the interviews as it pertains to Nedlac's agenda. The dialogue at the time took on a dominant character of economic rationality, and the president tended to push ahead even if social partners were not entirely on board with the direction of the policy. This was done under the guise of the notion that *government ought to lead as the duly-elected representative of the people*. However, the approach did not adequately account for the dynamics of how the private sector responded to local and global economic pressures and realities, or the high levels of conflict associated with labour wage determination in South Africa. The approach deeply neglected the 'messy' or pluralistic relational aspects of the stakeholder landscape.

Interviewees observe that Mbeki's attitude exuded a message that he would not be argued with, especially on his strongly-held analysis of what he called South Africa's duel economic system of two societies, which he argued needed to be transformed through extensive interventionist policies. The tone emanating from the Presidency set the private sector at odds with the administration and gave rise to tacit disagreements within a broader context of increasingly strained relations.

Second, compared to Mandela who had been highly consultative, even using back-channels to mobilise social partners' support for the dialogue process, Mbeki is said to have shown less of a willingness to use shuttle diplomacy or other forms of what an interviewee calls *Mandela-style consensus-building*. Instead, Mbeki strongly pushed his agenda, both domestically and in the broader African context, with his African Renaissance narrative and institutional agenda in the form of the New Partnership for Africa's Development (NEPAD). However, interviewees share a belief that the capacity from social partners for effectively listening to one another during dialogue was in significant decline during that period.

Top-down, directive leadership erodes effective dialogue

Interviewees note that Mbeki's presidency was marked by similar dynamics elsewhere outside Nedlac, such as on the health policy related to HIV-Aids drugs and treatment, as well as foreign policy on South Africa's diplomacy in Zimbabwe at the time. On these matters, the president was willing to lead alone against contrary voices, including even his closest allies, and consequently, President Mbeki isolated himself in the process. This placed further strain on the social dialogue process and closed down the space for

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dialogue, as the social partners lost confidence in the actual receptivity of the government constituency.

Notwithstanding this criticism, interviewees share a view that Mbeki had provided considerable intellectual leadership to the country at the time, and that his commitment to achieve at least a standard of moral and ethical conduct within the state sustained a law-abiding norm across the system that was to come under severe threat under Jacob Zuma.

Nedlac, by this time a mere façade of corporatist social dialogue on apex social, economic and development issues, began to show further cracks. The social partners felt reluctant to participate in Nedlac processes, because they believed they were merely going there to rubber stamp decisions, or be co-opted in a formalist manner, while their voices were not being heard in a substantive and formative engagement. This produced an environment where the dialogue became "an exercise in treading water", as one interviewee puts it. Seen in another way, insiders to the dialogue processes could not agree and continued a *dialogue of the deaf,* while the societal outsiders remained excluded not only from the dialogue, but also from the material socio-economic benefits that ought to have come about from a deliberative approach to democratic policy-making.

Notably, one might observe that as the level of consensus among the social partners waned, while the need and urgency for social dialogue increased, Nedlac did not respond or adjust its own agenda, procedures or capacity to respond to this urgent need. It appears as if the slow-burn nature of the conflict among the social partners, unlike the impact of other shocks that will be discussed below, did not result in an adaptation on Nedlac's part, which thereby undermined the institution's relevance in the process. Nedlac was responding to the technical policy agenda of the period, but not to the relational breakdown occurring among the social partners.

Issue-based and short-termism

While not all interviewees agree, there is general acknowledgement that at times, Nedlac had become issue-based in focus and had adopted a far more short-term orientation and agenda. Rather than being a forum for national-level social dialogue, it became a bargaining chamber on minutia in regulatory and legislative issues.

Whereas in the era from the 2000s to 2010, Nedlac was said to have been fairly strategic

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in its focus, the period following this saw much more of an issue-based orientation and a vacuum at the national discourse level. This was partly based on the fact that Nedlac was dealing with employment equity, skills development and retrenchment issues in granular detail, which had the unintended consequence of stifling big-picture, long-term thinking and hampered the institution's capacity to respond to broader societal issues.

That is not to say that Nedlac's work became lesser in scope. On the contrary, during this period, Nedlac hosted many roundtable discussions, also interacting with parallel stakeholder engagement processes elsewhere in the eco-system, but the substance of the dialogue was focused and targeted on sub-national or sectoral matters.

From 2012 to 2014 onwards, the Nedlac process became preoccupied with the legislative agenda of government. This period was punctuated by the Marikana tragedy, a period in which issues of labour market instability, high levels of violence accompanying labour action, and the need for more dialogue in this regard, were already on the agenda.

A product of the work done at Nedlac in response to the turbulence in labour relations was the Labour Relations Accords, and while they addressed the issues substantively, they were in reaction to the broader systemic instability rather than setting a tone for the sector through proactive leadership.

The Marikana tragedy would also become a turning point in the government-labour relationship, and consequently, would result in the labour movement being more dependent on Nedlac for access to the powers that be, and also less able to back-channel with senior officials in government on specific issues. As the political landscape frayed and fractured, the labour movement itself proliferated into factions. This weakened labour's voice as a constituency in the social dialogue process.

The violent and destructive conflict (Construct 3), represented by the Marikana massacre that had spilled over into the streets, the public square and the media, meant that the social partners and labour in particular, were desperately looking for ways to open up the space for dialogue (Construct 2) once again.

The President Motlanthe era marked a brief sea-change in the tone of social dialogue, although his presidency essentially punctuated two periods, being that of Presidents Mbeki and Zuma. From a social dialogue point of view, the situation was first seen by the

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social partners as being extremely similar, largely because of the political dynamics that saw the then president function in their view more as a placeholder for President Zuma rather than a decision-maker in his own right.

However, the social partners noted a return, however briefly, of senior Cabinet ministers to participating in the Nedlac process under Motlanthe, which was said to have had a positive impact on the institution's effectiveness. This was short-lived though, and the short-lived nature of Mothanthe's leadership was unfortunate for Nedlac's mission, in that he had demonstrated a propensity for consultation and deliberative engagement, similar to Mandela, and appeared to inspire a similar approach elsewhere in government.

President Mothlanthe, a former labour unionist and longstanding participant in the collective leadership ethos of the ANC, is understood to have effectively opened, however briefly, the space (Construct 2) for dialogue. However, the return of support for the formal Nedlac social dialogue process (Construct 4) did not resolve the emerging dynamics playing themselves out informally in the political arena. The successful recall of President Mbeki in favour of a more populist President Zuma meant that the strain of the political uncertainty in the macro environment (Construct 6) was such that Nedlac could not effectively address any substantive items in its agenda.

The era of Jacob Zuma's presidency had the most significant impacts on Nedlac, being referred to by one interviewee as a disastrous period for dialogue and for the country. This is attributed to the important role that the leader in government plays in setting the tone for national social dialogue, and as such, is understood also to set the tone at Nedlac as institution.

Seniority versus juniorisation of participants

Interviewees emphasise the need for senior leadership to demonstrate commitment and provide leadership in the way they participate during social dialogue, especially in the form of setting clear direction and stating the preferred outcomes. They repeatedly emphasise the need for such clarity from the side of government's agenda and the need for a clear rationale to be set out for government's agenda.

Against this backdrop, the Zuma era accentuated Nedlac's difficulties. The effect of increasingly junior participants at Nedlac meant less robust dialogue and the unlikelihood

of decisions being made within the forum. The locus of deliberation and decision-making consequently shifted away from Nedlac and towards the Presidency and ultimately, to the centre of power in the ANC's Luthuli House.

The political shocks arising from the corruption scandals of President Zuma resulted in the proliferation of conflicts (Construct 3) among the social partners, which also manifested in Parliament, through the media and in the courts. Amid the disruption and discursive noise of these conflicts, Nedlac's space for dialogue (Construct 2) and the integrity of its processes (Construct 1) were increasingly thought of as a sham.

Zuma's squandered opportunity – elite capture for self-interest

While it was said that paradoxically, Zuma was initially well-placed to make a success of Nedlac's dialogue agenda, because of the backing he enjoyed early on from labour, the labour movement itself began to experience a raft of internal challenges during the Zuma era. These in turn, weakened the tripartite alliance of the ANC, Cosatu and the SACP, and thereby complicated the national social dialogue process by fracturing the dialogue constituency of labour into multiple fronts of engagement.

In the early stages of the Zuma presidency, the time when the NDP was crafted, which provided South Africa with an evidence-based 30-year policy framework, the assumption by some among the social partners was that the bureaucracy of government was working reasonably well. This created a perception that Nedlac and social dialogue on the whole was becoming less critical.

However, this apparent confidence in the NDP masked the practical reality that business had largely begun to withdraw from the national agenda, because of a declining confidence in government, in any good faith engagement by labour, or in the business environment overall. As the private sector became hesitant to invest and sat on the sidelines of a worsening political crisis, the economic performance of the country declined rapidly. Systemically, pressure was building up across the eco-system in political, economic and social terms.

Labour, at the time beset by its own ideological disputes and increasingly riddled with corruption in its own ranks, saw the labour movement fracture, creating a historically significant shift of power away from labour and towards the political elite. As noted earlier

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in the chapter, labour increasingly resorted to engaging outside of Nedlac, especially as Cosatu, the once all-powerful labour federation, splintered and new formations such as the Association of Mineworkers and Construction Union (Amcu), and later the South African Federation of Trade Unions (Saftu) emerged. Social partners were left having to ask who represents labour, and were faced with increasingly militant and combative engagement, for instance, for wage negotiations. The splintering of the labour movement meant that new levels of intra-labour competition created an environment where labour representatives' respective combative postures played a role in their legitimacy with workers, but undermined the possibility of social dialogue on a broader basis.

Declining confidence and legitimacy

In the wake of the global financial crisis of 2008/2009, Nedlac saw an increase in the assertiveness and leadership of government in the dialogue process, especially so in the case of Minister Ebrahim Patel's involvement. The approach taken by government and Minister Patel in particular, became increasingly directive, as opposed to consultative. It was said that this led to situations in which business constituents were asked to sign-off on decisions for which they were not consulted, often hearing of the finality of decisions through the media, and at times found labour to be *in the know* ahead of decisions being tabled at Nedlac, as mentioned earlier.

This undermined the legitimacy of the Nedlac process among business leaders, and caused friction both inside of Nedlac and among members of organised business in their own ranks. It is said that a similar dynamic of government seeking to push through decisions on policy and legislation without consultation, was occurring elsewhere in the institutional eco-system, for example, at the Unemployment Insurance Fund (UIF), and the Commission for Conciliation, Mediation and Arbitration (CCMA).

The declining legitimacy of the executive branch of government was accompanied by a decline in legitimacy of Nedlac, both in procedural and in institutional terms. Mismanagement and irregular expenditure in Nedlac being investigated by the Auditor General, cast a shadow over the efficacy of the institution.

Simultaneously, the executive and political leaders of government departments no longer engaged in the dialogue processes themselves and instead, delegated the duties to their

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junior subordinates. Social partners followed suit, and soon accused and counter-accused one another of neglecting the social dialogue process. During this period, labour began to experience a revolving door in terms of their own representatives as a result of the internal instability in their structures. The regularity of changes to dialogue counterparts further contributed to an incapacitation and destabilisation of the dialogue process.

This instability in the policy-making process was accompanied by a departure from evidence-based approaches with very little evidence or policy rationality being applied, and in at least one case, proposals were tabled without the requisite feasibility studies or due diligence being conducted. In one instance, when a social partner voluntarily offered to and conducted a feasibility study on behalf of government, the subsequent consultations where the evidence would be considered, never materialised, and this resulted in the issue being averted by delaying the agenda point being addressed. Business was backing away from social dialogue in a material sense, while labour was weakening, and government's capacity and commitment to the process waned.

What was emerging was a multi-level discursive conflict (Construct 3) instead of dialogue among the social partners. Increasingly, statements in the media made by one social partner about another became loaded with emotive characters that framed (Construct 7) the various social partners in diametrically-opposed terms, alienating them from productive dialogue.

An example is the 2012 instance where Zwelinzima Vavi, then the labour constituency representative at Nedlac, publicly and through the media defended his "attacks on the ANC" outside of Nedlac, saying, "I engage with public debates… I will not be gagged… yes, I attack corruption, mediocrity [and] bad policies" (Mail and Guardian, 2012, n.p.).

The then ANC Secretary General, Gwede Mantashe, countering Vavi's statements in the media, was publicly quoted as saying, "…tensions between Cosatu and the ANC arise around the federation's public posture" (Mail and Guardian, 2012, n.p.).

Confidence in the dialogue process further declined as accusations of corruption in the public sector increased, and the Presidency's legitimacy under Zuma declined. Pressure from business for reforms, instead of resulting in improvements of Nedlac's dialogue platform, resulted in new dialogue formations such as the CEO Forum, which was

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convened by then Minister of Finance, Pravin Gordhan. A sense emerged among senior business leaders that they were better served by engaging directly with government on a bilateral basis, as the president himself had lost the confidence of the constituents.

Social partners, and business in particular, were once again diverting efforts from Nedlac's formal dialogue arena (Constructs 2, 4, 5, and 6), and looking for alternative informal processes for engagement in order to circumvent the systemic dysfunction in the macro environment.

In a sense, while Nedlac's formalised social dialogue process waned, simultaneously, the impetus for dialogue-based engagement as an approach remained, especially sought by the private sector, who were looking for alternative avenues for expression. At the same time, this complicated the dialogue milieu by confusing the process and also served business' interest by at least clarifying the position and direction of government on key issues for the constituency.

Nedlac is broken

These developments confirmed an emerging narrative among the social partners that Nedlac was broken and interviewees, echoing sentiments about the Mbeki era, observe that there was little by way of efforts by leaders to bring the constituencies together.

The space for dialogue (Construct 2) and the procedural mechanisms thereof (Construct 5) had collapsed, as the institution tasked with creating and maintaining the space and processes weakened. In a sense, the credible mechanism for social dialogue (Construct 1), the deep-seated conflicts (Construct 3) among the social partners and those embedded in South African society as the context for Nedlac (Construct 6), meant that informal engagement (Construct 4) and escalating public rhetorical conflicts in the form of increasingly antagonistic frames (Construct 7), became more widespread in the discourse.

The dialogue of the period was described as one in which the social partners were *moving past each other* or were caught in *adversarial negotiation,* or at worst, *not having a dialogue* at all.

The outcome was that presentations of reports to Parliament of the work being done through Nedlac were no longer enjoying legitimacy among the social partners. Parliament,

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itself undermined at the time by the broader political crisis around the presidency, in which a series of votes of no confidence against the president occurred, was thought of as dysfunctional by *becoming an arm of government* rather than hearing the voices of the social partners. The judgement of the Constitutional Court, which found that Parliament had failed to execute its duty to hold the then president to account, is indicative of the institutional malaise of the time.

The leadership of Nedlac itself, at the time facing closer scrutiny from the Auditor General for financial mismanagement, was losing legitimacy in the eyes of the public and the social partners. The Zuma era's difficulties were said to not have started the problems of failed dialogue, but to have rapidly accentuated their decline.

Interviewees raise the question of who ought to take responsibility for the low point of Nedlac's effectiveness during that period. In one sense, one might place responsibility at the feet of the institution's executive leadership. On the other hand, as Nedlac is itself a networked institutional field, consisting of institutional and individual actors from across the spectrum, the responsibility for its demise must be shared by all constituencies and their leaders. Therefore, the question of accountability for the leadership of national social dialogue becomes pertinent.

Painstakingly rebuilding under Ramaphosa

The more recent years under President Cyril Ramaphosa's deputy-presidency and presidency, are seen as marked by efforts to reignite energy into the Nedlac process, and to bring parties on board. However, by the time of Ramaphosa's incumbency, Nedlac was firmly viewed as more of an issue-based engagement platform than a platform for addressing national questions.

The build-up of momentum and effectiveness in Nedlac, which accompanied the NMW agreement under then Deputy President Ramaphosa's leadership, is lauded as a Nedlac success story. By the time of Ramaphosa's election as President, Nedlac had moved very far from its original level of capability and credibility. At the heart of the early success is said to be the fact that the Nedlac process then enabled the identification of *principles on which constituencies can agree*, and that these were then followed up by discussions on the *accompanying modalities* that would give expression to the agreement on principle.

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Accompanying this approach was the choice to structure the process in tiers, with the executive committee of Nedlac seeking to bring the principle and executive decision-makers back to the table, while a second-tier technical task team were to focus on the details. These capabilities had been lost previously and were now being rebuilt.

It was said that this distinction, an agreement on principle rather than modality, afforded the scope in the dialogue for constituencies to coalesce around a foundation for agreement, rather than getting 'stuck in the weeds of technicalities off the bat', as had often occurred during other periods. It does raise the question though, at what level of technocratic, or in this case legislative and regulatory depth Nedlac should optimally engage in to foster sustainable consensus?

There was a sense under Ramaphosa that work would be needed to engage the constituencies and bring them back into the Nedlac process, and the practice of social dialogue. This would require, for instance, a better understanding of what happened in the past in the dialogue process and to decide what it would require of each of them to bring their principle leaders back into the dialogue process. Thereafter, it would be necessary to table a new agenda for what needed to change in the national system, and address the areas of potential compromise. It was understood that this would enable a new national agenda at Nedlac. However, this view poses further questions for government about who should be representing government in the dialogue process, and whether government's commitment to the process ought to be at ministerial or presidential level.

President Ramaphosa's choice to set in motion a series of summits at Nedlac, such as the Presidential Jobs Summit and Presidential Investment Summit, signalled a desire by the Presidency to open up the space for dialogue (Construct 2) and to rebuild the integrity, appropriateness and effectiveness of the institution (Construct 1).

Critics of the president's approach downplay these initiatives as naïve, merely symbolic and too simplistic, not accounting for the loss of trust and deep misalignment that had developed among the social partners.

Social partners pulling together during the Covid-19 crisis

Interviewees agree that the current Covid-19 pandemic resulted more recently in a resurgence of participation at Nedlac, and fostered a willingness among the social

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partners to pull together. This is significant in that agreements reached among the social partners in response include issues relating to the need for structural reforms in the economy as part of South Africa's post-Covid recovery plan, crafted by the Presidency.

Some interviewees observe the role played by the Covid pandemic as a shared or common enemy of the social partners, and the consequent need for a single set of actions that the social partners can agree on as enablers of the social dialogue process. This signals the potential value of a crisis in creating the conditions for social dialogue. As interviewees often observe, the social partners *should not waste a good crisis*. The observation is that times of increased and shared risk create conditions for approachment in terms of dialogue.

Interestingly, as much as negative contextual shocks (Construct 6) had debilitated and derailed Nedlac in the past, the external shock of Covid-19 had the opposite effect. The shock, being systemic in nature and affecting all social partners, appears to have created a renewed impetus among them to convene and find mutually-beneficial solutions.

Space for a new dialogue agenda

The Covid-19 crisis served to create room for engagement, including the need to address what has emerged as a shared sentiment among the social partners regarding the levels of corruption, including recent corruption scandals associated with the procurement of personal protective equipment (PPE) during the medical response to the pandemic. Furthermore, the country's weakened fiscal and economic position meant that government was under pressure to find a way to get the private sector to come to the table, become aligned with a national recovery plan, and invest in an effort for the country to come out of recession, and avert an escalating sovereign debt and fiscal crisis.

Interviewees share a general agreement that the social partners, at least at the level of organised labour and organised business, are increasingly committed to the Nedlac process, albeit on dealing with the short-term national health and economic crisis.

Observations in light of institutional theory

From the aforementioned, and from the point of view of institutional theory, one might observe that institutional fields are susceptible to emergent and changing agendas.

Perhaps inherent in the multi-stakeholder nature of cross-sectoral institutional fields, is the characteristic of a propensity to adapt and evolve to the stimuli of changing conditions and the changing intentions of actors, or institutional entrepreneurs, in the field. This has implications for how institutional and executive leaders might approach organising and directing such institutions. A clear distinction emerges between an approach that would set a firmer, more concretised agenda for the institution, compared to one that allows the agenda to emerge dynamically as a product of interactions within the field, and between the field and other fields.

Where the institutional field is concerned with social dialogue, or policy deliberation as in the case of Nedlac, this dilemma of clarity of mission is further complicated by the discursive nature of the institution's work, and the unavoidable conflicts between varying logics and frames employed by actors in the field. It would appear as if Nedlac itself has demonstrated an institutional logic that might be referred to as being one committed to a measure of policy rationality, and a preference for forms of compromises in lieu of consensus, even if it means tacit disagreements remain, while using ad hoc and varying levels of analysis to inform ad hoc and varying levels of dialogical engagement, and then reporting formally in written form, to other institutions of state.

This logic has, for better or worse, enabled Nedlac to do meaningful technocratic work at the expense of more transformative work at the macro level. Institutions then, tasked with hosting policy deliberation in multi-sectoral settings, seem to have to manage a trade-off between evidence-based policy rationality and formal or structured engagement, versus more nuanced and relationally-orientated reflexive engagement. This appears to mean that the space for dialogue itself has a character in such institutions, where the orientation of the participants, whether to policy rationality or other forms of more pluralistic discursive engagement, will determine the extent to which they are able to engage effectively.

In Nedlac's case, the institution's own approach, coupled with government's approach, which at times was aligned and at times was misaligned, profoundly affected the willingness of the social partners to participate. Thus, one might observe that the interplay of institutional logics and frames, aside from diverging and converging, being in agreement in conflict, exhibit a *thick* qualitative layer related to the appropriateness of space created by the field. Is the container for dialogue fit for purpose, one might ask?

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It is beyond the scope of this study to address the matter exhaustively, but one might observe that Nedlac has, on the one hand, been accommodative of this notion and allowed the content of its agenda to be shaped by participants, while, on the other hand, simultaneously allowing it to be derailed by the same phenomena of external stimuli. One of the implications of this seems to be a very high level of dependency then on the actions, approaches and style of individual leaders, who might choose to introduce new logics, reform old logics or avoid engaging the field altogether, marking a huge dependency on leadership behaviour for formal institutions tasked with multi-sectoral engagement for consensus-building.

Observations in light of related concepts in policy analysis

The case of Nedlac exhibits aspects of all three traditions of policy analysis, being the positivism that marked early approaches from the 1950s onwards, and emphasised realism, rational argument and thought of policy-makers as rational actors (Hajer and Wagenaar, 2003); second, the post-positivist critical approaches that employed interpretive approaches to policy discourse between diverse interest groups who contend collectively for their own and their mutual interests (Schön and Rein, 1994); and the third tradition of consensual dispute resolution and mediated negotiation (Forester, 1989).

Nedlac, as a formal institution, clearly finds its roots in the latter tradition, having arisen from an embedded practice of collective bargaining among the business and labour constituencies. However, as Nedlac navigated the new demands of the democratic era, it was increasingly confronted by the complexity of South Africa's social landscape and the nuances of the policy conflicts therein. The informal manner in which the social partners engaged in dialogue, especially outside of Nedlac's formal institutionalised boundary, indicates that the institutional field of social dialogue in South Africa was not bound to the first approach. For instance, instead of pursuing a strict evidence-based, or at least evidence-informed and procedural approach to policy, the policy process that permeated the field was pluralistic, fractious and contentious, as was better understood in the second and third tradition.

While Nedlac's founding documents frame the purpose of the institution in terms of the third tradition's notions of consensual dispute resolution, and Nedlac reports to have at times functioned in this role, the historical evolution of social dialogue associated with

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Nedlac does not fit neatly into such a conception.

On the contrary, what the interviewees allude to is an implicit preference at Nedlac for a realist approach to be taken to policy, while at the same time placing value on a democratic and deliberative style of multi-sectoral engagement in which policy rationality is not strictly conceived of as being grounded in scientific evidence. Nedlac has historically demonstrated a preference for the first tradition, while accepting the political and ideologically-loaded nature of policy-making as is accepted in tradition two. One might therefore observe that the framers of Nedlac's founding documents and protocols assumed that a form of procedural and formal consensual dispute resolution, akin to the third tradition, would provide South Africa with a mechanism for a dialogical democratic process, akin to tradition two, within which evidence-based policies might be deliberated on. It is clear that not all social partners agreed to and supported this conception.

Rather, in practice, the constitutive complexity of South Africa's macro environment, the constitutive complexity and thus pluralistic nature of the meso level institutional field of social dialogue, and the emergent and complex nature of the micro-foundational discourse on policy-making, would at no point fit neatly into Nedlac's framing of the policy process.

5.3.2   Inter-institutional misalignment between Nedlac and other institutions

Interviewees indicate that various forms of misalignment occurred between Nedlac and other institutions, especially government departments, including departments and individuals in the economic cluster, in Cabinet and Parliament. In this case, misalignment refers to a lack of clarity about the process, expectations and norms associated with their inter-institutional interaction. It also meant that the complex nature of the organised business landscape and the changing labour relations landscape contributed further to weakening the representivity and effectiveness of Nedlac over time.

Thus, in line with Constructs 6 and 4, one might observe that the formality of Nedlac's social dialogue processes is contingent on and vulnerable to the state of formality elsewhere in the institutional eco-system. If for instance, the Cabinet in the executive of government is reshuffled, as occurred multiple times under President Zuma, Nedlac is

affected by the personnel changes and accompanying changes in political and governance agendas. So too, if Parliament is preoccupied with successive votes of no confidence in the president, Nedlac is affected, because critical social dialogue issues become pushed down the national dialogue and legislative agenda. If business or labour formations splinter or change, as occurred when the BBC broke away from Business Unity South Africa (Busa), and affiliated unions left the Cosatu structure and the ANC alliance, Nedlac's formal processes and effectiveness (Constructs 4 and 1) are undermined.

Government used, misused and undermined Nedlac

In the case of government, there is a recurring complaint from interviewees that not all parts of government's bureaucracy understood or even agreed on what the role of Nedlac is or should be. Consequently, there has been an uneven level of engagement between Nedlac and various parts of government over the years. Government, for instance, opted to bypass Nedlac whenever it found it politically expedient to do so, and later became accused of reducing the Nedlac process to a tick-box exercise. These divergences of commitment to Nedlac from government are attributed both to ideological as well as political differences within parts of government, which mirror the factional battles in the ANC and across national, provincial and departmental levels. Indirectly, this turbulence is understood to have arisen from the lack of professionalisation of the public service, and the direct result of an increasingly politicised appointment process for government employees. This is a product, it is understood, of the ANC's *cadre deployment* policy and practice, according to which political placements were done at the cost of technical competencies.

Furthermore, issues of lack of capacity and lack of follow-through in implementing policy or regulation on the part of government, is said to have undermined agreements reached at Nedlac. Interviewees reflect on how factionalism within political structures produced constraints in government structures, worsened institutional incapacity and at times, caused the social partners to feel that government lacked empathy or humility in hearing what their counterparts were saying. The counter-narrative that the government constituency employed, is that government is the duly-elected representative of the public and should therefore be the *one to lead*, the implication being that the social partners

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ought to follow. At various stages, the bilateral relationship with government and the other social partners therefore came under strain, because of a lack of clarity about the question of control and agency, the dynamics of executive authority, and the need for consultation.

The divergences within government itself highlight a lack of sophistication in Nedlac's approach, protocols, mandate and institutional design, to deal with the dynamics (Constructs 1, 3, 5, and 6) that arose from the ANC's political dominance. Nedlac's incapacity to adapt to the changing conditions in the institutional eco-system indicate perhaps an overly formalist approach to social dialogue at the neglect of responding to the contestation that permeates the stakeholder landscape (Constructs 4, 7).

Government for its part, used Nedlac extensively to table its legislative agenda across the periods discussed above, and especially during the early Mandela and Mbeki eras, relying heavily on its democratic mandate to set the direction of the legislative agenda in the country. At the same time, when government itself acted in ways that negated their authority, such as through corruption, it was claimed to have hidden behind the formal legitimacy as the executive, and assumed a right to exert directive leadership, thereby undermining the dialogue process. Interviewees specifically cite the case of the NDP, and more recently the NDP's 20-year review process, neither of which were brought to Nedlac or tabled for deliberation with the social partners.

The interviewees point to a lack of clarity about the preferred policy or regulatory process, which ought to occur between the political parties setting their manifesto, political platform and agenda, and the eventual tabling of draft legislation before Parliament. The question needs to be asked at what point policy should come to Nedlac. What should be the interaction, and sequencing of Cabinet's interaction with the policy and legislation, in relation to that of Nedlac? Similarly, when and how should other government structures engage in the process and with Nedlac?

A recurring complexity in this regard is the discursive process that accompanies policy-making as it extends between the party-political system and the eventual enactment of legislation in the legislature, with Nedlac in the core of the process.

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Figure 13: Policy-making process from party-politics to legislative enactment (repetition of Figure 9 for ease of reference)
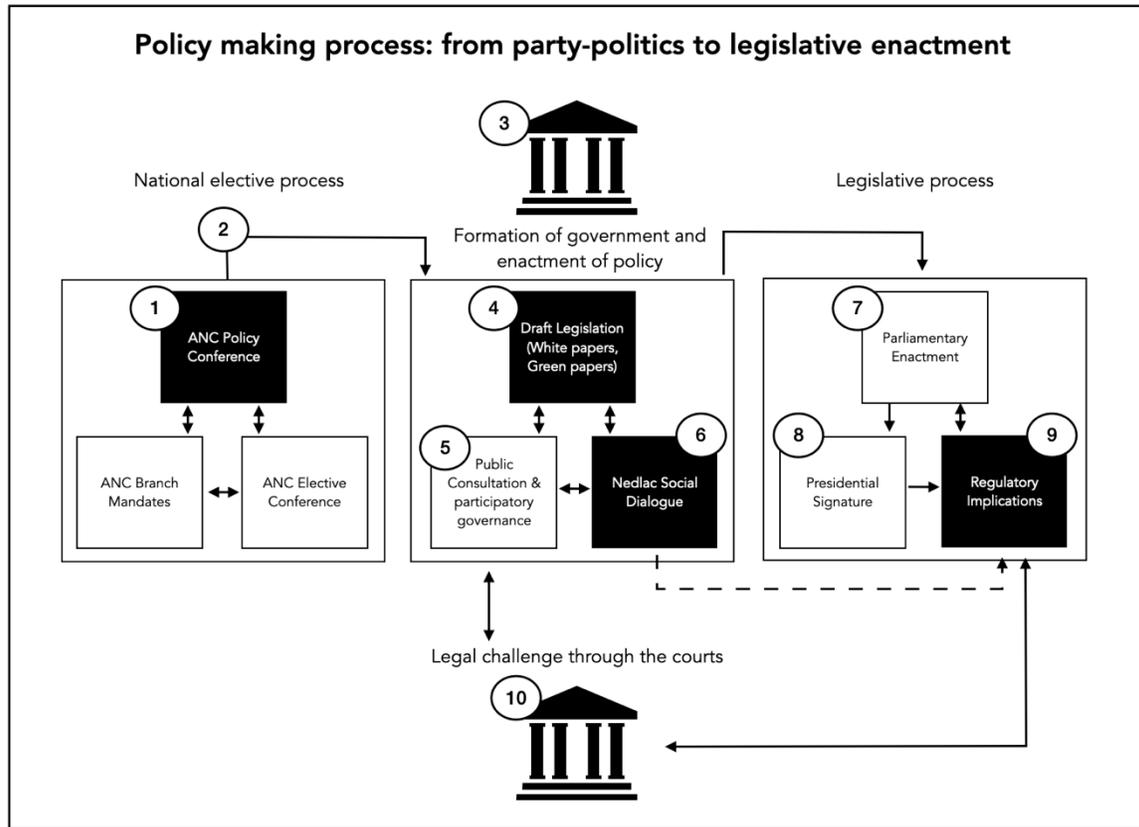
Source: Researcher's depiction

As indicated in Figure 13 above, the policy-making process broadly follows 10 steps from the political phase, in the form of the national elective process (1 and 2), to the legislative and regulatory implications (7, 8, 9) phase. Nedlac's role, nestled in the middle of the process, and closely associated with both the draft legislative process and with public consultation, as well as eventually with the extrapolation of regulatory implications, is ill-defined. This was borne out recently, when the post-Covid recovery plan of business was presented to government, to which government responded with its own plan, without coming to Nedlac to review and dialogue about the contents, once it had been presented to Cabinet. Social partners expressed frustration at the unwillingness of government to co-create outcomes with the social partners.

However, in practice, it would appear that the conflicts between political factions, both within the ANC alliance and in society at large, and among the social partners generally, are not resolved through the internal party process or the national elective process. Instead, they are conglomerated into an uneasy consensus during elections, which casts a 'fig leaf' over simmering conflicts and differences, including deep-seated ideological differences, especially in terms of economic policy choices.

Once the legislative process is underway and Nedlac's role materialises in practical terms, these conflicts and simmering differences manifest in the Nedlac context (Constructs 3, 5, and 6) in the form of contending frames by which policy issues and policy outcomes are articulated. These unresolved differences, when left in play, result in partially supported and non-committal agreements as a product of Nedlac.

The misalignment between government departments in relation to how they perceive and engage with Nedlac, are a manifestation of these frame conflicts and how they are embedded institutionally in South African society. Likewise, although the labour constituency has historically been principally aligned with the ANC politically in terms of the policy discourse and deliberation, in practice, they have retained their right to be conflictual both within Nedlac and outside of its processes (Constructs 1, 2, 3, 4, 6, and 7).

The lack of defined boundaries around when, how and in which way Nedlac ought to be engaged, especially in Steps 4 to 10 in Figure 13 above, means that Nedlac has often been misused by the social partners on the one extreme, and ignored altogether on the other.

In addition to these inter-institutional dynamics, as indicated in Figure 14 below, a range of factors have created turbulence, which undermined and complicated the policy-making process and Nedlac's role therein.

Figure 14: Factors undermining the policy-making process
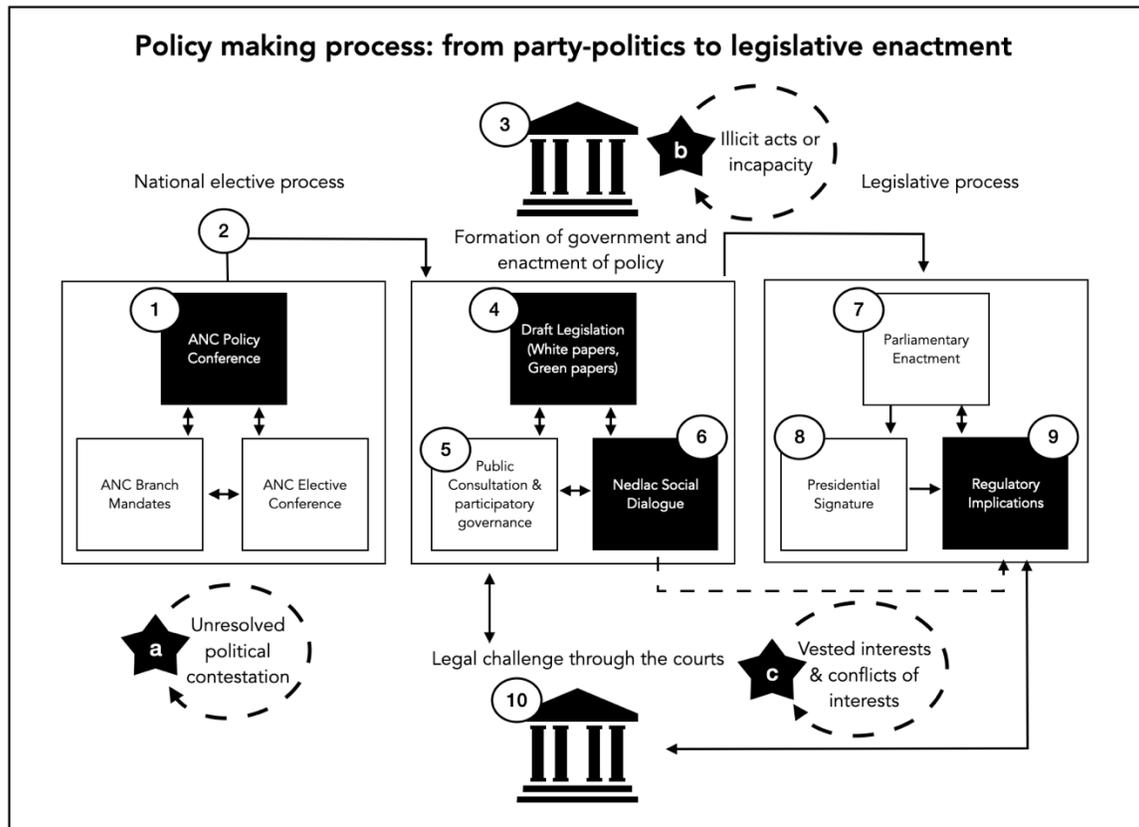
Source: Researcher's depiction

As indicated, unresolved political contestation (a) in the political process permeates the rest of the eco-system with destabilising effects. Cosatu, for instance, supporting the ANC at the ballot box in the elections, might choose to withstand the same ANC's election manifesto, or elements thereof after elections, such as in the case of the NDP's economic chapter. Individuals or groups of individuals who form part of the ANC's political structures as a result of internal and national elections, might not share the same ideological and political persuasions, or they might be aligned on their interests and then work elsewhere in government, the private sector, in civil society or in the dialogue process, in opposition to their supposed political allies.

These factors are further complicated by the occurrence of illicit acts or the incapacity in government or state institutions (b), or elsewhere in the national system (such as by the private sector) that then tacitly undermine the legal-regulatory framework, even though

this framework has been explicitly agreed upon by the social partners. An example is a social compact on reform relating to the state-owned energy provider, Eskom, being agreed at Nedlac, only to be undermined by irregular or wasteful expenditure or corrupt dealings by the social partners within the context of the institution.

Finally, the persistence of vested interests and conflicts of interests (c) across the system and process undermine its integrity. In a society such as South Africa, where the political dominance of the ANC, the consolidated and relatively small nature of the market structure, and the close-knit and interwoven nature of political, commercial and other forms of power are embodied in a plutocratic elite, the likelihood of vested interests and conflicts of interests are pronounced. Nedlac then, while mandated to represent the national interest made up of a cacophony of narrower and sectoral interests, has been shown to often represent factional or narrow interests at the expense of national progress.

Observations in light of institutional theory

It is apparent that the institutional conflicts, related to both, the divergent logics at work in these conflicts and the state of conflict in general, encroach on the institutional field for dialogue at Nedlac. Thus, one might think of Nedlac as an open or permeable field, an institutional field with an unusually high level of institutional interdependence, as well as a related high level of susceptibility to institutional disruption and change.

While the notion of multi-party engagement seems to have broadly permeated the institutional logics apparent in South Africa's institutional eco-system, with the social partners each demonstrating a measure of willing participation, it would be fair to say the level of isomorphism of the notion has not been equal or standard. Thus, it seems possible that a legislatively-enacted social dialogue forum can be created in form, without the accompanying substance in the form of adoption and participation across the stakeholder landscape having taken place. This seems to be the case not only in the horizontal sphere, across the policy-making process as contemplated above, but also in the vertical sphere, related to the depth of adoption and participation in the case of each social partner constituency.

Whereas social dialogue was formally institutionalised in the creation of Nedlac, and

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further institutionalised through more than two decades of Nedlac-based interaction, processes of non-participation, back-channelling, and even obstruction and conflict outside of Nedlac still remain. Therefore, the institutionalisation of social dialogue does not in and of itself imply the de-institutionalisation of alternative forms of engagement, contestation or even violent conflict. It cannot be assumed that because Nedlac is legislatively enacted and seeks to create consensus about and within the framework of the law, policy contestation or the mediation of interests are likely to take place within the same institutional framework. Instead, as has been proven with the Marikana tragedy and with the impact of President Zuma's presidency, and the policy process in general, such societal conflicts and contestation over interests only occur within the context of institutionalised dialogue to the extent that the social partners opt to approach each other through that modality. Even then, the process is dependent on external factors and evolving dynamics.

Observations in light of policy analysis and deliberation

The policy-making process laid out in Figure 14 above implies that the mediation of interests, at least at the macro-systemic level of South African society, is mediated by the national elective process (Steps 1 and 2), and that the political process is to some extent absorbed in the formation of government (step 4) and the accompanying legislative (step 4) and public consultation (step 5) processes, which embody the political mandates. In practice though, this is not the case. Instead, the national elective process is only an early stage of a perpetual political process in which wrangling between societal segments about their respective interests continue.

In this view, Nedlac is in its current form nestled within a broader policy-making process, akin to the second policy analysis tradition contemplated above. In this tradition, policy-making is post-positivist and critical, and not reliant on rational actors, but on both symbolic and real contests over meaning and interests. Thus, the agreements or disagreements that persist in the political processes prior to the legislative processes, persist even after the legislative or accompanying regulatory processes have passed through Nedlac. As a result, Nedlac might act as a forum where embedded disagreements are codified, as their non-resolution becomes embodied in the reports and amended legislation that leave the

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Nedlac process. Thereafter, when legislation is enacted in Parliament (step 7), signed by the president (step 8), or even challenged in the courts (step 10), Nedlac might find issues arising on its agenda that remain unresolved.

A case in point is the minimum wage agreement that was negotiated at Nedlac, in a style akin to the third tradition of policy analysis, which emphasises mediated negotiation. In the case of this issue, it only featured at Nedlac after the societal conflict of Marikana, and after the broader LRA and other regulations had been fully legislated. Returning to the conceptual model of social dialogue as contemplated in Chapter 3, one might then conceive of policy-making at Nedlac as a bi-directional and cyclical process, wherein a confluence of all three traditions in policy analysis is evident.

5.3.3   Intra-institutional incapacity within Nedlac

Poorly resourced and inadequately structured

Interviewees share the view that Nedlac has not been adequately resourced, either in financial or human capital terms, at any time in its existence. This particularly concerns the type of engagement Nedlac is expected to enable, and the requisite skills to accompany the engagement. For instance, there is a sense that at times, the dialogue agenda items were not thoroughly researched or that arguments were not made based on factual evidence, partly because of Nedlac's lack of technical capacity. Historically, there were also few if any efforts aimed at systematic capacity-building within the institution. Interviewees express similarly strong views about the need for Nedlac to build the requisite technical capacity.

Another key area of concern has been the loss of leadership capacity, specifically relating to the facilitation of dialogue from all constituencies. Skills such as convening, facilitation, bargaining, mediation and negotiation were in short supply, and often lost when constituency representatives retired or moved within their structures. Beyond the administrative and coordinating capacity required to pull the Nedlac process together, the skills of consensus-building, conflict management, agenda-setting, and diplomacy have not been sufficiently present in the institution, nor have these been effectively brought in

from outside.

The procedural integrity of Nedlac (Construct 5) is directly dependent on the capacity of the institution to create and maintain the space (Construct 2) for dialogue, to formulate processes that are appropriate and effective (Construct 1), and to surface and resolve the impasses that occur as frame conflicts among the social partners occur (Construct 7). The interviews show that the capacity to do this has been sorely lacking at Nedlac.

The result of such incapacity as set out above has been that some Nedlac chambers have at times formalistically gone through the motions of dialogue, without reaching consensus or agreement. In instances where the resultant persistent disagreement was reported, social partners rightly have asked, "What then is the point of Nedlac's process if it cannot produce consensus?". The consequence has been lowered confidence in the process as well as less commitment to the outcomes and agreements produced by Nedlac.

Weakened by declining governance

Nedlac's own internal governance failures, such as receiving a qualified audit from the Auditor General, have undermined the confidence needed in the institution for it to deliver on its mandate as a platform for dialogue. From the point of view of institutional economics, while Nedlac itself is an expression of the formal laws, regulatory regime (Fligstein, 1990) and formal institutional architecture of South Africa's constitutional order, these did not automatically translate into an institutional culture within Nedlac that exhibits the same set of norms implemented by them. Trust and confidence play a major role in endowing the institution with the tacit agreements and commitments required to sustain meaningful dialogue.

Observations in light of institutional theory and policy analysis

Institutions in general, and multi-sectoral institutions in particular, are susceptible to the impact of the ebb and flow of the broader environment in which they exist. In Nedlac's case, where participants are directly drawn from other institutions, this impact is accentuated. In times when political or economic processes positively or negatively affect

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the public morality or institutional ethics being expressed by societal actors elsewhere, these developments seem likely to translate into institutional impacts in multi-sectoral institutions.

Nedlac's incapacity to respond to its expanding agenda and the dynamic nature of the policy process is somewhat attributable to the ambiguity over the approach Nedlac set out to take to the policy process itself. On the one hand, it did not have the scientific research capacity for a positivist orientation to policy rationality, while it at times sought to be evidence-based in its approach, whereas on the other hand, it at times did not have the facilitative and convening capacity for a post-positivist and critical deliberative approach either, while it thought of itself as a forum for conflict mediation.

5.3.4 Susceptibility to macro-environmental shocks in Nedlac's external environment

Corruption free-for-all under Zuma

The rise of Jacob Zuma to the presidency of the ANC and the country meant the loss of what is reported by one interviewee as *President Mbeki's moral compass, of keeping the liberation engine afloat*. The era signalled a real and perceived cultural shift in governance standards. Consequently, ethical standards relating to the prevention of public sector corruption collapsed, and an endemic free-for-all of looting ensued across government's three-tier system at national, provincial and local levels, including in the SOEs and other organs of state. In many instances, this was enabled by private sector actors, including high-profile multi-national companies such as audit firm KPMG, consulting firm McKinsey and a myriad of local companies who participated in the growing system of corruption. This malaise also appears to have infected Nedlac at the time (Construct 7).

The resultant so-called state capture era saw the steep decline of morality and basic ethics affecting all social partners, and this affected Nedlac directly. There was a sense that prior to this era, ANC cadres in government, as they would refer to themselves, were thought to be aligned to an ethos of national reconstruction. However, during the state capture era, it became clear instead that the governing elite itself had become orientated to extractive

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practices for personal gain. Segments of the private sector mirrored this new normal, further enabling the decline of standards and ethics. This would severely test South Africa's democratic institutions, including the Constitutional Court. Nedlac, as the scene and space where parties would thrash out national issues, consequently, became side-lined and largely irrelevant (Constructs 1, 2, 3, and 4) during the period.

Beyond the domestic external environment, the macro-level global context also had a severe impact on Nedlac. As argued previously, the institution's agenda was formatively affected by a range of external shocks, not least of which was the 2008/2009 global financial crisis. Given that South Africa's economy is constituted as a mixed and open economy, with a globally traded currency, global supply chains for both import and export, and exposure to global financial markets, the global institutional milieu (D'Aunno, Succi, and Alexander, 2000), and the globalisation of the markets in which South Africa participates (Jacobson, 2000; Koremenos, Lipson, and Snidal, 2001) impinged on the country and the institution's operations.

This susceptibility to macro-level environmental shocks, which perhaps obviously, should be expected in a multi-sectoral institution, is not adequately accounted for in Nedlac's founding documents, protocols, and norms of practice.

5.3.5   Representivity: Voice, power relations and interests in Nedlac's processes

Elite boy's club

Interviewees agree that Nedlac has over the years, exhibited somewhat of an elitist character in that it functioned like a members-only club, or in the stronger view of one interviewee, a *boy's club*, and simply another place where the *big boys sit and make deals*, alluding to the historic dominance of men in positions of power who framed and occupied the dialogue process.

Thus, while Nedlac created the *space* for dialogue (Construct 2) among the previously entrenched elites in business and organised labour, and the newly entrenched ANC elites in government, the institution in a sense departed from the early constitutional commitment

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to reform and transform South African society. Instead, it became a bargaining chamber for short-term and vested interests, not a space for the creation of consensus on the national interest. The constitutive agreements therefore reached during South Africa's political transition could not translate into new distributive agreements, especially in the economy. Consequently, the extractive and non-inclusive nature of South Africa's structural features continued to worsen.

However, a distinction emerges in the data between interviewees who favour a broad-based or maximalist approach to representation at Nedlac as the ideal, versus those who favour the notion of *sufficient representivity* by credible representatives. The former idealise social dialogue as an open, societal process of which Nedlac is the apex expression, and the latter favour a view of representative dialogue by individuals who carry the mandate of formal structures from broader society into the dialogue.

The question of whether Nedlac's processes are appropriate and effective (Construct 1) therefore depends for its answer on the more fundamental question of what degree social dialogue and what depth of engagement are desirable in the first place. The corporatist approach taken by Nedlac historically, allowed for the conflicts (Construct 6) between South Africa's elites, at least on technical and regulatory matters, to be partially addressed. What the process did not achieve, however, was to table the deep-seated conflicts at the social and societal level, many of which have roots in the spatial, economic and socio-economic realities of the society. Therefore, the historic conflicts that remain rooted in race, class, privilege, and historic oppression (Construct 3) remain unresolved, even as the superficial elite conflicts over regulatory alignment between actors in the current establishment were tabled at Nedlac.

The distinction made by interviewees about Nedlac's insiders and outsiders, include that the institution favoured the so-called formal economy, while neglecting the informal economy. Consequently, agreements at Nedlac have often amounted to elitist pacts and arrangements by powerful industry groupings, at the expense of the interests of smaller players or less organised or under-resourced constituencies. This is the case, for instance, when the minister of labour extends agreements reached at Nedlac between large corporate and labour formations, to affect all players in the sector equally, even though

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the small players have not been represented in the negotiation process.

In the context of South Africa's socio-economic environment, where more than half of citizens under the age of 30 are unemployed, and just over a quarter of adults who are of working age are dependent on the informal economy, many depend on survivalist businesses for a livelihood. These informal workers and business owners, who are not engaged in organised business structures either at BLSA, Busa or elsewhere, are not represented at Nedlac in any material way, nor are they represented by organised labour, who depend on salaried individuals or wage earners for their mandates. The community constituency, historically the weakest of the constituencies and often questioned in terms of legitimacy, also does not represent these informal workers and micro-enterprise entrepreneurs.

A part of the problem of representivity, interviewees agree, is that Nedlac's protocols governing participation are inadequate for the management of the spectrum of constituencies that truly make up the South African societal landscape (Construct 5).

The structural features of South Africa's economic order mean that a representation-based approach to dialogue would inevitably be deficient in maintaining a high level of responsiveness to the contextual conditions. The status and power structures (Feige, 1990) that were historically embedded (McDermott, 2002; Nee and Ingram, 1998) and institutionalised in South Africa, and on the one hand, informed Nedlac's corporatist approach to social dialogue, on the other hand, were perpetuated by its subsequent approach in a vicious cycle or elitist engagement. This seems to have been aided by the one-party dominance of the ANC and the unintended consequences of plutocratic relations between ANC insiders and big business.

Structurally speaking, a poorly-resourced informal economy worker or community leader is at a significant disadvantage compared to the large and well-resourced business or the labour bodies, and consequently, will be under-represented. The same is said of the poor and marginalised individuals or groups in society, who tend to be represented tacitly by well-meaning community representatives, usually with backgrounds in the non-government or non-profit sectors, but who themselves are selected from among the elite.

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Consequently, the voices of the working poor and unemployed are only heard at Nedlac in an arm's-length manner and depend on the empathetic representation of one or two individuals who might represent a progressive agenda (Constructs 4 and 6).

Further complicating the matter of representation is the more recent emergence of more structured civil society groupings such as Afriforum, the Organisation Undoing Tax Abuse (Outa), as well as activist foundations such as the Ahmed Kathrada Foundation. These formations tend to be donor-funded advocacy and pressure groups, aligned to specific issues, often funded by middle-class social segments. They are engaged in activist advocacy and lobbying, and seeking ways to pressure the social partners on issues such as rule of law and governance. The question of the non-participation of these groups at Nedlac comes up in the interviews as a matter requiring thoughtful reflection from Nedlac in future.

All interviewees agree that the recent loss of the involvement at Nedlac of the National Union of Mineworkers of South Africa (Numsa), a historically significant role player in Cosatu, is a blow to representivity. The longstanding difficulty of bringing the voices of the SMME and start-up sector into the room also remains problematic. Similarly, while the representation of government had of late improved, it was still sorely lacking on the part of many government departments that do not use the Nedlac channel, either because of neglect or active avoidance.

Further, while the loss of Numsa from the labour fold in Nedlac is significant, there is a recurring observation that organised labour itself is not representative of the South African labour landscape. The shift in South Africa from a mining-dominated economy in the 1970s and 1980s to a services-based economy today, has complicated the social partner landscape. One interviewee refers to the risk of a form of labour aristocracy emerging from the current social dialogue arrangements. Nedlac's lack of broader representivity worsens the overall national risk of an elitist social dialogue being sustained, as opposed to mitigating against it.

Weakened by juniorisation

Paradoxically, and in light of the above, interviewees agree that the process of juniorisation, whereby social partner constituencies' top leadership increasingly avoided participation in Nedlac and send instead junior deputies without decision-making power to represent them, had negatively affected the institution's ability to reach consensus or decisions.

Meeting as junior representatives, it is said, results in going around in circles, participants having to revert back to their constituencies for mandates and decisions, and often not having the technical competencies to understand the issues, and thereby delaying or undermining the issue being discussed.

Thus, Nedlac requires an improvement of the voices represented in the dialogue process, and simultaneously, a return to the involvement of the representative authority and powers that are able to make decisions. This implies a need for succession and expansion in representation.

Navigating issues such as climate change

The observation was made that long-term and systemic issues such as climate change that arise at Nedlac occasionally, have either not been given their due attention in the past or have been discussed without the presence of the scientific community, who are experts on the topic. Consequently, Nedlac is understood to have a significant design flaw in terms of its capacity to convene the appropriate dialogue participants to the issue being deliberated.

Similarly, the notion that factory or mine workers, often represented in organised labour structures, can speak on behalf of all workers, is problematic. While some interviewees are of the view that large, organised labour formations such as Cosatu enjoy some level of *symbolic power* or representivity, and that this is helpful in instances such as in dealing with the Covid-19 crisis, this is not a sustainable solution to the need for a much wider and more representative participation. It was acknowledged though that in spite of this

somewhat pragmatic usefulness of Cosatu as labour's representative, the growing absence of the likes of Saftu and particularly Numsa, a previously staunch supporter of the ANC, is similarly problematic.

Interviewees agree that Nedlac's conflicts and divisions mirror the broader features of South African society, and that some degree of conflict at Nedlac is informed by the longstanding historic conflicts that remain embedded in South Africa's social arrangements. As Nedlac's current Executive Director, Lisa Seftel, explains, "We have insiders and outsiders in South Africa … and then other outsiders beyond those excluded at the centre", citing, for instance, the current debate about the treatment of illegal migrants and foreigners in South Africa, who form a significant part of the informal economy. These patterns are also reflected in Nedlac.

Observations in light of traditions in policy analysis

In relation to Nedlac's challenges associated with representivity, deLoen's (in Hajer and Wagenaar, 2003, p. xiii) criticism of some approaches to policy-making is relevant, in that he observed a lack of self-reflection in institutional terms, and argued that some approaches represent a:

> *"…particular institutional order in which political and economic elites, effectively insulated from the citizens' voice, sought to design economically efficient and technology efficacious… to what they perceived as society's problems…. the better informed few prescribed for the many."*

While South Africa's history of colonialism and apartheid, and the lingering institutional order which these precipitated are likely to be blamed for a generalised stratification in society, this has certainly been the case in that Nedlac's corporatist approach has at least in practice, perpetuated this stratification.

5.3.6 Conflict and procedural effectiveness in social dialogue undertaken at Nedlac

Consultation with poor outcomes

Notwithstanding the often-bemoaned trust deficit among the social partners, there is the perception that there had been an abundance of engagements, even *over-consultation* at Nedlac over the years. The issue for the interviewees is the lack of quality of these engagements. Whereas Nedlac is tasked with consensus-building, there is a sense that when it mattered, when issues were fraught and social partners at loggerheads, instead of facilitating robust engagement to overcome divisions, instead there was agreement on the lowest common denominator of the issues (Construct 5).

In institutional economic terms, Nedlac seems to have assured that societal conflicts at macro, meso and micro level indeed surfaced, but most often, these were only conflicts at the meso level regarding issues of competition (Yonay, 1998), the dynamics of regulations, standards and norms (Fligstein, 1990), or global regulatory regimes (Stone et al., 2001; North and Weingast, 1989; North, 1990, 1991; Mezias, 1990). Labour market governance (Solow, 1990, 1991), or wage determination (Soskice, 1990) were robustly engaged with to the point of agreements.

Thus, Nedlac operated firmly and in a limited manner within the *rules of society* constituted by the macro level institutions, and thereby discounted the micro level institutional conflicts and how these inform the divergent interests and positions of the social partners. Similarly, it was neglecting the macro level constitutive agreements.

Consequently, Nedlac, though at times presiding over time-consuming processes, is said to not have resolved the issues by producing outcomes that serve the interests of the *voice that shouts the loudest*, and at least in the view of business, this most often meant that labour or communities went unchallenged when it seemed unproductive to do so.

Thus, Nedlac compromises are said to have weakened the position of all social partners over time, rather than strengthening them collectively. From an institutional economics

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point of view, tenuous meso level outcomes such as on regulation, seemed to have resulted without meaningful macro-level institutional evolution or economic change (Milgrom, North, and Weingast, 1990; Coriat and Dosi, 1998), and did not achieve a resolution of the underlying symbolic or cultural conflicts (Douglas, 1966, 1986 and Cole, 1971) embedded in the social partner frames and logics.

Business and government, over time, became unwilling to challenge each other directly and constructively, and this led to outcomes at Nedlac that social partners would occasionally veto in other platforms. Therefore, the dialogue at times turned into a dysfunctional form of tacit non-agreement beneath a sham consensus-building process.

Interviewees agree that the Mbeki era started the change in the nature of conflict among the social partners, which was a departure from the euphoria of the Mandela period. The dominance of economic rationality, coupled with the other factors mentioned above, led to the alienation of the social partners not only from the president, but more broadly among government, business and labour, as well as the communities. Having worsened under Zuma, a turning point seems to have been the onset of the recent Covid-19 crisis and how it has been addressed under President Ramaphosa's leadership.

Competing interests and self-interest

In the Zuma era, when conflicts were no longer limited to disagreement over policy, tensions among the social partners were marked by an outright conflict over self-interest, and this saw the rise of an increasingly inept and corrupt regime, which drove the social partners further apart (Construct 3), as discussed above.

Interviewees agree that relations among South Africa's social partners have been beset by low levels of trust across the periods. While low trust has been widely used in South Africa to bemoan the relations among the social partners, interviewees broadly agree that all the types of conflict identified in this study and listed below, have played a role in shaping the dialogue process at Nedlac.

The following forms of conflict have all featured at Nedlac (Construct 3):

1. Industrial relations conflict

2. Procedural conflict, arising from a misalignment of the processes

3. Polarisation among social partners

4. Competing interests

5. Distrust, conflict arising from distrust or low levels of trust

6. Frame or policy conflict

7. Relational conflicts such as arising from personality or demeanour

8. Conflicting logics, conflict arising from the disparate, competing or conflictual institutional logics

9. Conflict arising from deep-seated societal conflict.

When one considers the various types of conflicts that have ensued at Nedlac (Construct 3), one might reflect on the levels of reflexive engagement at which these conflicts occur. In order to do so, as indicated in Figure 15 below, one inverts Rein and Schön's (1994) Ladder of Reflection, and conceives of the Nedlac process as an engagement at Levels 2, 3 and 4 of the ladder.

Figure 15: Traversing Rein and Schön's Ladder of Reflection (1994) to contemplate levels of conflict in social dialogue and policy deliberation

Traversing Rein and Schön's Ladder of Reflection to Contemplate Levels of Conflict in Social Dialogue & Policy Deliberation

Level 1: Policy practices (such as regulation screening, and verification).

Level 2: Policy itself (conceived as a set of rules, laws, prohibitions, entitlements, or resource allocations).

Level 3: Policy-making processes (including its debates, conundrums and struggles).

Level 4: Particular policy positions and accompanying arguments (held by advocates and opponents in policy debates and struggles).

Level 5: Institutional logics that embody assumptions, beliefs, values, and perspectives (such as of particular institutions and interest groups from which particular policy positions are derived – referred to as institutional action frames)

Level 6: Meta-cultural frames of social groups as broadly shared beliefs, values, and perspectives familiar to group members (likely to endure in that culture over long periods of time, upon which individuals and institutions draw to give meaning, sense, and normative direction to their thinking and action in policy matters).

1. **Action** 2. **Policy** 3. **Policy making** 4. **Contestation** 5. **Beliefs, values & perspectives** 6. **Meta-narrative**

Social Dialogue at Nedlac

1. Industrial relations conflict

2. Procedural conflict, arising from a misalignment of the processes

3. Polarisation between social partners

4. Competing interests

5. Distrust, conflict arising from distrust or low levels of trust

6. Frame- or policy conflict

7. Other conflicts such as personality or demeanor during interactions

8. **Conflicting logics or frames**, conflict arising from the disparate, competing or conflictual institutional logics or frames.

9. **Conflict arising from deep-seated societal conflict**, including historic injustice or unresolved systemic exclusion

Source: Researcher's depiction

This implies that Nedlac as a formal institution for social dialogue (Construct 4) has provided the space (Construct 2) and procedure (Construct 5) for engagement among the social partners on policy, policy-making and related contestation. However, when seen within the broader multi-layer framework, which the above Ladder of Reflection provides, and the accompanying forms of conflict that might be prevalent at each layer, it is apparent that Nedlac has neglected the two ends at the top and bottom of the ladder. Nedlac has generally failed to enable collective action on the one hand, and similarly failed to address deep-seated conflicts on the other hand.

The assumption underlying Nedlac's corporatist approach to convening government, business, labour and communities, is that these constituencies would by way of their representatives, readily overcome the beliefs, values and perspectives, as well as the

meta-narratives that drive them apart. Thus, the assumption underpinning Nedlac's approach has been that policy rationality, underpinned by technical policy and regulatory research and deliberation, would resolve the frame conflicts prevalent among the social partners. This has not worked, except for selected cases such as the LRA.

The assumption was that the meso level engagements enacted at Nedlac would automatically lead to micro-foundational changes in the constitutive and distributive agreements reached (Construct 7). Instead, in the same way as external shocks at times derailed Nedlac's progress, it has mostly taken an external shock such as Covid-19, or enigmatic leadership such as that of President Mandela, or a painstaking consultative approach such as that being taken by President Ramaphosa, to create the space and progress for dialogue at Nedlac. Nowhere is this borne out more starkly than in the domain of the national economic policy.

Conflict over economic and development policy

A lingering conflict that has continued to affect relations among the social partners concerns the differences over economic and development policy. As is shown below in the discussion on the framing of policy issues by the social partners, economic policy more generally and macro-economic policy in particular, were a source of ongoing contention. This tension was present in the Mbeki era, especially between labour and the presidency, because of labour's rejection of the fiscal conservatism of the presidency at the time. However, it escalated during the Zuma era, when the NDP was adopted by all social partners, except for the chapter on the economy, which was rejected by Cosatu under then Secretary General, Zwelinzima Vavi.

Labour is said to have been disappointed with the handling of the GEAR policy by Mbeki, but by the time Zuma tabled the NDP in Parliament, having bypassed Nedlac, labour had lost confidence that the ANC was representing a worker-friendly agenda. The view emerged that the ANC, Cosatu's political alliance partner, had no intention of aligning with labour's policy perspective, which meant a complete breakdown among the social partners on the issue.

Unproductive conflict avoidance

The effect of this lingering conflict was a form of conflict avoidance, where social partners accepted the situation that agreement would not be reached, and thus, they pressed forward on lesser agenda items on which there was agreement – a lingering tacit non-agreement. It amounted to a phenomenon of *winning the battle for social dialogue,* while *losing the war for sufficient overall consensus.*

Interviewees explain that a new dynamic developed in the dialogue, whereby conflicts were played out in other domains such as in court cases initiated by business, through strike action by labour, or by government taking issue with a matter, even though a sham agreement had been reached at Nedlac. The social dialogue process at Nedlac, principally tasked with forging agreement and consensus, was in the end avoiding the real issues by avoiding the hard conversations, as they lacked the basic confidence in the potential outcomes.

Listening as part of dialogue

As mentioned earlier, a victim of the alienation of the social partners in the process was the declining quality of listening that occurred in and through the institution. In contrast, interviewees cite President Ramaphosa's conduct and leadership style a few times as an example of demonstrating the capacity to listen to the social partners. They emphasise the importance of the practice in enabling social dialogue. For various reasons, whether leadership style, corruption, juniorisation, or for more substantial reasons such as disagreement over policies, the basic enabler of thoughtful listening is understood to be a critical factor for effective dialogue, and is understood to have fallen victim to these issues.

5.3.7   Social compacts, social contracts and social cohesion arising from Nedlac

The role of Nedlac in institutionalising social dialogue for social compacting

The document analysis and the results from the interviews demonstrate that Nedlac has played a significant and pivotal role in the institutionalisation of social dialogue, although

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through a corporatist approach, in the South African democratic landscape. From the point of view of institutional economics, one might observe that democratic South Africa inherited in the 1990s a myriad of historic institutions, formal and informal, which arose during colonialism and apartheid, and that Nedlac was created by and within the historic institutional setting.

Far from being neutral, or an institutional blank slate, Nedlac itself is a demonstration of a credible commitment (North, 1993) by the South African society to the idea of social dialogue, as well as to the legal and formal institutional framework within which and by which Nedlac was constituted. In addition, the social partners, representing interests and formalised structures of exchange and power in the South African society, are representatives of the embedded politics (Nee and Ingram, 1998, McDermott, 2002) of previous eras, as well as the more recent eras set out above.

Were one to contemplate the South African Constitution of 1996 as the society's pre-eminent social contract, though only so far as formal and explicit social contracting is concerned and thus limited in such a conception, Nedlac might then be thought of as the mechanism for subsequent social compacting within the ambit of the Constitution. Nedlac's role as the institutionalising mechanism of the social contract represents, from the point of view of institutional economics, an attempt at intentional institutional change and evolution (Milgrom, North, and Weingast, 1990), as well as of intended economic change within an institutional setting (Coriat and Dosi, 1998).

Not only was Nedlac intended to bring about macro-level institutional change, but it has been shown to have worked extensively on the meso level institutional manifestations of South Africa's institutional economic landscape, including property rights, competition (Yonay, 1998), governance and enforceability (Grief, 1993) being the path dependence of South Africa's economic development (Naughton, 1994).

Nedlac is shown to represent an attempt at facilitating public choice (Homans, 1961, 1974). Nedlac's focus on regulations, standards and norms (Fligstein, 1990, Waarden, 2002), engagement over the global effects on South Africa's economy (Stone et al., 2001, North and Weingast, 1989; North, 1990, 1991), as well as more local issues such as labour

market governance and wage determination (Solow, 1990, 1991; Soskice, 1990), demonstrate that Nedlac amounts to a forum for multi-level institutional change by way of dialogue.

However, from that point of view, Nedlac represents a fairly instrumentalist employment of positivist policy dialogue and deliberation. Very little, if any, of Nedlac's work seems to have sought to directly address the micro-foundational level of South Africa's institutional economic milieu or the interpretive meta frames employed by social partners in conceiving of the preferred path for the national interest. The ideas of institutional economics apply, in that symbols and traditions actively shape social behaviour and norms (Durkheim, 1915, 1995), and in so doing economic development takes place in terms of operative societal forces, sometimes implicitly within and through culture or inherent in tradition, thereby determining that society's organisation and rules have been neglected (Douglas, 1966, 1986; Cole, 1971). It would seem that the way in which institutional economics explains how strongly adhered to social ideas and symbols lead to economic features in society, has not formed part of Nedlac's self-perception and approach. Instead, Nedlac has sought to circumvent policy controversies by way of uneasy consensus.

Taking Nedlac forward

When asked about the prospects for Nedlac in the future, interviewees differ widely, with some saying that the institution merely requires a renewed focus on its agenda and capacity-building, while others feel it requires a complete overhaul and fundamental reform, including becoming more representative of South African society. Some believe Nedlac ought to focus on the historic instrumentalist approach and strengthen the institution's capacity for empirical research in an effort to underpin policy deliberation with evidence-based arguments, while others feel Nedlac ought to take a more interpretative approach and create room for the social partners to contend with one another's views in a more reflexive and dynamic way.

Interviewees agree that as a starting point, Nedlac needs more clarity about its purpose and institutional mission.

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Nedlac as a leader in society

Interviewees mostly believe that for Nedlac to retain or build a measure of relevance in the future, it would need to transcend the somewhat passive and reactive posture, and form part of an effort to strongly present a compelling vision for South Africa. It needs to create a rallying cry or table around which social partners can convene, and play a vital role in helping social partners synchronise their efforts with the presidency. In this regard, it would appear that Nedlac is conceived of broadly as an entrepreneurial institution, one that is supposed to not only work within the confines of embedded institutional arrangements, but to seek ways of alternating them in both incremental and fundamental ways.

Since the current president of South Africa, in the view of the interviewees, strongly favours a leadership style that utilises social compacts, such an agenda is argued to have to build on a promise of clean government and as a consequence, a return of investment by business, and a new inclusive path for the nation's youth and the unemployed. This would be required in order to provide a frame within which the social partners' respective policy frames could cohere. The interviewees strongly favour a measure of pluralism in such an approach, combined with a measure of consensus-building on the basis of trade-offs. Interviewees imagine a policy deliberation process, somewhat akin to the third tradition in policy analysis, in which mediated negotiation of interests lie at the heart of the policy process.

Interviewees raise the question of the independence, or level of independence of Nedlac, and how the institution is at times susceptible to being wielded in favour of a particular social partner's agenda and to what degree this is preferable. They agree though that it is an important structure for effective governance in general, as long as the dialogue is conducted in a credible manner, the institution is led by credible individuals, and the agenda is orientated towards strategic matters such as national development.

Interviewees view the Nedlac policy process as a form of political contestation, in line with the third tradition contemplated above, placing the mediation of power, interests and dispute resolution for joint gain at the core of Nedlac's role. However, their preferences

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fall short of the third tradition's constructivist roots, and favour a more instrumentalist approach. They place an emphasis on the apparent need for maintaining the legitimacy of the process itself.

Building on the successes of the NMW agreement reached at Nedlac under Ramaphosa's leadership, and the recent developments leading to the arrests of high-profile persons accused of corruption, interviewees indicate optimism in the prospect of an improvement in the general institutional integrity of the state, which bodes well for the dialogue process.

Interviewees do not answer the question of whether and how the historical open-door policy of government, where social partners might approach several ministries outside of the Nedlac process, was helpful or at times harmful to the Nedlac process. Essentially, the possibilities and boundaries of lobbying outside of Nedlac remains undefined. That is not to say, in the view of the interviewees, that additional and outside processes are somewhat helpful or welcomed and also somewhat harmful, but are instead understood to need to be synchronised with the processes at Nedlac. Thus, interviewees acknowledge a rather emergent property in the policy process and social dialogue in general, likened to Hajer and Wagenaar's (2003, p. 6) notion of pragmatic democratic deliberation.

In this context, in the view of the interviewees, Nedlac can also play a role in listening extensively to South Africans of various walks of life, through dialogue processes, but also through more responsive research to enquire about the changing conditions in which citizens find themselves, how their needs are evolving and what their aspirations are. The assumption therefore is that Nedlac can play some role in surfacing and addressing deep-seated conflicts in society, beyond the narrow technocratic dimensions of policy and regulation.

Interviewees agree that much work needs to be done in the area of leadership development among all constituencies, should Nedlac want to raise its effectiveness in fostering consensus among the constituencies in future. Such capacity-building would have to include leadership development, facilitation skills, conflict management, process management and importantly, technical competence for policy, legislative and regulatory analysis. The implication is that for participative, deliberative and collective dialogical

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processes to be sustained, a shared level of capacity is needed across the eco-system of actors from which the social partners are drawn.

Cautions about potential misuses of Nedlac

A caution arising from interviewees' remarks, is that Nedlac itself cannot be conflated with the creation of maintenance of a sustainable social compact at national, sectoral or industry levels. That is to say, the existence or sustained operation of Nedlac is not in and of itself the social contract or accompanying compact at large. Instead, Nedlac ought to be seen as a mechanism to the end of forging the social contract and compacts, but not be an end in itself.

A social compact, interviewees broadly agree, is the product of the social partners having gone on a journey together and/or finding mutual understanding and sufficient consensus (See glossary for definition of term), as opposed to a singular event or formal agreement. This raises the question of Nedlac's capacity to foster constructive relationships and constructive disagreement among the social partners over time, in pursuit of a consensus. It also raises the question of doing so in the face of internal or external shocks, and how the institution might have to navigate periods of pointed misalignment on issues. This is particularly significant in the case of the macro-level policy controversy related to the economic development of South Africa, as the section that follows on social partner frames will show.

This observation alludes to the historical temptation of the social partners to over-estimate Nedlac's capacity or naïvely assume that a once-off Nedlac engagement amounts to sufficient consensus (See glossary for definition of term). There seem to have been times when Nedlac participants lapsed in their expectations into an instrumentalist approach, likened to the first tradition of the policy process, and neglected the pluralist, dynamic and emergent character of the South African democratic reality.

An example cited of this error in judgement is the recent hosting by Nedlac of the Jobs Summit, a national event convened by the Presidency in 2019 to seek social partner buy-in and commitments to actions that would create jobs for the unemployed. The criticism from interviewees is that the summit was in practical terms imposed upon Nedlac, and

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Nedlac was then expected to act as an implementing agent, rather than being an initiative developed by Nedlac as an expression of the work of the chambers.

This approach, which one might understand on the one hand as being pragmatic, from the point of view of social dialogue, amounts to the Presidency employing Nedlac as an extension of the executive's agenda, rather than shaping the national agenda through a co-creative Nedlac process to which the social partners can contribute. The coercive nature of the process alludes to a sensitivity among the social partners of the need to preserve the equal playing field and space that Nedlac is meant to represent.

Interviewees believe that while some of the social partners supported the Jobs Summit and welcomed the approach, others found the approach alienating, and even in government's own ranks, questions were asked about which government department is or ought to be driving the agenda for job creation in the first place. Had the economic cluster of government, for instance, taken the lead on the job creation agenda, Nedlac's role might have been to merely support the process by seeking consensus on principle and substantive issues therein.

Procedurally, the choice of the president chairing a special Nedlac Executive Council meeting is another example of a departure, strictly speaking, from Nedlac's legislative mandate and protocols, and raises questions about Nedlac's relationship with other institutions. On the one hand, the president's direct involvement at Nedlac is welcomed by interviewees, and on the other hand, the president is expected not to preside over Nedlac directly as he does over Cabinet.

What the social partners seem to desire is leadership from the Presidency on the need for and the commitment to authentic social dialogue, and similarly, from all constituencies' senior leaders, but not a heavy-handed imposition. This points to a lingering and unresolved question about both Nedlac's role and its positioning within the inter-institutional eco-system.

Positioning Nedlac

Interviewees basically agree that Nedlac is a very important institution, but some speculate about whether Nedlac ought to rather conduct substantive but low-key dialogues versus playing more of a loud, public-facing role in facilitating national dialogue. The former, they

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state, creates the risk that Nedlac is seen as a closed-door or even secret meeting place for the privileged and powerful as opposed to being a platform for open societal dialogue. From the point of view of the policy process, ought Nedlac to be a talk shop for technocrats who represent powerful interests, or an open space for progressive engagements around an array of contentious issues emerging from society?

As indicated in Figure 16 below, Nedlac's position could therefore be contemplated as that of an advisory and supportive institution in the policy-making process, or it might take a more authoritative and directive role. Nedlac can also either remain agile and adaptive to changing conditions and the emergent policy agenda, or it can commit itself to a formal sequenced engagement along a pre-planned policy development pathway, and in so doing, take a more directive governance role.

Figure 16: Positioning Nedlac in the policy process and institutional eco-system
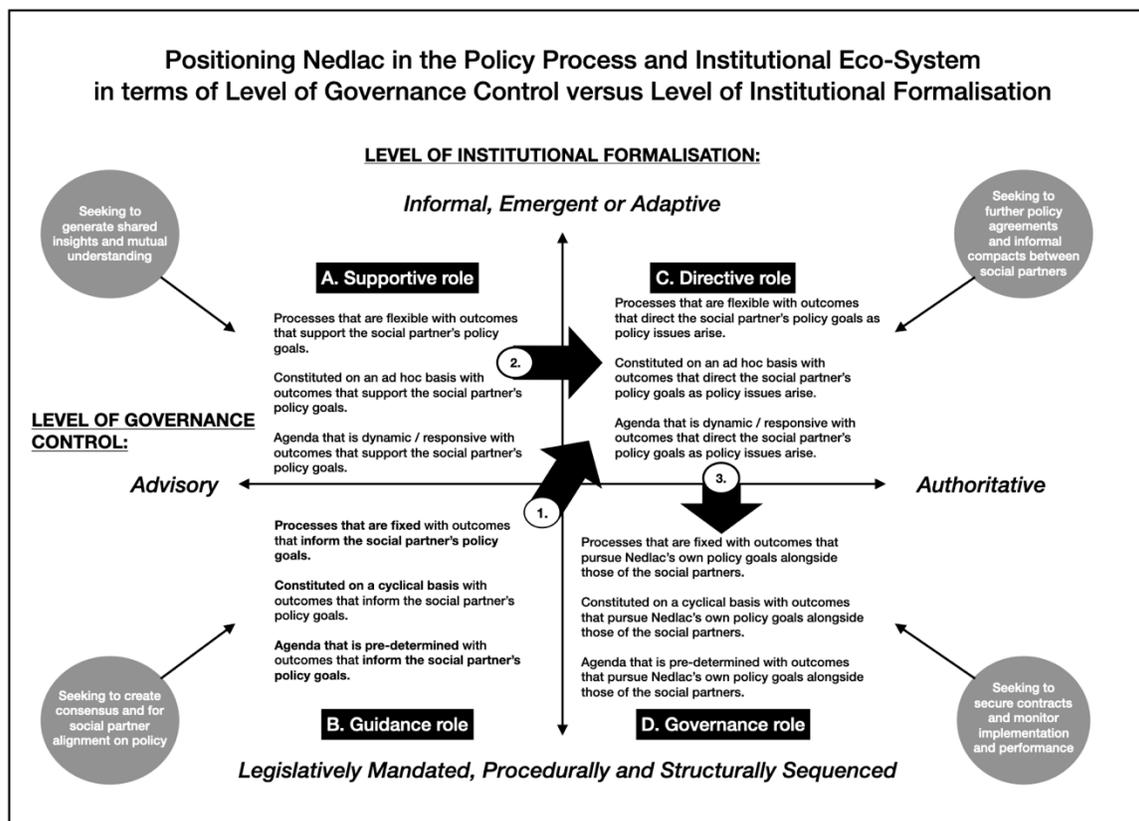
Source: Researcher's depiction

What emerged from the juxtaposition of these options is a role for Nedlac that is either

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supportive (top left, A) of the policy eco-system, or guiding (bottom right, B) thereof, or directive (top left, C) in setting the agenda and goals thereof, or governing (bottom right, D) by exercising a level of control over processes and outcomes.

Historically, Nedlac has clearly provided opportunities for all four types of activities, and in the absence of clarity about which it ought to commit to formally, has not positioned itself adequately for any one of these roles.

Therefore, Nedlac might consider the respective roles of the political parties, Parliament, Cabinet, government more generally, and other organs of state, as well as business, labour and community formations, and contemplate its role in relation to each of those in future. One might observe that as the policy-making process advances, there is a natural shift from the need for guidance (1) to that of support (2), direction and governance (3), and perhaps, Nedlac's role is ideally suited as an evolutionary actor, in relation to the stage of development of a particular policy.

Interviewees agree though that Nedlac needs to improve its transparency to the public, by better reporting on the process of the dialogues as opposed to merely the outcomes of the Nedlac processes. Interviewees speculate that Nedlac ought to perhaps publish the dialogue processes in real-time, as in the case of South Africa's Parliament being streamed on a dedicated satellite television channel.

Nedlac's focus and agenda

Participants agree that Nedlac's focus has historically been mostly on the formal economy, as opposed to a focus on driving the social and developmental agenda. Such limited focus on the economy brought to the fore the concerns of social partners about the need for structural reform in the economy, towards a more labour absorptive and an equitable order in respect of distribution, but it did not address the primary drivers of such a change.

If the perception remains that Nedlac as a forum will not further this agenda, or that a social partner's voice will not adequately be heard in the process, or that the process will not provide an avenue for social partners to fulfil their aspirations, as one interviewee puts it, then the forum is unattractive and an alternative ought to be sought for the purpose of driving the national development agenda.

Simultaneously, the creation of rapid response teams or ad hoc committees at Nedlac on issues such as the global financial crisis and more recently, Covid-19, point to a tendency for Nedlac to provide an emergency mechanism for collaborative efforts and social partners' engagement, rather than a forum for long-term consensus-building or compacting.

Instead, an outcomes-based approach to shaping Nedlac's work programme, ad hoc structures and agendas, have led to a form of short-termism and even, as in the case of the Temporary Employment Relief Scheme (TERS) for unemployment insurance during Covid-19, resulted in a level of undesirable operationalisation of Nedlac's focus. This tendency might be seen as a distraction from Nedlac's core purpose as the apex dialogue forum for national consensus-building.

Interviewees indicate a shared uncertainty about Nedlac's overall goal or ambition regarding the question of "What are we solving through dialogue?", or "What is our national goal?", complaining that South Arica's so-called national vision is opaque. Nedlac, it is felt, requires some kind of guiding or a north star, to use a term, that provides overall national direction, and to which its agenda can be aligned. This raises the question of Nedlac's relationship with the Constitution, and the implications of the Constitution for the substantive matters tabled at Nedlac, such as the country's socio-economic trajectory.

The interviewees agree that Nedlac had taken on an enormous and expanding agenda over the years, but that somehow the broader social or societal question that ought to frame Nedlac's agenda had become forgotten. As one interviewee puts it, *We lost our compass in the process*.

For more effective dialogue to be possible, interviewees feel, a higher plane of dialogue would have to be achieved than that which seems to have been sustained, at least since the Mandela era. This would be a dialogue in which participants are able to suspend their ideologies or judgement on matters, and instead take a listening and reflective posture, act in a manner that engenders trust, and commit to the process and outcomes in order to seek consensus. In the absence thereof, Nedlac in its current form is employed as a blunt instrument.

In addition, on matters of legislation, Nedlac would have to become much better

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resourced, and the requisite recognition of Nedlac agreements by Parliament would have to accompany a more robust set of agreements arising from Nedlac.

South Africa has experience with social compacting

Interviewee Prof Everatt makes the singular but notable observation that South Africans have a particular linguistic and symbolic relationship with the notions of a *compact* and *contract*, and expresses concern over the assumption made that the 18th century European notion that the concepts translate easily into the South African context, as is popularly believed among elites. His observation raises the question of a need for a more nuanced approach to how South Africa might formulate its recipe for the national future.

Interviewee Andile Sangqu, by contrast, observes that "… every nation has a memory…, which is very important…" and that "… the new South Africa was born out of a social compact… in Kempton Park [during Codesa]… , where participants had different worldviews…", but "one thing was clear – our national goal of becoming a united, democratic, non-racial country was what we wanted."

Interviewees agree that South Africa has developed an affinity with the notion of social partners coalescing around a shared view of the future and a desirable social, political and economic order, the details of which need to be worked out – perhaps through social dialogue.

Need for senior leadership commitment and participation

Interviewees state the seniority of the principals who participated in South Africa's transition, such as Nelson Mandela, F.W. De Klerk, or General Constant Viljoen, had enabled the process during their specific eras, and that similar commitment and participation would be required in all future efforts. The interviewees also agree that at present, South Africa is lacking the requisite leadership commitment from all the parties to forge a new compact.

Broader representation

For a social compact to be possible, it will be necessary to expand representation, for instance, in business beyond Busa, and include individuals who are running businesses but do not belong to Busa, and who also have something to lose or gain. Similarly, with

government needing to be more robustly represented for a future national compact to be forged, leaders would have to be convened who have the respect and confidence of society.

Long-term focus

Interviewees believe that a new social compact will not be able to be achieved with a short-term approach, but will require medium- and long-term engagement, and significant resources, beyond what Nedlac currently has at its disposal. They feel that such a process might take as long as five years or more to achieve.

Interviewees observe that previous successes in creating compacts required a lot of shuttling among the parties to extract concessions, and in the process, new levels of trust developed among the parties.

Nedlac, interviewees mostly agree, would be able to contribute to the processes for social compacting as well as supporting processes outside of Nedlac aimed at similar ends, for example, sectoral compacts being pursued at industry or local level.

As indicated by Figure 17 below, one might consider Nedlac's role within a typology of possible social compacts, ranging from issue-based compacts of very specific social aspects, to broad national consensus on macro factors in the economy.

Figure 17: Typology of South Africa's social compacting agenda
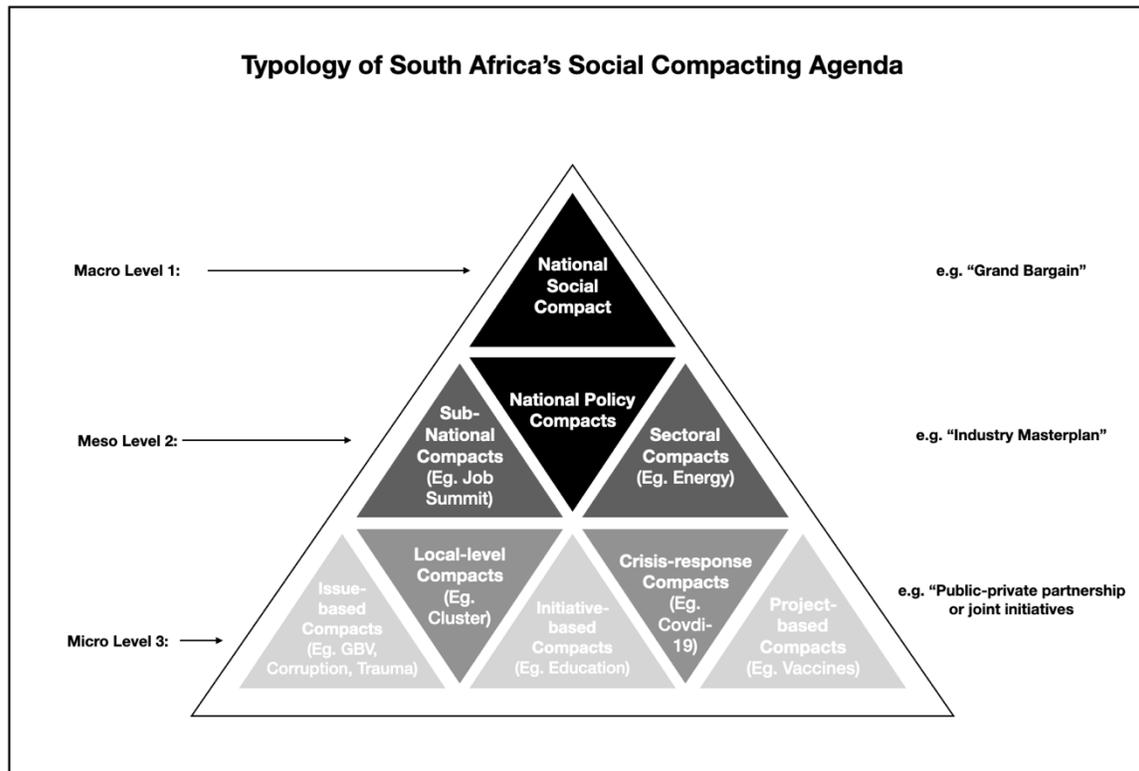
Source: Researcher's depiction

Depending on how Nedlac's role is perceived, it might facilitate consensus-building at various levels of engagement. Historically, the data indicates, Nedlac has been most successful at sub-national and issue-based compacts (Levels 2 and 3), such as the Eskom compact, and on crisis response and project-based compacts (Levels 2 and 3), such as on the recovery plans during Covid-19.

Focused on the economy narrowly

As stated above, Nedlac is understood to have largely focused on the economic dimension of South Africa's national challenges as it worked on legislation and regulation; and there is a sense among the interviewees that Nedlac's focus would have to be broadened or deepened to accommodate the broader societal issues, including issues such as the levels of social cohesion between race groups and various segments of society. That is to say, there are issues threatening the social fabric, and the question remains if these issues

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are being dealt with adequately, anywhere else. These, according to interviewees, include issues of xenophobia, racism on the right and left wing, and more recently, land grabs within the context of an ongoing discourse about expropriation of land and other forms of property expropriation without compensation. Without addressing these challenges, broader consensus will perpetually be under threat.

Instead of Nedlac representing the national chamber for dialogue on these critical issues, the issues have tended to play themselves out in the public domain in ways that threaten the stability of the entire system. A case in point, cited by Prof Everatt, is the escalation of the *Fees Must Fall* student movement, which was fighting for improved conditions in tertiary education, but the movement included activist elements who wanted to collapse the university system as a prelude to collapsing the country. Such revolutionary fervour raises the question of Nedlac's societal role and if social dialogue for consensus on economic policy is the right institutional focus for Nedlac in the future.

South Africa's preferred social and economic order

The fundamental question remains about the specific economic and social order that Nedlac has pursued, or to put it differently, that has underpinned the approach of the social partners at Nedlac in the past. In the view of Prof Everatt, for instance, instead of seeing South Africa as it is within the African context, marked by high levels of informality and survivalist enterprise, Nedlac has sought to impose or pursue an order more akin to the experience of England or the United States in the last century, seeing South Africa as an industrialised nation. This approach has placed large corporations and industrial labour at the centre of the social dialogue process, for better or worse, but mostly at the expense of the largest swathe of the society as already shown.

The political dynamics discussed above, have also complicated the progress of the dialogue and the achievement of consensus on economic policy. One case in point is the manner in which the NDP argues for favouring economic growth and job creation, expansion of the actively engaged labour force ahead of raising wage levels, while the agreement on the NMW by all social partners' acknowledgement at Nedlac, would do exactly the opposite in practice.

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It can be argued that the politics of the labour market and government-labour interface, specifically post-Marikana, led to a reversal of government's own policy commitments in favour of political expediency in relation to labour. The fact that this outcome came about through Nedlac, is seen as both a success in social dialogue, and a failure of the policy rationality that governs or should govern the policy process. Linking to the earlier point about a national vision, or lack thereof, interviewees speculate that the absence of a clear overarching national direction lies at the heart of the reversal of policy positions during the dialogue processes.

Questions are raised and left unanswered by interviewees about the type of change Nedlac is able to lead or foster. If the social partners agree that South Africa requires fundamental or rather revolutionary change, the question is, in the words of one interviewee, "Can you expect revolutionary change from a reformist organisation?", which is how Nedlac is basically viewed. This points to an inherent conservatism that has dominated the Nedlac process and approach from the start.

A new capital-owning black elite

Over the years, South Africa has changed substantially from the status quo at the end of apartheid to the status quo as it is today in terms of the roles and positions of some of the social partners in respect of the economic order.

As interviewees point out, the business constituency of the 1990s was almost entirely made up of white South Africans, partly from English-speaking and partly from Afrikaans-speaking backgrounds, compared to labour, which was nearly entirely made up of the black groupings in society, and all dominated by male representatives. Government, newly occupied by representatives of the ANC and its alliance partners in the late 1990s, had close relations with labour, and in racial terms, came from the same communities because of apartheid's special planning and imposed social divisions.

Thus, at the time, the elite and the capital-owning class of the early periods were predominantly white, interacting with black political and labour counterparts in social dialogue. Today, after two decades of BEE and BB-BEE policies, as well as the major

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expansion of the public sector labour contingent and growth in the black middle class, the composition of the social partners is very different. Capital owners might today be black South Africans, often with close relatives and associates employed in government. Yet, both of these groups on the side of business and government represent a new black elite in South African society, who have economic and political power of a real, institutional and structural nature. The reference often made of the ANC to the so-called black masses of poor and working people, are no longer well represented by these new elites. The implication is that Nedlac itself has become a bargaining chamber for competing elites and their vested interests.

The question then of what economic order South Africa ought to pursue, when half the nation remains socio-economically excluded in real terms from the formal economy, becomes a more complex and less clear-cut issue. The same gains cannot be achieved as have been done through the expansion of public sector wages, as was achieved through BB-BEE or in terms of state procurement. Therefore, South Africa requires a new visionary pathway that can address its inherent contradictions, while taking account of the new stakeholder landscape.

Ethics of dialogue process

A concern expressed by interviewees is around the prospect of the misuse of the dialogue process by participants seeking their narrow interests, or the use of the process as a platform for rent-seeking, including by new elites, and the prospect of conflicts of interests emerging because of the roles and responsibilities taken on by social partners during the dialogue process. Consequently, finding and involving the optimal calibre of leadership engaged, and in particular the ethical credentials of participants, will be paramount for the effectiveness and integrity of the process in future.

Future of Nedlac

During the impacts of Covid-19, Nedlac has seen a new level of engagement become possible among the social partners. This is evidenced by the current president's demonstration of the need to motivate the private sector to invest in the country, and the

presidency's ability to begin to communicate a reform agenda to improve the state's capacity, in return for which the private sector is expected to invest. The post-Covid economic recovery plan, deliberated over at Nedlac, is further evidence of this trend. However, the social partners continue to complain about the lack of due-process, no level playing field or good-faith engagement, especially from government, during this period.

In this context, if structured, resourced and run effectively, Nedlac should be able to facilitate the understanding and alignment to the president's agenda, but the question is whether material agreements can emerge from the process. In this context, the question arises again of leadership, and whether social partners are willing to stand up and say, *We have a chamber, let us talk*, and return to a fundamental commitment to a dialogue-based approach.

In considering the role, design and purpose of Nedlac for the future, the following questions arise from the interviews:

1. Should the assumption be questioned that Nedlac is necessary in the first place as an institution, and does Nedlac have a role at all?
2. Since Nedlac's effectiveness seems to be book-ended by moments of unity, such as during the Mandela era and more recently the Covid-era, why has Nedlac been ineffective, or in what ways has it been ineffective, and how can the causes be addressed?

If the first question is answered in the affirmative, then Nedlac needs to have clarity on the role and purpose of its processes, its mission and its voice as an institution, especially given the rather silent role it played during the state capture period.

3. Linked to this is the question of whether Nedlac is sufficiently transparent in its dealings, and would a more transparent approach to Nedlac's work not serve serve the public better?
4. How might Nedlac improve its relevance in the face of large systemic and global issues such as climate change, especially since it already convenes the major social partners in a structured manner?

5. How might Nedlac become more inclusive of voices at the margins of society, or voices that have a marginal position on key issues facing the society and overcome the insider-outsider dynamic? Linked to the aforementioned, what is the role of Nedlac in proactive listening to the voices of society, and in which modes should such listening take place?

Linking back to research questions and objectives

The study focused on the following research objectives:

i. To develop a framework of the relationship between the micro-foundations of institutions and integrative leadership (which includes the use of frames, frame reflection and frame formation, as to how these feature in the context of deliberative or reflexive policy-making, and the relation thereof to the creation of mutuality or consensus among stakeholders).

ii. To examine the institutional genesis and evolution of Nedlac since 1994 (for example, the factors that initially gave rise to the formation of Nedlac as an institution, how the institutional structures and processes responded to the demands of that situation, how the institution has evolved over time, formally and informally, to how it currently operates as a convener of current stakeholders).

The aforementioned objective was partly reached in the discussion in Chapter 1 or the origin of Nedlac and the preliminary document analysis of Nedlac, and is fully reached in the discussion below on the framing of Nedlac's founding documents and protocols.

iii. To assess the progress, or lack thereof of at Nedlac in relation to consensus-building through social dialogue, towards social compact-building, over various sub-periods since its inception, highlighting successes and failures in this regard.

iv. To explore the dynamic interrelationships between macro level contextual change,

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institutional form or structure, organisational processes and micro-foundations (such as frame formation, including how conflict arising from diverse frames or institutional logics), and finally the role of reframing feature in multi-sectoral settings.

In the case of Nedlac, the study has allowed for the examination and description of emerging implications for institutional development, institutional entrepreneurship and institutional leadership in cross-sectoral policy-making settings.

5.4. Analysis of the Social Partners' Framing of the National Economic and Policy Agenda

Having outlined the historic developments within Nedlac and how these were shaped by the national context and the actions of the social partners in different periods, this section now focuses more narrowly on the micro-foundational level, the discursive dimension of social dialogue at Nedlac. The use by the social partners of certain frames, or ways of conceiving of the policy situations and issues on the agenda, shed light on the informal and tacit conflicts that underpin the historic developments. They also shed light on areas of convergence and agreement among the social partners.

Key phrases employed by Nedlac's institutional architects and social partners

The following table summarises the terms used by the architects of Nedlac in its founding documents, and subsequently of the social partners, to frame the national economic agenda. Their respective frames allude to points of convergence and agreement, and to lingering disagreement on what the national economic agenda is and should be.

Table 7: Terms employed in Nedlac's founding documents, by the social partners during the period up to the end of President Thabo Mbeki's first term and by the social partners during the period of Jacob Zuma's presidency, to describe the national economic agenda

Terms employed in Nedlac's founding documents

To describe the purpose of Nedlac
- To promote goals of economic growth, increased participation in economic decision-making and social equity

To describe the origins of the agenda of Nedlac
- To arise from a consideration of the issues tabled by constituencies

To describe the outcomes of Nedlac
- To reach consensus and make agreements
- For agreements to be captured in legal form

To describe the nature and extent of engagement at Nedlac
- To enable the tabling of issues
- To provide a vehicle for engagement
- For problem-solving and negotiation
- For mere tweaking, or extensive engagement on legislation
- That constituencies should not engage a green paper on a line-by-line basis, but at the level of principle

*later described by Jacob Zuma as having to change from negotiation for agreement, to deliberation for action

To describe agreements to be reached at Nedlac
- That if agreement cannot be reached, each party shall retain its freedom of action
- That partners are not to re-open discussion in Parliament on any area where agreement was reached

To describe approaches to representation at Nedlac
- Participation by government ministers and deputy ministers
- Constituencies must be represented by individuals who represent a significant community interest on a national basis and have a direct interest in reconstruction and development

To describe the goals of the national economic agenda

- To achieve sustainable development, and to facilitate wealth creation; as a means of financing social programmes; as a spur to attracting investment; and as the key way of absorbing many more people into well-paying jobs

To describe the outcomes of the national economic agenda
- To achieve greater social equity
- To ensure that large-scale inequalities are adequately addressed, and that society provides, at least, for all the basic needs of its people

To describe Nedlac's role in the national economic agenda
- To enable cooperation in the production of wealth, and its equitable distribution

Terms used by the social partners during the period up to the end of President Thabo Mbeki's first term to describe the national economic agenda

Used by government
- An overall economic strategy to create growth, employment and equitable distribution
- To achieve universal access to basic services by 2014, that all our people must have decent energy, sanitation and water
- Referring to the informal economy as the second economy
- Maintaining fiscal prudence in public finances

Used by business in support of government's framing
- Being supportive of fiscal prudence, understood as sound public finances
- In agreement with government's Accelerated Shared Growth Initiative for South Africa (Asgi-SA), the associated National Industrial Policy Framework (NIPF) and the Joint Initiative on Priority

Skills Acquisition (JIPSA) skills-initiative, resulting in greater fixed investment - That growth is a cumulative, self-reinforcing process, of which the hardest part is the beginning *Used by labour as a critique of government and business' framing* - That government's hard stance on fiscal management in SOEs was beginning to be seen by some [even] in government as the commercialisation and profit maximisation in SOEs, akin to the private sector's approach - The approach is an extension of a post-cold-war global trend of neo-liberalism - That instead, mass-scale employment and shared growth for quality employment should be prioritised - In order to address the scourge of poverty and inequality - That the privileged need to accept that they must do more to improve the position of all people - That every policy should be measured against its effects on employment creation and poverty alleviation - Calling for the restructuring the economy through industrialisation, and government support for industries [in addition to] poverty alleviation *Used by the community constituency in criticism of the framing of the other social partners:* - To set the noble goal of halving of poverty - To emphasise the role of cooperatives and social ownership - The need for a social protection system
Terms used by the social partners during the period of Jacob Zuma's presidency to describe the national economic agenda
Used by government to describe the role of government in the agenda - Developing strategies for decent work and poverty reduction, which will involve difficult choices - Prohibiting abusive practices in the labour market - That government will have to play a critical role, building a developmental state with the strategic, political, administrative and technical capacity to give leadership - To create a pro-employment macro-economic environment - Use industrial policies to create decent work on a large scale, and expanding opportunities for the poor *Used by business, in contrast to government, emphasising the need to* - Rebuild business and consumer confidence [after the global financial and economic crisis] - Maintain a market-led, enterprise-driven economy that is globally competitive, which in turn would make its maximum contribution to growth and employment *Labour lamented the approach of government and business* - Prevailing system of industrial capitalism - Continued governance [by the ANC] in the interest of the economically powerful - How 30 years of neo-liberal policies had resulted in wage deflation - And the need for a decent work agenda *Community constituency in contrast* - Emphasising the social and economic rights of citizens, and called for the developmental state to protect these rights - Calling, for instance, in the banking sector to act in solidarity with citizens in their handling of housing or vehicle repossessions - The need to address multi-dimensional poverty

Assessing the frames by locating them in the political economy context

As depicted in Figure 18 below, the social partners and the founding documents of Nedlac each have a somewhat different orientation and emphasis in relation to the political,

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economic and social domains of the political economy.

Figure 18: Locating Nedlac and social partner frames within the political economy
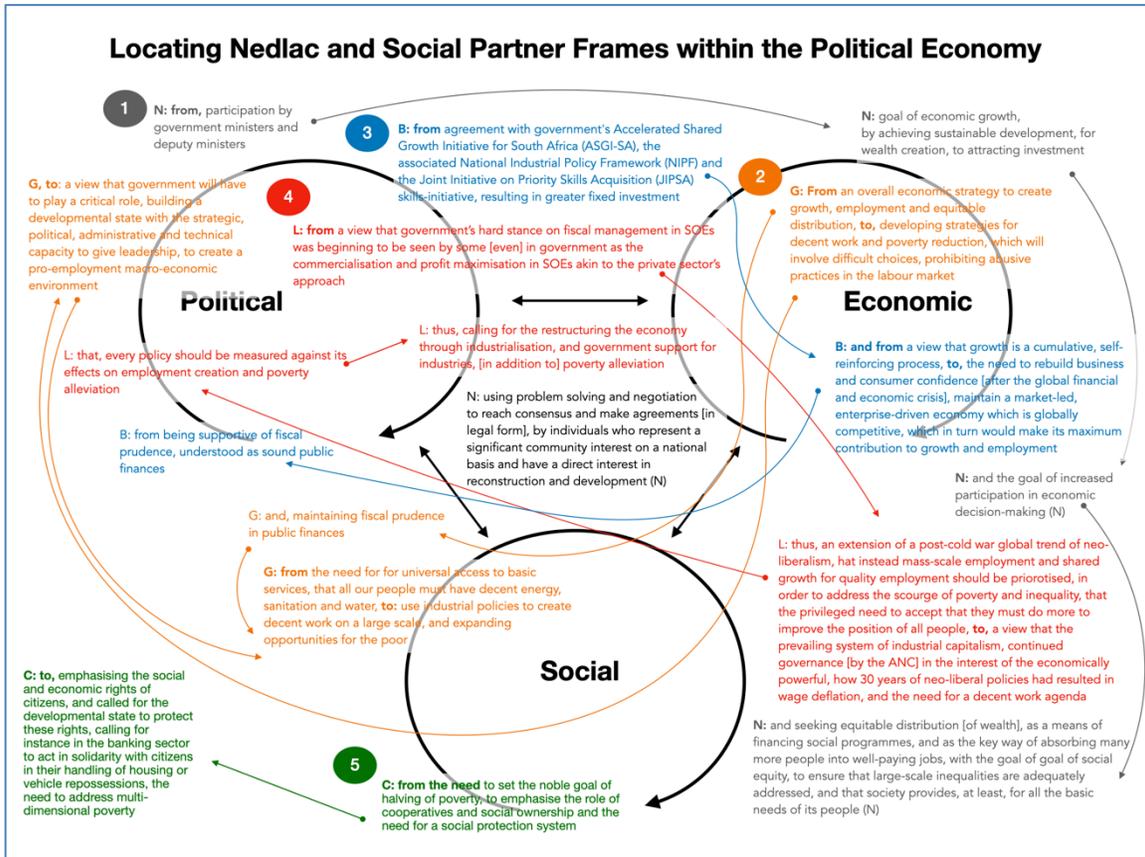
Source: Researcher's depiction

Whereas Nedlac's founding documents broadly frame the purpose of Nedlac (See centre Figure 18) in terms of problem-solving and negotiation for consensus and agreement towards national *reconstruction and development*, it emphasises economic growth, sustainable development and wealth creation (follow grey text in the figure from 1), in order to achieve the social outcomes of *equitable distribution,* through social programmes and *job creation*. Thereby, Nedlac's framers were of the view, *large-scale inequalities* would be addressed, and minimum societal *needs would be met by society at large.* Nedlac's founding documents thereby view *increased participation in economic decision-making* as a means to growth and jobs in the economy, also as a means to address *societal deficiencies.*

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Notably, Nedlac's founding documents are silent on framing a fiscal orientation expected to accompany the developmental and transformational posture it poses in terms of economic policy more generally. As shown in the discussion, the ambivalence between the social partners in relation to fiscal and monetary policy would, especially in a low growth environment, become a matter of lingering conflict and misalignment (See sections, Eras 2 and 3: Mbeki efficiency and the Motlanthe moment, page 86 and Emerging discontent and misalignment on key policy issues, page 229)

Comparatively, government frames the agenda of Nedlac in similar terms, relating to economic growth and wealth creation, for employment and equitable distribution (follow orange text in Figure 18 from 2), but government emphasised *fiscal prudence* on the one hand, and the provision of *basic services* such as energy and water to society as prioritised above job creation. This is borne out by the allocation of government revenues under Presidents Mandela, Mbeki, Mothlanthe and Zuma. This orientation is seen in the comparatively high proportion of the national budget allocated to primary and secondary education and the notable increases in access to primary education achieved progressively during the Mbeki, Mothlanthe and Zuma eras. However, failure of government to improve education outcomes or improve quality levels in the education system points to a form of effective resource allocation without the accompanying governance and execution to derive the benefits of the resources.

Notably though, under the Zuma presidency, a frame-shift occurred, whereby government emphasised the role of the private sector and investment less, and rather emphasised in their framing of the national agenda, the role of the state as a *developmental state,* which supposedly would create a pro-employment macro-economic environment. As shown earlier, this did not materialise in any sense of the frame. Instead, state capacity, the absorption capacity of the labour market and the macro-economic conditions all deteriorated in the Zuma period.

Business, initially supportive of government's frame as it relates to the major economic policies (follow the blue text in Figure 18 from 3), emphasised *business confidence for investment and growth, within a market-led, enterprise-driven economy*, as a precursor to

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employment. This meant that the frames of business and government were fairly aligned and converged on the major national development issues during the early stages of the Mandela and Mbeki presidencies, but by the Zuma presidency, when the frames of government had shifted to a state interventionist development agenda, a deep frame conflict emerged. Business rejected the abandonment of government's emphasis on fiscal conservatism, and bemoaned the loss of business confidence. At no stage did government adopt the frame of business centred on competitiveness, which business saw as essential to the investment climate it sought for growth and jobs. Business on the other hand, was fairly mute on the greater social dimension of the political economy, framing social outcomes caused by job creation rather than direct distribution.

Labour, critical of both business and government's frames, couched their assessment of government's approach in strong ideological frames (follow red text in Figure 18 from 4), bemoaning the *commercialisation* of SOEs as *neo-liberalist,* and calling for a redistribution across the social strata from rich to poor, alongside ramped-up efforts at government intervention for industrialisation. Thus, while government was shifting towards a more distributive and interventionist frame in the economy, such as in BB-BEE and in hiring practices in SOEs as well as direct transfers of social goods, including cash transfers, labour remained critical, wanting a greater state control over economic activity. Simultaneously, the escalation of the discourse and political and policy arguments in support of *expropriation of land without compensation*, occurring along with increases in illegal land occupations, saw an erosion of property rights during the period. Labour framed this desire for state intervention against the backdrop of the global geo-strategic rift between capitalism and communism or socialism. It framed social outcomes as a preferred result of a state-led development pathway.

Finally, the community constituency framed the national agenda in narrow terms related to social outcomes (follow green text in Figure 18 from 5). In their conception, poverty reduction through social protection was preferred, and social ownership through cooperative structures would address skewed ownership patterns in the economy. In this context, they also framed their approach as redistributive across the social strata, but placed the powerful interests of formal business and finance in particular, as working against the poor and unemployed (Elbadawi, Hartzenberg, and African Economic

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Research Consortium, 2000).

Detailing the frames used by Nedlac and the social partners

Framing in Nedlac's founding documents and protocols (NFDP)

On Saturday, 18 February 1995, the year following South Africa's first democratic election, the then Minister of Labour, Tito Mboweni, on behalf of government, and along with organised labour representative John Gomomo on behalf of Cosatu, the National Council of Trade Unions (Nactu) and the Federation of Unions of South Africa (Fedsal), and David Brink on behalf of organised business, signed a document entitled: Nedlac Founding Documents and Protocols.

The document contained the Nedlac Founding Declaration (NFDP), the Nedlac Act, the Nedlac Constitution and Nedlac Protocols, which were guiding the process for tabling issues and draft policy or legislation at Nedlac.

The NFDP contained succinct statements outlining how a number of aspects of social dialogue were framed, including the processes related to dialogue, as well as the national economic development agenda and economic policy. An analysis of these statements provide insight into how the institutional architects of Nedlac framed the process of institutionalising the social contract through social dialogue.

In its founding documents, Nedlac was described as a formal corporatist mechanism for cooperation among government, business, organised labour and communities, and its purpose framed as a "vehicle" for "problem-solving and negotiation" on economic and labour issues, as well as being "established in law", a "juristic person" and statutory cooperative body" that would be "regulated constitutionally" (Nedlac, NFDP, 1995).

The decision made to constitute Nedlac formally would have implications for the strength, effectiveness and the limitations of Nedlac later on. The NFDP (1995) also stated explicitly that government ministers and deputy ministers would be involved in the Nedlac processes, that the SARB, albeit in a "non-voting capacity", would be involved at Nedlac, and that Nedlac would develop protocols for its relationship with the South African

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Parliament, including the legislature's standing committees and all government departments affected by its decisions. Nedlac would furthermore report annually to Parliament, through the minister of labour.

Nedlac's interdependencies with other institutions

This approach to institutional design meant that Nedlac would engage in complex national inter-institutional processes and would therefore, be dependent for its own success, on the willingness and robustness of participation by other state institutions and their representatives. Nedlac was thereby placed between the upstream policy formulation and legislative drafting process, and the downstream process of legislative enactment by the legislature; wedged between the process of political mandate formation on the one hand, and technocratic government execution on the other, while having to contend with the interests and agendas of the social partners of business, labour and communities in the process.

In practical terms, Nedlac was conceived of as a consultative clearing house for policy, regulation and legislation that have bearing on the economy and social development. This preference for a representative approach, where constituencies are represented by constituency representatives, resulted in interdependencies between Nedlac and government, for instance, as well as more broadly with the political process, including between Nedlac and in particular, the developments in the labour relations landscape. There was recognition at the time in the NPFD that issues of "efficient and effective government", and Nedlac's own organisational capacity, would be crucial to Nedlac's effectiveness (NPFD, 1995). This proved to be the case as has been reflected in this chapter.

The NPFD (1995) explicitly described Nedlac's purpose as being to "promote goals of economic growth, increased participation in economic decision-making and social equity". Therefore, growth, equity and participation were meant to be the central occupation of Nedlac.

This has certainly been the case, except that the far-reaching implications were that this

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initial broad framing of Nedlac's purpose also meant that very little would fall outside of Nedlac's remit and agenda. This heightens the need for a strategic approach, which the analysis shows has been largely absent across the eras.

Nedlac's ever-expanding agenda and capacity demands

Instead, Nedlac's agenda grew, as issues were tabled at Nedlac, either as forthcoming policy, regulation and legislation from government, which the NPFD (1995) stated government was obliged to table at Nedlac, or by issues arising from other constituencies. This gave rise to a complex set of interdependencies of Nedlac's agenda, of the executive of government's work programme, as well as of Parliament, and complexities associated with the timeframes associated with new or developing issues, such as economic shocks or labour market and political crises.

While Nedlac's founding documents recognised the need for coordination on the timeframes associated with these processes and, for instance, the synchronisation of Nedlac and Parliament's work programmes, it only provided nominal standards for the management of agenda items, such as providing for a period of three months for social dialogue on issues requiring "mere tweaking" of a law, and six months for issues requiring "extensive engagement" (NPFD, 1995). These arbitrarily set timeframes would prove to be inadequate and ineffective in ensuring inter-institutional and intra-institutional efficiency and coordination.

Nedlac's stated purpose of seeking to reach consensus and make agreements on matters pertaining to economic policy, meant that it made a practical commitment to negotiation among social partners and discussion, based on obtaining proper mandates from constituencies. This in turn, meant that mandates would have to be secured and evaluated, and that Nedlac set out to define the threshold for community representatives to, for instance, "represent a significant community interest on a national basis" and "have a direct interest in reconstruction and development", as well as having to be constituted democratically (NPFD, 1995, n.p.).

While this approach followed logically from the principle of representation and the need

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for such representation to be national and meaningful, in practice it was unlikely that the vast majority of community groups or structures would be in a position to meet these criteria. Furthermore, the complex nature and extreme diversity of community constituencies in the South African societal landscape meant that the principle was unworkable in practice. The result, instead of a structure of robust and credible community constituency representation, a form of tokenism emerged whereby elite voices within civil society falsely claim to speak on behalf of millions of people. The other social partners in turn, participated in the well-intentioned but erroneous approach, and became complicit in subsuming the voices of communities into a corporatist formulation of social dialogue that is largely detached from grassroots discourses.

It meant that Nedlac processes took on a formal transactional character, where the effectiveness of negotiation depended on a range of factors, not least of which were: The calibre and skills of the constituency representatives, and notwithstanding their right to call on outside experts on an ad hoc basis; the capacity of representatives for assessing and engaging in substantive policy, regulatory and legal issues; their ability to negotiate; and the robustness of their mandate to do so on behalf of their constituency.

In terms of how the Nedlac agenda were to be defined, it was explicitly stated that this were to arise from a consideration of the issues tabled by constituencies and not have an institutional agenda of its own. Thus, it meant that Nedlac were to have a bottom-up and collective approach to developing its work programme.

The Nedlac founding documents explicitly stated, for instance, that "constituencies should not engage a green paper on a line-by-line basis, but at the level of principle". However, in practice, the content of agenda items could not be grappled with in principle, unless they were understood at a granular level (NPFD, 1995). Similarly, legal drafting was not meant to be negotiated at Nedlac, but rather the "substance and spirit" of agreements, which would prove difficult in practice in that social partners were being asked to apply themselves to legal formulations on a range of matters.

Furthermore, to deliver on its mandate, Nedlac was meant to have engaged in extensive research or depend heavily on research undertaken elsewhere in the state and national

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system. The corporatist approach taken by Nedlac meant that the vast and complex stakeholder and constituency landscape would thus end up being over-simplified into a manageable set of mandates, resulting in an unwieldy technocratic burden for which Nedlac was ill prepared from a structural as well as resource and capacity point of view. For instance, Nedlac's founding documents state that the institution were to undertake a vast monitoring function, in addition to the social dialogue process at the core of its work, described as follows:

> "… [Nedlac will] continually survey and analyse social and economic affairs; shall keep abreast of international developments in social and economic policy, evaluate the effectiveness of legislation and policy affecting social and economic policy, conduct research into social and economic policy, work in close cooperation with departments of state, statutory bodies, programmes and other fora and non-governmental agencies engaged in the formulation and the implementation of social and economic policy."

In retrospect, it is evident that Nedlac was not adequately capacitated for this task, and it raises the question of whether the mandate given to Nedlac was perhaps over-ambitious and failed to rightly account for Nedlac's interdependence with the broader policy-making, regulatory and legislative eco-system.

Though Nedlac was conceived of as a high-level dialogue forum, in the end, it functioned more as a technical policy, regulatory and legislative design entity, akin to a policy think-tank, policy unit or research institute, while simultaneously seeking to facilitate stakeholder negotiation and consensus-building. This demand on Nedlac is further borne out by the explicit requirement for Nedlac's annual reports to preferably be "captured in legal form", in line with the standards of parliamentary portfolio committee processes.

What is observable is the manner in which the formal structure, procedures and institutional requirements of Nedlac constituted in practice a institutional logical and formalisation which crowded-out the initial intent for a stakeholder-based deliberation forum. The technocratic institutional logic of *policies, plans and programmes* overtook the dialogical logic of discursive frame formation.

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Nedlac's handling of agreement and disagreement

Notably, Nedlac' founding documents made provision for disagreement among constituencies, stating that "if agreement cannot be reached, each party shall retain its freedom of action within its own sphere of responsibilities" (NPFD, 1995, n.p.). This was meant to provide representatives with the freedom to oppose positions reached on issues at Nedlac, in the context of their constituency work, while retaining their participation in Nedlac's processes.

Importantly, the freedom of action of social partners would in practice include the ability to opportunistically *forum hop* when it suited their agenda. This meant that the lack of limitation of alternative modes of engagement, undermined the Nedlac channel at the very times in which there was growing disagreement between the social partners.

However, the founding documents state explicitly that the social partners, once having agreed on matters at Nedlac, and before proceeding to Parliament, might not "re-open discussion in Parliament on any area where agreement was reached", and only "have the right to raise issues in Parliament on which there has been no agreement, or on which a Nedlac agreement was silent" (NPFD, 1995, n.p.). In practice though, Nedlac constituencies would at times extend their deliberations to Parliament, in spite of Nedlac agreements or even in contradiction to such agreements.

In the context of forum hopping, agreements were eventually considered to be as non-binding as the dialogue participation at Nedlac itself. The implication is that an institutionalised social dialogue forum which places no legislative, regulatory or punitive bonds on the participants, is susceptible to abandonment in the face of fraught conflicts, thereby undermining its very purpose for existence. Also, that its effectiveness in the absence of binding legislation, relies on the good-faith engagement and personal commitments of the social partners on the one hand, and on their capacity to create alternative interfaces with their counterparts on the other. When for instance government found it expedient to bypass Nedlac during the Zuma period, and business was able to forge new avenues for engagement such as the CEO initiative, labour who was weakened

at the time, was left trying to use Nedlac as their dialogue channel of choice.

It seems obvious, in retrospect, that since Nedlac was not given any legislative capacity and only served to facilitate social dialogue, constituencies at times negotiated or deliberated in bad faith or only in partial disclosure of their constituency's position, or changed positions when politically expedient to do so.

Notably though, there was an explicit preference in Nedlac's mandate in favour of agreement as the outcome of its processes, with the NPFD (1995) stating:

> *"The purpose of engaging on issues is to reach agreement, and to arrive at a report that minimises, or preferably eliminates areas of disagreement. All engagements must be geared towards this objective, including ensuring the necessary timeframes and procedures to allow completion of a meaningful negotiation".*

Framing South Africa's national economic agenda up to 2007

Nedlac's founding documents framed the national economic agenda in particular terms such as the need to be "sustainable" and to "facilitate wealth creation; as a means of financing social programmes; as a spur to attracting investment; and as the key way of absorbing many more people into well-paying jobs" (NPFD, 1995).

This meant that economic growth was not understood by Nedlac at the institutional level as a narrow conception with business growth or revenue outcomes as an end in themselves. Instead, economic growth was framed in relation to social outcomes and specifically in relation to the capacity of the state to deliver on a programme of social reform, including to creating decent employment.

The explicit goal of "greater social equity" was from the outset in the forefront of Nedlac's conception of its mandate, with the national goal that "large-scale inequalities are adequately addressed, and that society provides, at least, for all the basic needs of its people" (NPFD, 1995, n.p.). The implication was that Nedlac was positioned as a mechanism for an idealised redistributive state, committed to societal participation and to fostering "cooperation in the production of wealth, and its equitable distribution" (NPFD,

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1995, n.p.).

It is important to note that this conception of Nedlac's mandate was imposed in the context of a pre-existing institutionalised history of antagonism between the social partners. More fundamentally, that the socio-economic and political economy arrangements arising from the antagonism were marked by deep-seated inequities and contending interests. Therefore, only to the extent that Nedlac was understood to be transformational or at the very least evolutionary in its effect on the societal milieu, would the mandate be realistic. Instead, it is very likely that the framers of Nedlac itself were naïve in expecting a corporatist structure, in which highly invested parties who only vaguely represent vast swathes of the society, would effectively unravel the gordian knot of contrary interests and agendas to bring about significant and inclusive national progress.

In practical terms, Nedlac's founding documents committed the institution to hosting an annual summit chaired by the president or deputy president of the Republic, with an attendance of no more than 300 persons, and that Nedlac would have an overall council of no more than 72 members, 18 from each of the 4 constituencies (NPFD, 1995). It was thereby envisioned that this rather small cohort of technocratically engaged national stakeholders, each decision-makers in their own right, would meet annually to reflect on the previous year and set the direction for the social dialogue agenda at Nedlac.

The implication is that Nedlac represented a corporatist meeting of the interests and power blocks in South African society, represented by elite office holders and executives from across the national social partner landscape. This is especially the case in terms of the community constituency as shown earlier.

In the period up to and including the first half of President Thabo Mbeki's second term, a fairly consistent framing had emerged of the economic agenda of Nedlac. In its own reporting, Nedlac described the economic agenda in terms of an overall economic strategy to create growth, employment and equitable distribution, prioritised in this sequence. While government largely supported this framing, it emphasised in addition the provision of basic services such as housing, water and electricity, stating:

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"Together, we also need to commit ourselves to universal access to basic services by 2014. All our people must have decent energy, sanitation and water in the second decade of democracy. In the first decade, we expanded access phenomenally, in the second, we must achieve universal access" (NAS-G, Mlambo-Ngcuka, 2006).

Government by this time, had come to refer to the informal economy as the "second economy" and was concerned with the way in which micro enterprises and small towns needed to become part of a "common developmental agenda" (NAS-G, Mlambo-Ngcuka, 2006).

Growth agenda and fiscal prudence under pressure as unemployment expands

The preceding decade had been marked by growing fiscal prudence both at a national level and in SOEs, and consequently, a debate was emerging about the need for more aggressive monetary policy and fiscal spending. The hard stance on fiscal management in SOEs was beginning to be seen by some in government as the "commercialisation" and "profit maximisation" in SOEs, akin to the private sector's approach, and as an extension of a so-called "post-cold-war global trend" or as neo-liberalism, described as a "dominant and triumphalist ideology", according to which the state was relegated to "a night watchman for capital [interests]" (NAS-G, Mantashe, 2007).

This marked the beginning of a significant fault-line within government, and consequently in Nedlac's social dialogue agenda, between those favouring market-led growth versus those favouring state-interventionism.

Business on the other hand, strongly supported the fiscal prudence of the preceding period, especially because it had coincided with high levels of GDP growth and growing business confidence. Business' positive orientation towards government's focus on growth was borne out by the representative of Business Unity South Africa (Busa), Patrice Motsepe's statement during the Nedlac Annual Summit of 2007, that "the prestigious Fitch Ratings revised the outlook on South Africa's sovereign ratings from stable to positive, attributing the change to improved growth performance, increased investments and sound

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public finances" (NAS-B, Motsepe, 2007).

The economy had been growing at an average rate of 4.5% for a period of two-and-a-half years, the highest since the beginning of democracy in 1994, driven up by investments in the private as well as public sectors that were increasing annually by 11% and 15.8%, respectively.

Business was at the time strongly supportive of the president's new Accelerated Shared Growth Initiative for South Africa (Asgi-SA), the associated NIPF, and the JIPSA skills-initiative, which had fixed investment as its central focus and set the goal of sustained growth of 6%. Notably, business thus framed the issues of unemployment, poverty and social equity as challenges to be addressed within the context of high levels of investment-friendly "catch-up" economic growth (NAS-B, Motsepe, 2007).

The framing of the economic agenda by business was that "growth is a cumulative, self-reinforcing process, of which the hardest part is the beginning" and that "Busa remains strongly committed to these objectives" (NAS-B, Motsepe, 2007).

Labour on the other hand, while having similarly aligned itself with the Asgi-SA agenda, which prioritised growth, had for years placed the emphasis on the creation of "mass-scale employment" and "shared growth" for "quality employment" to address what it saw as the "scourge of poverty and inequalities" in South African society (NAS-L, Vavi, 2007).

Calls were growing for South Africa to go beyond "business as usual" in that "the privileged [needed] to accept that they must do more to improve the position of all people", with labour taking the position that "every policy [is measured] against its effects on employment creation and poverty alleviation" (NAS-L, Vavi, 2007).

Labour thus framed the economic agenda in terms of a need for "restructuring the economy" through industrialisation that was to arise from "government support for industries… [alongside] poverty alleviation" (NAS-L, Vavi, 2007). This was significant, since the growth in South Africa's economy in the preceding decade had been dominated by expansion of the services sectors and not in labour absorptive sectors, as labour had

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wanted. This was an economic trend that would persist, and lead to so-called jobless growth for a period to come.

The community constituency took yet another view, having a more societal focus, emphasising the "noble goal of halving of poverty" in the decade (NAS-CC, 2007). Notwithstanding the growth of the preceding years, unemployment in South Africa was increasing at a faster pace than job growth, and this was of particular concern for the community constituency. The constituency also emphasised the role of cooperatives and "social ownership" as alternatives to what they saw as government and business' preoccupation with the formal economy, at the exclusion of the vast informal economy. Community representatives lamented the "continuing lack of understanding among government agencies of the principles embodying the existence and functioning of cooperatives", which led, in their view, to unnecessary conflicts and a failure to "promote the social economy to address ownership inequalities in South African society (NAS-CC, 2007).

In addition to their focus on the informal economy, the community constituency framed the economic agenda in relation to the need for a "social protection system" for South Africans which, they argued, should be informed by new and more appropriate measures of poverty levels, which in turn, should inform policy in a way that amounts to "enlarging people's choices, in particular the [choices of the] poor and vulnerable" (NAS-CC, 2007).

The community constituency was an outlier in that it took a communitarian perspective, going so far as stating, "… we argue that there is no fundamental reason to pursue economic growth as a primary objective of policy, or to consider it as the key indicator of economic performance. Economic growth does not, in itself, make people's lives any better" (NAS-CC, 2007).

All the social partners demonstrated a desire to address the issues of unemployment, poverty and inequality, but approached these in very different ways. Whereas government thought of systemically addressing them by way of a thriving high-growth economy coupled with distribution, one in which business played a key role, labour favoured a state-led and centrally controlled and/or planned economy approach, reminiscent of the pre-

1989 social approach. Business, in turn, saw the social ills being addressed primarily through job creation, whereas the other social partners emphasised varying approaches to redistribution to achieve better social ends (Fine and National Institute of Economic Policy South Africa, 1997).

While the social partners had developed a strong cooperative relationship in the period on the national social and health crisis of the HIV-Aids pandemic, and had developed a "new spirit of cooperation among stakeholders…" (NAS-L, Vavi, 2007), and succeeded in "significant progress in narrowing the gap between government and civil society" (NAS-CC, 2007), the differences in their framing of the economic agenda would come to the fore as a source of contention in the period that followed.

Framing South Africa's economic policy agenda up to 2007

As stated, at the institutional level, Nedlac framed the policy agenda in terms of "sustainable economic growth to facilitate wealth creation; as a means of financing social programmes … as a spur to attracting investment … [and] as the key way of absorbing many more people into well-paying jobs" (NFDP, 1995).

The policy logic of economic growth as central to a distributive state agenda was and would remain core to Nedlac's approach.

The pervading view was that society would provide for the basic needs of people, and that in order to do so, the economy needed to grow. Furthermore, that greater participation by society in the policy-making process was desirable in order to "foster cooperation in the production of wealth" and the "equitable distribution [of wealth produced]" (NFDP, 1995). This provided Nedlac with a guiding purpose, in the early years.

A decade or so into democracy, government had come to focus on a monetary and fiscal policy path that emphasised fiscal prudence, assessing progress by stating, "Ten years later, we can confirm that the budget deficit has been reduced phenomenally, with a budget surplus in 2007". However, government was increasingly concerned with what it called a lingering "huge social deficit", which it saw as the "deepening of poverty, growing

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unemployment and growing inequality" (NAS-G, Mantashe, 2007).

In industrial terms, government saw the country's "infrastructure backlog" as a "failure of the state to invest where it matters" and had developed a sense of urgency from some in government for a new approach, in spite of the newly minted Asgi-SA policy. Government had also begun to frame problems of human capital in terms of a misalignment of skills in the labour force to the needs of the economy, the related policy debate being seen as not being "linked to the industrial strategy debate" or the "pre-eminent problem of unemployment being prevalent among the lowly and semi-skilled workers" (NAS-G, Mantashe, 2007).

There were calls from government representatives for a more interventionist state-led and directive approach that would seek to ensure that Asgi-SA was implemented, even if it meant more of an autocratic approach:

> *"Our government must elevate the whole Asgi-SA programme to the level of a Marshall plan, where failure to implement agreed interventions is punishable. Resources for all the Asgi-SA interventions must be ring-fenced and be readily available for implementation. Existing institutions must be directed to prioritise these interventions and not continue with business as usual. Poverty in general and skills shortage in particular can and must be defeated" (NAS-G, Mantashe, 2007).*

At a more granular level, business at the time welcomed the IPAP planned R372 billion capital investment in infrastructure and the Extended Public Works Programme, and the planned capital investment by the SOEs, seeing these as a "catalyst for major private sector investment, resulting in new jobs" (NAS, Motsepe, 2007).

This meant that government and business at the time shared a framing of investment as the cornerstone of economic policy in pursuance of job creation, and had enthusiastically participated in the Growth and Development Summit, under the theme "More jobs, better jobs, decent work for all" (NAS-B, Motsepe, 2007).

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Furthermore, business-supported the notion of "deracialising patterns of economic ownership in South Africa" and lamented the "slow progress" in this regard in relation to the BB-BEE Codes of Good Practice, growing itself concerned by the lacklustre compliance by those in its own ranks in enabling "visible participation by blacks at all levels of management" (NAS-B, Motsepe, 2007, n.p.).

Busa in response explicitly committed itself to appraising and mobilising business to the "national and strategic importance of building a truly non-racial society", stating that it held the view that "business can only prosper and thrive if all our people participated and benefitted from the growth and prosperity of our economy" (NAS-B, Motsepe, 2007, n.p.). Yet, progress on this front remained slow.

Towards a short-lived integration of trade and industrial policy

Business welcomed as momentous the development of a more integrated policy approach by government, which brought industrial policy and trade policy into alignment on what business saw at the time as a consolidated industrial strategy, covering the totality of the key industries.

Business saw this move by government to a planned and coordinated approach as a preferred policy path, stating, "As business, we would like South Africa to leverage on current growth and consumption patterns to develop high-potential national industries….", and identified trade policy, including targeted import duties, as a tool to encourage industrial development and facilitate market opportunities (NAS-B, Motsepe, 2007, n.p.).

Within this context, business favoured a human capital approach, aimed at and framed as "reskilling of workers" as well as preferring the use of BEE codes relating to SMME development through "enterprise development and preferential procurement" to build South Africa's SMME sector (NAS-B, Motsepe, 2007, n.p.).

Redistribution without sustainability

While labour was aligned with the centrality concept of economic growth in their framing

of the policy agenda, they lamented the apparent incapacity of the current approach to result in sustainable livelihoods. In one instance, the labour representative and General Secretary of Cosatu, Zwelinzima Vavi, articulated the plight of two South Africans, Jabu and Cynthia, as having received an "RDP house", houses given to needy South Africans by government as part of the Reconstruction and Development Programme, but being unable to afford the water or electricity for the house. Vavi went on to explain that Jabu and Cynthia had waited 10 years to receive their RDP house, and had rented it out, opting instead to again live in an "informal settlement", where they occupied land illegally but for free, and to "live off the rent" (NAS-L, Vavi, 2007) received from the RDP house.

This was indicative of the emerging failure of government's redistributive agenda to fully align with the needed economic growth and inclusive job creation to which the social partners, and labour in particular aspired. Vavi described this failure nationally as follows:

> *"Like Cynthia, Jabu and their family, workers are still struggling despite the acceleration in economic growth. Most new jobs have emerged in retail and construction, which means they are poorly paid and often only casual or informal. And these are cyclical jobs: If there is a slowdown in the rest of the economy, they might just disappear" (NAS-L, Vavi, 2007).*

The labour constituency argued for a policy approach that would support industrialisation in an effort to "restructure the economy towards shared growth" as the only path to "sustainable prosperity" (NAS-L, Vavi, 2007).

Against this backdrop, government's chosen monetary and fiscal policy approach, which favoured fiscal prudence and inflation-targeting and currency stabilisation through monetary conservatism, was seen by labour as "an inappropriate and oppressive monetary policy" and a "near pathological fear of inflation" (NAS-L, Vavi, 2007). Labour, represented at Nedlac at the time by Zwelinzima Vavi, were arguing for expansionary fiscal and monetary policy which they hoped would enable re-industrialisation in labour absorptive sectors and boost manufacturing, but saw government's fiscal prudence at the time as stemming from the SARB's inflation targeting approach instead of within the context of the management of sovereign debt levels.

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While labour was therefore aligned on the overall framing of the economic agenda, they held a fundamentally different framing of the requisite policy agenda, and blamed the stagnation in manufacturing, in particular, on the policy approach of government related to monetary and fiscal policy.

Instead, labour wanted expansionary monetary policy and easing, and greater fiscal largess and state intervention in industrial sectors, and their rhetoric grew increasingly critical of government during the latter part of the Mbeki era, especially in relation to concerns expressed by government over hyperinflation that would result from poor fiscal management. For instance, labour stated in response to government's warnings on inflation,

> "We are tired of the scare stories about Zimbabwe. No-one denies that hyperinflation is a scourge for working people. But in our environment, letting inflation rise above the 6% level in order to maintain growth seems well worthwhile" (NAS-L, Vavi, 2007).

Notwithstanding these criticisms, labour came out in support of the IPAP and broader trade policy approach, citing concerns, however, over "dramatic increases in imports from China", especially in the clothing and textiles industries in the preceding five years, and thus supported the "China quota" proposals of the minister of trade and industry as a policy approach of using trade and industrial policy to "save jobs" (NAS-L, Vavi, 2007).

In contrast, business favoured a market-friendly, coordinated and open policy stance, compared to labour that preferred a state-led, planned and semi-protectionist policy regime. Government for its part, supporting the core growth agenda behind both perspectives, was instead focused on direct redistribution in the form of public goods and services such as housing, water and electricity access and access to primary healthcare, along with fiscal prudence at the time.

Community representatives, similar to labour, expressed discontent at government's apparent fiscal conservatism, and framed their preferred policy approach as "strategic

integration into the global economy, based on a modulated tariff policy (designed to protect learning in dynamic sectors and new infant industries), export support and gradual capital account liberalisation" (NAS-CC, 2007).

This meant that that they shared labour's preference for policy to support both industrial development and diversification, as well as expansionary fiscal policy, which they argued would "kick-start new economic activities with a monetary policy designed to support increased investment and growth in exports", arguing in favour of lower real interest rates and state funding via development finance institutions" (NAS-CC, 2007).

In addition, community representatives were concerned by the way high-technology export sectors were said to be "leaving behind the larger low-skills economic sectors" and leading to fewer jobs (NAS-CC, 2007). What was emerging was the conundrum South Africa faced between growth in the economy in the form of its current structure, versus the large unemployment crisis and skills deficit in the labour market, and as a result, growing state dependency.

The community constituency saw the informal economy as a solution to this problem, stating "…industrial policy needs to recognise the growth potential of the informal economy as an integral part of the overall growth trajectory, and integrate the industrial and manufacturing needs of informal enterprises into a comprehensive industrial strategy" (NAS-CC, 2007).

Calls for comprehensive social protection

However, community representatives placed an added emphasis in their policy framing on redistribution, calling for a "national poverty line", according to which a "comprehensive basket of basic goods and services" would be guaranteed for citizens in an effort to secure a "decent life" and "basic standard of living" (NAS-CC, 2007).

Community representatives were at pains to insist that they were not in favour of a welfare state per se, but instead, saw the aforementioned as necessary and a part of South Africa's commitment to "economic and social rights", and that social grant beneficiaries

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should not be required to demonstrate that they were deserving of grants, in a context where the economy did not have the capacity to offer citizens opportunities for securing a livelihood, and that they were as a result "sunk in helpless dependency" (NAS-CC, 2007).

Community representatives were opposed outright to the idea that support to the poor should have to be "rationalised" through the "workings of the market", but argued that instead, it needed to be aligned to the aspiration of the Freedom Charter and the RDP (NAS-CC, 2007). This meant that community constituencies sought a "redesign" of the social protection system, focused on "promoting people's inclusive participation in the economy and society" by "directing resources to maintain minimum living standards of all people". They also demanded the "reduction of inequality through explicit forms of redistribution", and that this should be based on a commitment to "preserving dignity and social participation, based on social support" (NAS-CC, 2007).

Community representatives positioned themselves further left in terms of their policy frames of labour, framing growth only within a redistributive state as opposed to the pre-requisite to sustaining a distributive state.

This approach, community representatives termed as a "joined-up policy approach" in relation to government's economic and social policy instruments (NAS-CC, 2007). Their criticism of the policy regime at the time was that "the progressive nature of government's social policy programmes is often compromised by open free market economic policy choices, advanced by the economic departments of government", describing what they saw as the "contradiction inherent in the government's drive to liberalise the economy", which was to adopt a free trade regime as the sine-qua-non for economic growth, yet, claiming that this approach would adequately enable the "anti-poverty objectives" to which the social partners needed to commit themselves" (NAS-CC, 2007).

Community constituencies saw government and business' focus on economic growth as misplaced, stating, "we argue that there is no fundamental reason to pursue economic growth as a primary objective of policy", seeing growth as a "by-product" of increasing the household incomes of poor South Africans" (NAS-CC, 2007).

What had emerged was a disjuncture between the way in which the social partners framed the relationship between public resources, jobs and incomes, and the market or growth in the private sector. The result was that their perspectives on preferred policy approaches differed in fundamental ways.

The implication for Nedlac was that social dialogue took the form of seemingly irreconcilable frame conflict. The policy logics which government, business, labour and communities were propagating were directly contradictory in the manner in which they sequenced policy priorities, but more importantly in the relationship they proposed to exist between various policy outcomes. Instead then, of Nedlac facilitating a meeting of the minds on grand economic policy plans, it devolved into a forum for incremental regulatory gains and emergency response measures, negating the broader national question of progress.

Nedlac did not have the institutional stature, nor the technical and procedural capacity to begin to unpack and resolve the disjuncture between the policy frames and resultant policy logics of the social partners. Nor did it have the embodiment of the integrative leadership that would have enabled the social partners to overcome the impasse.

Frame changes after the global financial crisis of 2007/2008 – the start of the era: the Zuma meltdown

The global financial crisis of 2008/2009 put severe pressure on the South African economy and resulted in changes in the emphasis of the social partners in the way they framed the national economic and policy agenda. It also marked a significant political change, whereby the fiscally prudent and market-orientated President Thabo Mbeki was replaced by the populist Jacob Zuma. This marked a change in the trajectory of social dialogue at Nedlac, its overall effectiveness, and the confidence in the institution.

In response to the global financial crisis, the dtic leveraged Nedlac's convening power early in the period to secure a Nedlac framework to "weather the crisis" in response to a loss of 40 000 jobs in "distressed sectors" (IDC, 2009), including the automotive, clothing

and textiles; capital equipment, transport equipment and metals fabrication industries.

The aim of the intervention was the "preservation of employment", which was secured on the commitment that firms would not allow "excessive, extraordinary and/or unacceptable executive bonuses or dividend pay-outs", while receiving support. This was coupled with a punitive initiative launched in partnership with some sectors, allowing the Industrial Development Corporation (IDC) and South African Revenue Services (SARS) to clamp down on and charge companies involved in customs fraud, as well as to implement tariffs and a production incentive in the clothing and textiles industry as part of the "clothing and textiles competitiveness programme" (dti, 2009).

In addition, an incentive scheme was designed for capital, transport equipment, and metal fabrication in support of the proposed public infrastructure development programme, aimed at "the creation and retention of what labour in particular had begun to call decent jobs, and the recapturing of domestic market share.

Following the global financial crisis, government initially responded with supportive measures for the economy, and continued to look for ways to sustain growth.

A changing of the guards had occurred among the social partner representatives, with President Jacob Zuma replacing President Motlanthe, who had served less than a half-a term [2 years] as a result of President Mbeki being recalled (on 20 September 2008) at a presidential elective conference of the ANC; Brian Molefe replaced Patrice Molefe as the business representatives at the helm of Busa, and Bheki Ntshalitshali replaced Zwelinzima Vavi as labour representative.

Significantly, Brian Molefe who had come to represent the interests of big business through Nedlac, would in the ensuing *state capture* decade go on to lead the SOE energy utility Eskom. As the evidence of large scape corruption, especially in SOEs came to the fore through the Zondo Commission of Inquiry, Molefe would be one of many formerly high-ranking business leaders who would be implicated. This points to the plutocratic and oligopolistic convergence of interests not only in the economy and society at large, but within the walls of Nedlac itself.

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Entering a period of constrained resources, with growing social redistribution

Former President Jacob Zuma, addressing the Nedlac Summit in 2009, stated that "…developing strategies for decent work and poverty reduction will involve difficult choices in the current economic context…" (NAS-G, 2009).

This marked a shift in government's framing of the economic agenda towards a closer alignment with labour's agenda, compared to that of the previous decade. Zuma (NAS-G, 2009, n.p.) went on to say, "Prohibiting abusive practices in the labour market… government will have to play a critical role… building a developmental state with the strategic, political, administrative and technical capacity to give leadership." Government's economic policy framing was shifting from a somewhat market-orientated perspective to a state interventionist and planned policy, anchored in a "long-term vision for South Africa", according to which government was intent on developing the country, in an attempt to "speed up growth and transform the economy to create decent work and sustainable livelihoods" (NAS-G, 2009).

Government's economic policy framing changed almost overnight to align more closely with that of labour, and was articulated as being aimed at maintaining a "pro-employment macro-economic environment", with "industrial policies to create decent work on a large scale" and "expanding opportunities for the poor" (NAS-G, 2009).

Government's new-found emphasis on the creation of mass-scale industrial jobs coincided with an acknowledgement that the fastest growth in public expenditure would include economic services and expenditure on social security (NAS-G, 2009). At the time, 13 million people received social grants from the state, and that number would expand notably in the decade ahead to just under 20 million by 2020 (SSA, 2021).

There was also a shift in the way government framed social dialogue itself, from negotiation for agreement, to deliberation for action, as Zuma (NAS-G, 2009) stated, "…we need to move beyond social dialogue as an end in itself. Words must be matched by deeds", even as he acknowledged that social dialogue had been less successful in the

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collective bargaining arena in the preceding year, with conflicts between management and labour having become protracted and tense.

These tensions had spread to labour protests by public sector workers such as municipal workers and to members of the SANDF, including taking the form of public violence and destruction of property, which President Zuma called a manifestation of a "lack of social responsibility" and a "… failure to respect the laws of the land, and the rights of others enshrined in the Constitution" (NAS-G, 2009, n.p.). Notwithstanding the shrinking public finance capacity, government continued to give above-inflation wage increases to public sector workers in the period.

Wage negotiations, the stage for social tensions

The global financial crisis was placing severe pressure on the South African economy, which in turn was placing pressure on wage negotiations, and this, in turn, was pressurising the social dialogue process itself. This pressure was heightening the redistributive debates in South Africa and drawing into question the constitutive agreements, especially between management and workers, and would come to the fore a couple of years later with the Marikana crisis.

Business, at the time, reaffirmed their commitment to social dialogue, citing the "goodwill and social capital built up" and used, during Nedlac's management of the global financial crisis response, describing the process as "collective and pragmatic", and having united the social partners behind a programme of action "… beyond normal counter-cyclical steps", to offset the effects of recession on the poor and unemployed (NAS-B, 2009).

South Africa embarked on a counter-cyclical monetary policy and accompanying fiscal policy for stimulus, but business warned that this would not be sufficient if "infrastructural spending … became a casualty of delivery problems", referring to the issues of state incapacity that had hampered progress in the past (NAS-B, 2009).

Business therefore called for a focus on "delivery" at local government level, especially through formal PPP structures, as well as partnership on capacity issues between sectors,

and looked ahead to South Africa's hosting of the 2010 FIFA Soccer World Cup and related infrastructure preparations as a means to return the country to economic growth (NAS-B, 2009).

While business welcomed government's introduction at the time of national strategic planning and an emphasis on performance monitoring in the public sector, business retained a framing of the economic and policy agenda as needing to be centred on economic growth and the need for stimulus. Business described this focus as being towards realising the benefits that a vibrant economy will bring, and to create jobs and alleviate poverty, stating that the social partners needed to "rebuild business and consumer confidence" and re-emphasised the constraints and goals identified in the Asgi-SA policy documents, such as reaching 6% growth and halving unemployment and poverty by 2014.

This was not to be the case, and instead, 2012 would see the climax of the Marikana crisis.

Business therefore reiterated their preference for a market-led, enterprise-driven economy, one that is globally competitive, making its maximum contribution to growth and employment, as the key to better social outcomes, and called for the capacity of Nedlac to be enhanced to this end, including addressing what business saw as the considerable underfunding of Nedlac (NAS-B, 2009).

The emerging issue of labour-broking came strongly to the fore in the period when labour agitated against the use of labour brokers in the services sectors as a means to bypass cumbersome labour market regulation, while busines argued to preserve the flexibility that the practice offered businesses (NAS-B, 2009).

Labour's crisis of neo-liberalism and calls for fundamental change

Labour at the time lamented the convergence of multiple crises on South Africa, including the global financial crisis, the domestic energy and electricity crisis at the SOE Eskom, and the general environmental degradation and crisis of sustainability being brought about by consumerism and what labour called the "prevailing system of industrial capitalism", with the accompanying governing institutions and their "neo-liberal model of economic globalisation" (NAS-L, 2009).

Therefore, while labour still retained an emphasis on industrial growth for mass job creation as the economic and policy priority for South Africa, it favoured a departure from governance in the "interest of the economically powerful" rather than the people and environment, blaming the global economic crisis on "30 years of neo-liberal policies", and that "wage deflation" is not an option when dealing with the fall-out, as it would lead to a reduction in aggregate demand, mounting inequalities and the weakening of trade unions, which would lead to stagnant wages (NAS-L, 2009).

Labour therefore strengthened their focus on the so-called "decent work agenda", criticising the condemnation of the preceding wage strikes as wrongly caricatured in the media as a demand by workers for "pay-back" for their political support of President Zuma in his ousting of President Thabo Mbeki two years earlier (NAS-L, 2009).

While government remained focused on managing the short-term crisis, and tweaking their state interventionist agenda through industrial policy, and business hoped for the recovery of business confidence, labour framed the agenda as a need for "fundamental change" of the "neo-liberal model" and against financial market deregulation, the lowering of trade barriers, and of lowering of technical standard, which they argued would lead to a "downward spiral of social and labour conditions, especially for woman and poor communities" (NAS-L, 2009).

The community constituency continued to frame the national economic and policy agenda in terms of social and economic rights, and called for the "developmental state" to "protect these rights" during the fall-out of the global financial crisis, by using redistribution to

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sustain "standards of living", "service provision" and that social cohesion needed to be protected by those who benefitted personally by facilitating the provision of state services (NAS-CC, 2009).

Furthermore, the community constituency called for the banking sector to act in solidarity with citizens in their handling of "housing or vehicle repossessions", and for other economic actors to avoid retrenchments, to contribute to skills development, and wellness programmes, and they called on rich nations to support newly democratic nations such as South Africa (NAS-CC, 2009). The community constituency retained an emphasis in their framing on the need to define "multi-dimensional poverty", and called for a "social security system" that demonstrates greater solidarity among the social partners in the form of redistribution by "cross-subsidisation" between the rich and poor, healthy and ill, employed and unemployed (NAS-CC, 2009).

In addition, a concern about the levels of corruption in the public service, poor technical capacity at local government level, and the propensity of some government departments to bypass Nedlac, began to come to the fore at the community constituency (NAS-CC, 2009). Other constituencies would later express similar concerns.

Youth unemployment tops the national agenda

In the wake of the global financial crisis, South Africa's unemployment, and so-called youth unemployment (for under 35-year olds), would increase significantly and become central to the framing of the national economic and policy agenda. A mooted youth wage subsidy was to be introduced to incentivise businesses to employ more young people, but faced opposition from labour, considering the policy a threat to older employees.

A media report by the Select Committee on Labour and Public Enterprises in the National Assembly in 2012 reported that the Nedlac executive chair had described the social dialogue on the issue as a having been politicised and having become a "bone of contention, degenerating into a political slinging match" at Nedlac (National Assembly, 2012).

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While the Nedlac executive director Alistair Smith placed unemployment, and especially youth unemployment at the centre of his framing of the agenda, the report increasingly focused on the need to strengthen Nedlac's internal processes, including coordination with other institutions (National Assembly, 2012). Amid the lingering uncertainty in the global economy post the financial crisis, unemployment and organisation-level performance had come to top the Nedlac agenda, and internal difficulties hampered the institution's effectiveness.

As economic growth returned globally, in the half-decade after the financial crisis, South Africa's economy was marginally buoyed, but industries that government had considered as key to their "decent jobs" growth path, such as the automotive sector, and the upstream platinum mining sector, which provide resources to the industry, were taking severe strain.

By 2012, in spite of 330 000 jobs being created, these were not enough to offset the job losses that had resulted from the global financial crisis, causing Deputy President Kgalema Mothlante to state at the Nedlac Annual Summit that "Continued positive growth in employment will be the most important way in which we address poverty and unemployment" (NAS-G, 2012). Government re-formulated their framing of the economic and policy agenda, through the NGP and Presidential Infrastructure Coordinating Commission (PICC) to focus on job creation. They complemented these with plans aimed at harnessing cooperatives, and a new focus on what was called Spatial Planning and Land Use Management.

The latter emerged in response to an increasing focus on the ways in which apartheid's racialised land use and settlement laws had resulted in poverty patterns along racial lines, and through their response, sought to address these features of the South African socio-economic topography. In addition, government tabled an ambitious NHI proposal and reforms to the social security and retirement savings regimes, but these did not enjoy the urgency of the issue of "youth development" and a focus on "demand-side subsidies to incentivise youth employment", such as the youth wage subsidy (NAS-G, 2012).

National strategic planning and the NDP

The new focus of government on national strategic planning, and the formation of the NPC had resulted in the creation of and the adoption by the social partners of the NDP, an extensive evidence-based policy document that proposed a compact-based national development path for growth and employment. The NDP stated,

> *"…a social contract would contribute substantially to providing the political, economic and social conditions for long-run development" (NDP, 2014).*

Government, in framing the economic and policy agenda in light of the NDP, noted four difficulties that hampered progress, including: Low trust among social partners; the difficulty of the state acting as an independent and strong arbiter among parties; problems of representation of social partners; and the need for effective leadership that is able to take risks in the pursuit of growth and jobs (NAS-G, 2012). However, the NDP did not delineate what the trade-offs would have to be that the social partners needed to make to achieve a compact and job-creating growth.

Marikana and the NMW (See section, Nedlac's response to the Marikana crisis, page 105)

At this juncture, within a day of the NDP being presented to President Zuma, the Marikana massacre unfolded and subsequently, a Judicial Commission of Enquiry instituted to investigate the tragedy.

In response to the tragedy, government reaffirmed the need to address "poverty and inequality" as central to the national agenda, also re-affirming the need for a national "common vision" in pursuit of an "inclusive form of economic growth" (NDP, 2014). Turning to the performance of Nedlac itself as an institution, government noted the lack of adequate representation at Nedlac of segments of society government referred to as the "marginalised" and "unemployed", including the youth and informal sector workers, citing the difficulties in organising them for adequate representation, and calling for work to be done to bolster the community constituencies' effectiveness in representing these groups

(NDP, 2014). Government noted a "declining quality of participation" at Nedlac, the misuse of Nedlac as an avenue to "put government under pressure" on controversial policy issues and, importantly the,

"… relegation of the process to a talk shop by sending junior officials, with no decision-making authority, to represent business and government" (NDP, 2014).

In the wake of Marikana, South Africa marked 20 years of democracy, and government shifted their focus in the economic and policy agenda to the NMW in response to the growing issue of wage inequality, while retaining an emphasis on unemployment, poverty and growing inequality, with the capstone agenda item of "inclusive growth" (NAS-G, 2014). Ramaphosa (2014), in his address to the Nedlac Annual Summit, stated:

"… while significantly faster economic growth is critical to the achievement of our development objectives, it is not enough. Growth is necessary for social progress. But it is not sufficient. We need to ensure that the benefits of growth are more equitably shared… Inequality is an affront to our new democratic order and undermines our ability to extend rights and opportunities to all our people."

Government continued to place faith in the NDP as a guiding policy document, but in spite of the widespread societal support for the NDP, the labour constituency complained about the core economic chapter of the NDP, which did not align to their policy preference for fiscal largess, state support of a labour absorptive industry, and the pursuit of mass-scale industrial jobs (NAS-G, 2014). Government framed the difficulties in the economy both in terms of a poor "global economic environment" and domestic factors such as "low investment and savings", "weak domestic demand", "low business confidence and energy constraints" as well as "challenges in [South Africa's) labour market", the tone of which appeared to labour to be too market-orientated (NAS-G, 2014).

In the meantime, government continued touting a "massive infrastructure investment programme" as central to their policy approach, increasingly aligned to "correcting special imbalances in economic opportunity" with reference to the legacies of apartheid's special planning (NAS-G, 2014), while South Africa had become plagued by violent and protracted

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labour strikes in the period, especially in the mining industry.

Grand corruption and state capture

By 2017, after a period of declining growth, growing concerns over endemic corruption across the public sector and in the public private interface, as well as the rising concern over finance ministers being replaced in quick succession by President Jacob Zuma in 2015-2016, South Africa was facing a slew of downgrades by ratings agencies. In a Nedlac session with National Treasury to discuss the downgrades, government spoke of the "stabilisation of Treasury" following the appointment of a new director general, and the threat that further downgrades would pose to the economy, quality of life for the poor and the working class, a lack of job creation, challenges facing business sustainability and the overall growth and jobs agenda, as well as infrastructure projects and social reforms (NSE, 2014).

Government had departed from the fiscal prudence of the preceding decade, and in the absence of growth, was facing a widening fiscal deficit, expanding sovereign debt levels, and coupled with an energy crisis at Eskom, the prospects of a further worsening of the economic growth.

Under Deputy President Cyril Ramaphosa, the Nedlac meeting agreed on the need for a "consistent and confidence-building message that demonstrates South Africa's commitment to accelerated inclusive growth" (NSE, 2014). While not having been central to government's economic and policy agenda in the past, the issue of investor confidence emerged as a key feature of the dialogue in the period that followed. However, this would not be a unified position in government, as some quarters, informed by factional influences in the political arena, called severally for more fiscal largess, nationalisation and redistribution of land, the dislodging of what would be called "white monopoly capital", seen as powerful capital and corporate interests.

The national concern about widespread corruption, which came to be referred to as "state capture" was by 2018 a key concern of Nedlac, with the annual summit being focused on good governance, which government framed as being a "pre-requisite to an effective

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developmental state and more sustained investment… needed to fuel growth and job creation" (NAS-G, 2017). Government's framing of the economic and policy agenda had both narrowed to the need for investment, and expanded to include the need for better governance. In his speech to the Nedlac Summit, then Deputy President Ramaphosa noted that business confidence was at its lowest level in 32 years, stating that: "These realities require that sound policy choices and effective implementation be accompanied by the use of public funds solely for the benefit of the public", and went on to describe the "depth and scale of corporate capture of public institutions" that were said to have devastated the economy (NAS-G, 2017). Government had come to appreciate the link between governance and economic growth, stating that: "Unless we tackle corruption, patronage and state capture now, we will not be able to radically transform our economy, stimulate growth and create jobs" (NAS-G, 2017).

Government, as a consequence, called on Nedlac to "…position itself as the spearhead of an ethical economy" (NAS-G, 2017). While being affected by low growth, sub-investment grade ratings and spiralling unemployment, government reframed their industrial policy approach to being focused on "fostering competition" and "facilitating market entry for new enterprises", reducing the regulatory burden on businesses and improving the ease of doing business, while "building a cohort of black industrialists" that would expand and diversify the manufacturing base of the country (NAS-G, 2018). These initiatives were coupled with the creation of a Youth Employment Service aimed at creating work experience for one million of the four million unemployed youngsters, signalling government's continued framing of the important issue of youth unemployment.

Emerging policy logics on national economic policy agenda

What emerged from the comparative framing of the national economic agenda was the competitive policy logic employed by each of the social partners, indicated in Figure 19 below. Each social partner demonstrated a distinct policy priority, underpinned by policy outcomes that were considered desirable and in turn, underpinned by a policy logic that was considered preferable in pursuing the policy's desired outcomes.

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Figure 19: Comparative policy logics of South African social partners
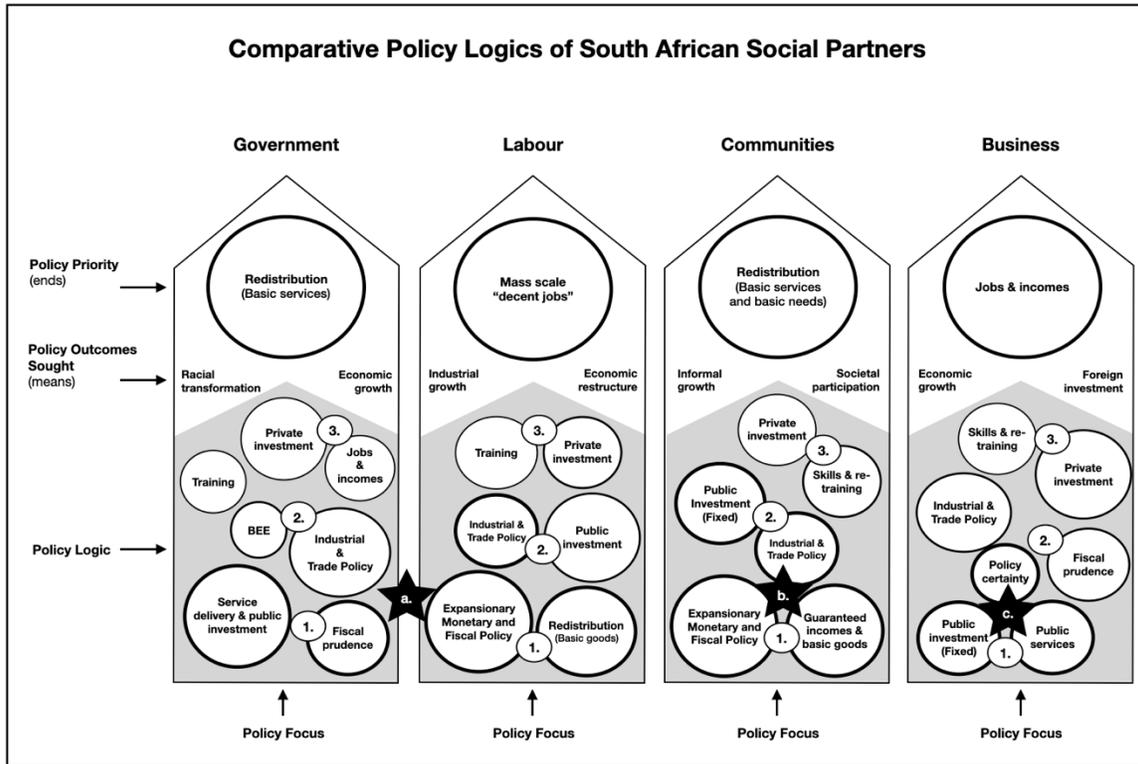
Source: Researcher's depiction

Overall, the social partners shared a view that the well-being of the economy was important to the overall social welfare of South African society, but each placed the emphasis on a different aspect of the national system, and prioritised different aspects of the policy agenda. Whereas the founding documents of Nedlac had placed growth and distribution at the core of Nedlac's purpose, each social partner priorotised these differently.

Government for its part, at the time, was expanding their framing from that of "reconstruction and development", which had emphasised the provision of basic goods and services, to a frame that included systematic and strategic national industrial and trade policy, coupled with efficient use of public resources to stimulate economic growth. Later, government would shift their framing once again to long-term national planning in line with the aforementioned aspirations.

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Business, largely aligned with government up to that point, supported the emphasis on a coordinated and competitive economy, coupled with fiscal prudence, and remained focused on incentivising and enabling investment. Labour demonstrated considerable suspicion of business' orientation, as being self-interested, and became increasingly critical of government as being too closely aligned with business' agenda, while labour understandably emphasised industrial growth for job creation for the unskilled and semi-skilled unemployed. Labour's tone was orientated towards state intervention as opposed to a market-friendly approach espoused by business and tacitly supported by government.

While government had distribution as their top priority, the pre-Zuma periods had emphasised growth as an enabler of distribution. This changed dramatically under Jacob Zuma, when distribution accelerated, irrespective of the levels of the stagnation of growth. As the job market worsened, labour's call for and priority of mass-scale decent jobs became increasingly illusive, and business' argument for jobs and incomes as the path to sustainable social outcomes an increasingly difficult argument to make.

Whereas before Zuma's presidency, government's policy logic involved creating a systematic virtuous cycle between economic growth and distribution, on the basis of fiscal prudence, public and private investment, and enabled by industrial and trade policy, from the Zuma presidency onwards, government's agenda became one of distribution, irrespective of the cost. Business in turn, still committed to investment only under favourable conditions, such as amid productivity-enhancing public investment and efficient public services, with fiscal prudence, had largely withdrawn from the policy discourse. This was accelerated as the effects of state capture became more evident.

Labour, not seeing desirable outcomes from government's distributive approach under Zuma, continued to push for ever-expanding monetary and fiscal policy, and for direct state intervention for job and industrial protection. As the social environment, including in terms of employment and income levels, worsened, the community constituency began mooting the idea of a guaranteed basic income or provision of basic necessities, quite independently and distinct from the performance of the economy and revenue position of government.

5.5. **Key Points in Summary of Chapter 5**

5.6. Nedlac exists at the intersection of social consensus, social compacting and the role of social dialogue in sustaining social cohesion and the social contract at societal level.

5.7. Nedlac has been somewhat effective, but has failed at its central purpose of facilitating the creation of a process of social partners engagement, and the subsequent policy-making processes, whereby national socio-economic transformation can be achieved.

5.8. The reason for Nedlac's successes and failures include a range of factors, relating to institutional design, institutional functioning, the broader institutional milieu and capacity, the macro- environment, issues of representivity, procedural issues related to conflict management.

5.9. In addition to these, broader institutional turbulence in the South African institutional eco-system eroded the effectiveness of social dialogue at Nedlac. Turbulence arose from, unresolved political contestation which transcended the party-political process, increasing illicit acts such as corruption as well as institutional incapacity elsewhere in the state, and the persistence of vested interest and conflicts of interests even among the social partners at Nedlac.

5.10. For Nedlac to be effective, the institution would have to enable dialogue processes that facilitate reflexive frame formation between the social partners, as opposed to *superficial* technocratic dialogue only. There is a need instead to return to the *serious negotiation* of the Mandela era.

5.11. This in and of itself poses a challenge in relation to leadership capacity, credibility and commitment which is shown to be required from the social partners and from the President in particular. Such an approach would have to go beyond the current crisis-response and short-term posture of

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Nedlac, and focus on the long-term national development and transformation agenda. It would require a commitment by senior position holders among all social partner constituencies.

5.12. Nedlac may itself need to take on a leadership role in society more generally, rather than a mere technocratic support role, or guidance role. In some instances, Nedlac's role may have to evolve to that of being directive and providing for the governance of economic and development policy for national transformation. For that to occur, Nedlac would require a new approach to how the Nedlac agenda is formulated and may need to delineate its role in terms of macro-level, meso-level or micro-level social compacts.

5.13. Nedlac is the scene of the conflict, ideological, as well as in terms of policy logics and institutional logics of social partners. Various forms of conflict result from these interactions in the dialogue arena or dialogue space, and can be contemplated in light of the ladder of reflection. As the social dialogue institutions undertake dialogue at higher levels of the ladder of reflection, they need to contend with new forms of conflict that go beyond the industrial relations and procedural forms, and deal with deeper issues such as; polarization between social partners, competing interests, distrust, frame conflict, and deep-seated societal conflict at the meta-frame level. In this vein, social partners' framing of the national economic policy agenda is divergent and often conflictual. Divergent social partner frames at Nedlac have resulted in divergent policy logics employed by the social partners.

5.14. Government, for the most part has favoured interventionist and distribution-orientated policies while shifting in their policy preferences from fiscal conservativism initially to increasingly expansionary fiscal policy even amid fiscal constraints. Labour has grown increasingly alienated from government's policy position, in spite of the alliance relationship between the ANC and Cosatu, due to the failure of labour's longstanding calls for government-led industrialization through market control measures and

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public investment. Business, comparatively, have favoured a pro-market agenda so far as growth is concerned, but have been reluctant to explore structural economic change or conceptions of distribution other than job creation by the private sector. The result has been a policy drift overall towards distribution in the form of direct cash transfers, instead of meaningful long-term consensus about economic and socio-economic reform and transformation.

5.15. Beyond the how of more effective dialogue, Nedlac would have to address the perennial challenge of enhancing representivity to allow more diverse voices and interests into the dialogue process.

CHAPTER 6: THEORETICAL FRAMEWORK AND RECOMMENDATIONS

In this study, the researcher examined the case of Nedlac in South Africa as a formal institutionalised approach to social dialogue for compact-building. He set out to look at the case through the lens of institutional theory, and the micro-foundations of institutions in particular. Furthermore, he has drawn on the development of institutional economics and related concepts in policy science and of policy deliberation to consider the character and processes of institutionalised social dialogue for social compact-building.

Since a qualitative case study might consist of an exploratory approach to theory-building through data gathering, and coding such as categorisation arising from content analysis and the synthesis of insights that emerge from the data (Saunders, 2008), this study presents in this section its proposed framework in relation to the relevant literature.

It offers a framework of multi-stakeholder institutionalised social dialogue for social compacting, by integrating and synthesising the insights and concepts from the aforementioned fields.

This gives rise to a theoretical framework and recommendations which;

i.   Places consensus-building at the centre of the framework as a means towards social compacting as an end;

ii. Contemplates the effects of institutional structure and process in formal institutionalised social contracting, and

iii. Considers how policy actors take on the role of integrators or framers, in the social contracting process. Policy actors might employ reflexive frame formation and the creation of shared frames to secure social contracts as part of the policy process.

6.1. Implications of these findings on Nedlac's performance

This study set out to answer a series of research questions pertaining to the macro level, meso level and micro-foundational level developments at Nedlac. These are discussed here.

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6.1.1. How did changes in South Africa's political economy context, the macro level setting, informed the participating social partners in Nedlac, the meso level institutional field, with particular reference to competing logics, field frames, frame conflict, and frame formation? (This question takes a top-down view of institutional formation.)

From the thematic analysis, it is clear that Nedlac was directly and substantively affected by the political, economic and social turbulence not only in the South African political economic context, but also the greater global environment. Political changes, economic shocks, and social conflicts all had an effect on Nedlac, either by debilitating the institution, changing its focus and agenda, or undermining the institution's own integrity and effectiveness.

It is also clear from the analysis that the frames and logics employed by social partners tended to change in line with developments in the broader systemic context. When the political environment became more populist, so did the government's use of frames associated with distribution, and the level of antagonism or ambivalence towards the other social partners and especially business. Likewise, when the economic environment worsened, the frames employed by business tended to narrow to their direct interests and sectoral logics associated with a market-orientated perspective. Particularly labour tended to not only escalate the antagonism in their rhetorical tone towards the other social partners when social and labour conflicts escalated, but made substantive changes to their own participation and representation in the dialogue structures and processes in their entirety.

From this top-down perspective, one might observe that multi-sectoral social dialogue institutions such as Nedlac, as a field or domain of frame interaction and conflict, will embody the strains in the societal system from which they arise. Furthermore, while this might seem obvious, upon further reflection, it is clear that such institutions are highly susceptible to the ebb and flow of social relations, to the point where the opportunistic, cynical or good-faith actions of one or more social actor are able to formatively reshape

the institution itself and undermine its effectiveness.

6.1.2. How did institutional structures, processes, and the formal institutional features of Nedlac affect the institutional capacity for the creation of consensus and agreement on economic policy in lieu of a social compact for South Africa? (This question takes a meso level view of institutional functioning.)

The analysis shows that the architects of Nedlac's protocols, from which many of the institution's processes and structures arise, left an enormous amount open-ended in terms of how the institution would in practical terms respond to the unwieldy agenda that would inevitably arise. While in the early states of the Mandela era, leadership personality, style and reputation appear to have played a significant role in affording the institution credence from the social partners, in the later periods, the institution's processes and structures showed considerable vulnerability to external and internal shocks.

Beyond the vulnerability of the institution, the design thereof from a formal institutional point of view appears to be naïve and inadequate. It remains under-reourced, the scope and mandate of work for which it ought to be mobilised remains ill-defined, and the manner in which it interacts with other institutions in the policy-making landscape remains opaque. At the social dialogue level in dealing with the interaction among the social partners, the analysis shows that critical operational and facilitation skills have been under-developed and over time, lost at Nedlac. This points to an over-reliance on the capacity of the social partners to voluntarily and effectively rise to the occasion in terms of capacitating the institution for the purpose of consensus-building.

When considering the fact that South Africa's constitutional dispensation was begun on the assumption that the society was in dire need of change to address historical injustices and inequalities, and that Nedlac was conceived of as the forum meant to enable progress at the national level regarding these matters, the institution was wholly inadequate for the task from the very start.

6.1.3. How have the frames and logics participants at Nedlac given rise to frame conflict, frame formation, and shared frames in the context of social contracting? (This

question takes a micro-foundational level view of institutional change and institutionalisation.)

The analysis shows that there is a fundamental disagreement among the social partners on two important aspects of national economic policy. The first is on the sequencing of priorities as it relates to private sector performance, distribution from government and the provision of basic services and goods. The second is on the proportion, in fiscal and revenue terms, which ought to be allocated to each of the aforementioned.

Across the historical eras described, government has demonstrated a commitment in their frame of the national economic agenda overall, to an improving economic system as a necessary condition for increasing distribution. However, the evolution of government's frames indicates a shift towards an increasingly state interventionist and increasingly distribution-orientated approach, at the expense of economic considerations.

Business, while showing considerable willingness to accommodate government's distributive and transformation agenda in the form of BB-BEE, has never shifted from a frame that did not emphasise the primace of a market-orientated perspective. This has meant that even as the economic, political and social environment worsened, business frames have implied that the creation of the environment is the prerogative of government, and that business will respond positively to the extent that government addresses the low levels of confidence.

Labour have been distinctly committed to a dual-framing of job creation through industrialisation on the one hand, and state-led development on the other. Their frames are reminiscent of cold-war-era soviet ideology, accompanied by fairly narrow wage-demands and approaches to bargaining. The result though, of labour being aligned to the ANC politically, has been that it has participated at Nedlac as a second-fiddle to the ANC in government, with little effect in driving their agenda. As discussed earlier, this was reinforced by internal tripartite alliance dynamics.

The community constituency have employed the most distributive frames of the social partners, but have offered the discourse little by way of actionable policy options and as a

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consequence, do not seem to have played any significant role in shaping the Nedlac agenda.

These divergences between the frames of the social partners appear to lie at the root of an ongoing policy conundrum that has plagued South Africa since it became a democracy. That is, it has to address how to accommodate the needs of the private sector, which government, labour and the community constituency are reluctant to do in the first place, in order to do the more important thing of addressing poverty and inequality through distribution. Seen from the side of business, who of course would prioritise their own interests and be orientated to a growth-friendly approach, the question is how to create a better society through the use of a constrained resource base which needs to be grown? In business' conception, the preferred approach is a system which benefits the privileged, while the poor, unemployed and poorly employed wait for employment opportunities while they become increasingly dependent on government transfers.

As such, the conflict is essentially ideological in character, but translates into policy controversies in relation to the allocation of public resources, the roles of the respective social partners in the development process, and what the boundaries are between their respective responsibilities and commitments to their shared interests.

Creating a new consensus

The analysis shows that none of the social partners agree on the basic economic policy agenda and what it should be, and have as a consequence agreed tacitly to a marriage of inconvenience at Nedlac, and worked on the technical implications of what is to all of them an uncomfortable national arrangement. What seems to be required is a new consensus which at its core agrees on the types of structural changes that will be required to secure South Africa's medium and long-term prospects and social cohesion. Social dialogue offers a dynamic approach to power-sharing between the social partners, not only in a corporatist conception, but across society at large. Sharing power through social dialogue in the construction of social compacts may offer an alternative to harmful contestation over contending interest, including political interests embedded in the dominant political institutions now active.

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These in turn will require immediate compacts related to the industries and sectors in which these structural changes are most likely to be beneficial, especially in the form of labour absorption and new patters of economic inclusion. Accompanying such compacts, would need to be alignment on the investment required, and the approaches to fiscal and monetary policy that would be conducive to progress. It seems that new notions of public value and public purpose would have to be central to such a new shared-frame for national development and transformations, and that collective action would need to be underpinned by new conceptions of partnership around shared national goals.

6.1.4. How have participants or institutional actors' approaches to engagement affected the framing formation of social partners and the resultant effectiveness or ineffectiveness terms of creating consensus?

Considering Nedlac's successes in the legal and regulatory domain, its responsiveness to the crisis, including the global financial crisis, and more recently, the Covid-19 pandemic, and then considering Nedlac's failures in addressing the systemic transformation of South Africa, one might conclude that Nedlac has in some respects been very useful. However, when compared its legislative mandate and purpose it has not been effective.

Nedlac was never intended to function as a emergency chamber for Cabinet to convene societal counterparts in order to facilitate a crisis-response as has been the case during Covid-19. Now was it intended to pour over the minutia of regulatory proposals as would a technical support structure in a industry association body or government department such as the DTIC. Rather, Nedlac was tasked with the custodianship of the national development and transformation agenda. It was tasked with enabling a strategic level, consensus-building process that would extend South Africa's democratisation from the political domain into the economic and socio-economic domain, thereby reforming the apartheid system to become an inclusive democratic one. Nedlac has fallen far short of this lofty mission.

Engagement at Nedlac seems to have been fraught at times with poor understanding, poor participation and poor commitment from each of the social partners for different

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reasons and at different stages.

While labour appears to have been the most consistent in participating at Nedlac, their engagement in terms of seeking consensus appears to have been overshadowed by a basic commitment to an ideological position that is in practical terms, untenable.

While business has at times committed to Nedlac and brought significant resources to the table to enable the social dialogue process, such as recently during Covid-19, it has more generally and historically allowed the inadequacies of their government counterparts, and their own narrow self-interests to undermine the posture in the social dialogue process. When it was expedient for business, such as when the institutional decay of the state capture era took hold, business in practical terms withdrew from Nedlac and constructed its own extra-institutional channels through which to navigate the increasingly fraught environment. These actions can be seen as positive, in the business proactively worked to counter the debilitating effects that the Zuma era was having in the institutional eco-system. But it can also be seen as cynical in that business remained silent and in some instances complicit for the greater part of ten years, as the patronage networks and illicit dealings developed, before business was willing to side with labour and civil society constituencies in open opposition to Zuma and his allies.

Government, widely criticised by the interviewees for its uneven and ambivalent attitude towards Nedlac, has likely had the greatest impact on weakening the institution, both indirectly through the susceptibility of the public sector to mismanagement and corruption, but also through the mixed commitment to Nedlac and willingness to bypass Nedlac, even excluding labour in the process on national issues as pertinent as the NDP.

Overall, except for flashes of individual excellence and the demonstration of considerable aptitude for effective dialogue, one might observe that South Africa's social partners have signed off for a dialogue-based approach to policy-making, but instead opted for a muddled mixture of back-channelling and poor-faith posturing under the guise of a commitment to the national common good.

In many instances the process has ended in court battles to resolve policy disputes, in an

ongoing form of law-fare in which the courts become the final arbiter between the government and the private sector or other social actors. Instead therefore, of the courts being kept in reserve as an arbiter of last resort within the content of the state system, they have in many instances been used as a first port of call one initial dialogue processes fail to reaching agreement.

6.1.5. What can be understood about the performance of multi-sectoral institutions tasked with consensus-building, from the confluence of context, structure, process and engagement at Nedlac, and more specifically, of the role of social partners' contending frames and logics?

From these observations, the following insights arise about multi-sector institutions tasked with consensus-building:

a) They ought to be designed, resourced and their processes and structures tailored to withstand the turbulence likely to occur in their environments over time;

b) The location and role of the institution within the broader policy-making eco-system must be thought-through, articulated and codified, with the requisite binding, and sanctioning features applied to ensure the social partners understand and are accountable for their actions, and to the institution and their role therein;

c) Their capacity for research, convening, facilitation, bargaining and negotiation ought to be tailored to the scope of their responsibilities, and the latter ought to be defined clearly;

d) The need exists to create processes that do not only deal with the legal-technical or technocratic features of laws and regulation, but also the ideological and meta-frame level of the parties. In Nedlac's case, this has been sorely neglected and appears to have been left to happen spontaneously or organically in the ordinary course of social partner interaction. Consequently, they often did not occur.

In line with the research objectives of this study, this study examined the institutional genesis and evolution of Nedlac; how its institutional structures and processes responded to the demands of that situation; and how the institution has evolved over time, formally and informally, to how it currently operates as a convener of current stakeholders. In doing so, this study has been able to assess the progress, or lack thereof at Nedlac in relation

to consensus-building through social dialogue aimed at social compact-building, over various sub-periods or eras since its inception, highlighting successes and failures in this regard. Furthermore, the study was able to explore the dynamic interrelationships between macro level contextual change, institutional form or structure, organisational processes and micro-foundations (such as frame formation, including how conflict arising from diverse frames or institutional logics), and finally, the role of the reframing feature in multi-sectoral settings.

In the next section, the researcher develops a framework of the relationship between the micro-foundations of institutions, and integrative leadership in the context of institutionalised social dialogue, showing how the use of frames, frame reflection and frame formation, in the context of deliberative or reflexive policy-making, might be used to create consensus among stakeholders.

In light of the above, the researcher formulated a framework and recommendations for how institutionalised social dialogue might be approached in terms of the procedural and facilitative aspects thereof.

6.2   Towards an Integrated Conceptual Model of Social Dialogue for Social Cohesion

As depicted in Figure 20 below, we present an integrated model of how social dialogue might be utilised within the context of the process of institutionalising the social contract, in order to enhance social cohesion at a national level.

Figure 20: Deepening social cohesion, institutionalising the social contract through dialogue
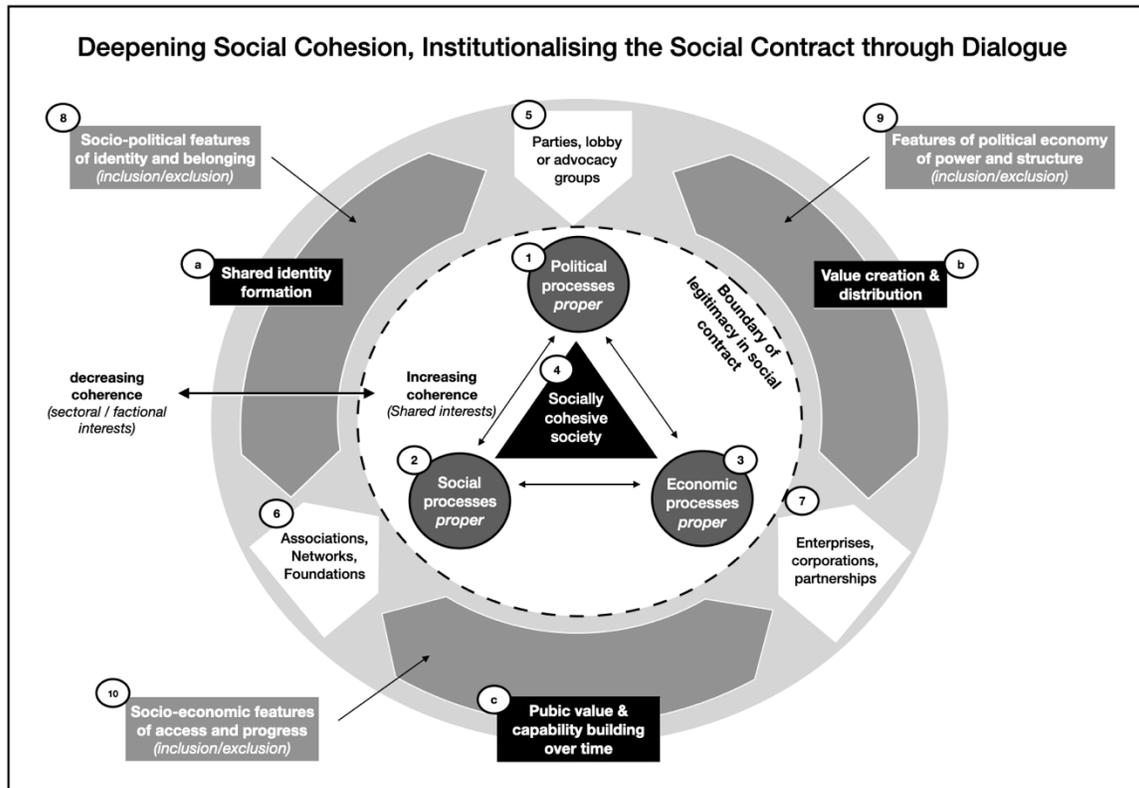
Source: Researcher's depiction

Taking into account the exploratory nature of the case study in this research, we present a theoretical perspective on the phenomenon, and recognise the limitation of the study in providing empirical evidence for the accuracy of the model. The testing and validation of the model would need to be done in the context of further research.

6.2.1 Social cohesion – the interplay of political, economic and social processes

The first observation of the integrative model is that social cohesion, or the endurance of a society's social contract as expressed between citizens implicitly and explicitly, is the product of an ongoing interaction between the political, economic and social processes of the society (See 1, 2, 3 and 4 in Figure 20). As seen in the case of Nedlac, the levels of conflict, and threats to the social contract as seen during the Marikana massacre, occur when the balance or co-evolution between the political processes, economic processes

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and social processes spiral out of control. Thus, a society might experience increasing coherence or decreasing coherence as a consequence of the interaction of the political, economic and social dimensions.

6.2.2 Parties, enterprises and associations as instruments of political, economic and social expression

In the context of a constitutional democracy such as South Africa, individuals and groups will give expression to their political, economic and social interests through societal instruments of organisation, or institutions of a myriad of forms. These might include, in the case of political interests, formal institutions such as political parties, advocacy groups or lobby groups (See 5 in Figure 20). In the case of economic interests, these might take the form in formal institutions such as enterprises, corporations or partnerships created in the pursuit of monetary or material gain (See 7 in Figure 20). Finally, in the case of social interest, formal institutions such as associations, networks of interested parties or foundations might be formed (See 6 in Figure 20).

In the case of Nedlac, the social partners have been shown to interact in a corporatist fashion, broadly in line with these categorisations, in the conception of government, business and labour, as well as community constituencies.

6.2.3 Shared interests versus sectoral or factional interests

Notably though, these parties' interest might be understood to converge in the form of shared interests, while also at times, being divergent in the form of sectoral or factional interests.

In the case of Nedlac, we have observed how the interests of big institutional participants, such as government, large businesses organised in business formations and established unions in the labour movement, have converged in participating at Nedlac, while at the same time, their interests diverged in the content of the dialogue agenda. More importantly, the convergence of their interests in a corporatist expression of social dialogue occurred at the exclusion of the interests of smaller businesses, marginalised and less powerful social groupings and at times, excluded the interests of political factional groups.

As such, the model assumes that when societies cohere, or experience social cohesion, there is an implicit level of sufficient alignment or overlap between the interests of various societal groups or actors. Importantly though, this ought not to be understood in simplistic and one-dimensional terms.

Since, as the study of Nedlac has shown, it seems possible that although two or three parties' political interests converge, as was the case historically with the ANC, Cosatu and the SACP, their economic interests were increasingly at odds. Similarly, while at the national level, all of South Africa's social partners' interests converge at the level of national socio-economic progress, the specific political and economic concessions, or forms of social participation that such progress would require, represent a proliferation of fractious interests.

6.2.4 Emergent features in the form of socio-political, political economy and socio-economic societal interplay

What further complicates the interplay of political, economic and social interests, is that various emergent institutional phenomena arise in the process. When, for instance, a set of political institutions and social institutions interact, they give rise to socio-political

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features that permeate the societal landscape through a process of diffusion. In turn, these give rise to notions of identity and belonging among societal members, whether individuals or groups. This was evidenced in the case of Nedlac, where social partner identities, whether of union leaders or business leaders were thinking of themselves in those terms or of one another as the bosses of the respective social groupings. Likewise, the self-identification of ANC leaders and their counterparts in other political formations, thinking of themselves as struggle leaders in the anti-apartheid fight, and as liberation movement leaders thereafter, demonstrates the phenomenon.

Similarly, when political institutions and economic institutions interact, these too give rise to features of the political economy that create and reinforce the consolidation or dissipation of power and structures in society, some of which endure for long periods of time. In the case of Nedlac, the various formations such as Busa, the BLSA, and more recently, the BBC evidence such political economic emergence. More importantly, the economic structure, including the role of large SOEs and market dominating enterprises in the South African case are such examples. These all signify elements of path dependency at the structural and systemic level, constituting ridged and persistent macro-level contours within which social dialogue and social partner nitration later occur.

When social and economic institutions interact, the product is the emergence of socio-economic phenomena that shape the stakeholder landscape. Examples of the Nedlac case is the emerging role of the likes of the UDF and later, the role of NGOs and the likes of Afriforum and Outa in more recent years.

Notably, each of these institutional phenomena have bearing in a unique way on the levels of inclusion or exclusion in the society, and thereby on the eventual level of social cohesiveness.

For instance, socio-political institutions seem to play a role in mediating the formation of shared identity and belonging (See a in Figure 20), whereas political economic institutions seem to play a role in mediating the process value creation and distribution (See b in Figure 20). Finally, socio-economic institutions seem to play a role in mediating the process of public value creation and capacity-building over time. As such, to the extent

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that these institutions are conducive to social coherence, or a convergence between political, economic and social imperatives and interests, they integrate the society. Likewise, to the extent that such institutions favour a particular social sub-group, or advance the interests of one group at the untenable harm of another, they seem to undermine social cohesion and fracture the society.

In the case of Nedlac, the formation of Nedlac in 1994 came at a point when the Codesa process and other informal institutional innovations had brought about a significant historical settlement. These, in turn, had provided society with a shared frame of reference for national identity, which was imbued with the Mandela philosophy of reconciliation, and was underpinned by the principles of unity in diversity, non-racism and non-sexism.

6.2.5 The boundary of legitimacy and the maintenance of the social contract

What the Mandela moment seems to have given South Africa was to create a domain of sufficient social inclusion, at the level of national identity, to allow for the emergence of what is contemplated in the model as the boundary of legitimacy.

The suggestion is that when a society's political, economic and social institutions, and their emerging instruments and features, are sufficiently inclusive, they underpin the adherence to the social contract. The South African Constitution, as a formal expression of a tacit societal agreement, is precisely such a contract.

However, and importantly, the negotiated settlement of 1994 and the amended Constitution of 1999 were on the basis of a promise of improved socio-economic conditions. What we see from the evolution of the economic policy formulations, and accompanying discourse in the case of Nedlac, is that implicit in the social contract was the commitment to improve the levels of social and economic inclusion. Therefore, as the economic progress of South Africa waned, and social progress in the measure of poverty and unemployment stagnated, the social partners began to approach the boundary of legitimacy.

Not only were self-seeking political or business elites increasingly considered illegitimate,

but their conduct undermined the institutions they represent and ultimately undermined Nedlac itself. Considering the events of violent unrest and looting that accompanied Jacob Zuma's arrest and incarceration during July of 2021, during which commercial and retail establishments were targeted, one might argue that the actions of extractive and self-interested elites, by eroding the rule of law and state of the economy, undermined the social contract fundamentally among ordinary citizens and especially the poor.

6.2.6 Social dialogue for identity formation, value creation and capacity-building

What the model, and the case of Nedlac suggests, is that institutionalised social dialogue can be used as a mechanism for sustaining the social contract. However, what the corporatist conception of social dialogue has undertaken at Nedlac is inadequate. Rather, social dialogue ought to perhaps be conceived of in broader terms that allows for three thrusts, namely:

a. Social dialogue for identify formation and belonging (See a in Figure 20)
b. Social dialogue for value creation and distribution (See b in Figure 20)
c. Social dialogue for public value and capability building (See c in Figure 20).

Societies such as South Africa that have come about through the confluence of a multiplicity of social institutions such as religion, culture, language, race, and history, require dialogical maintenance and development. They require the creation of spaces where framing at the meta-cultural level can occur. Where individuals and groups can grapple with their own, their shared and their desired conceptions of identity. Where the pluralistic nature of their constitution, at socio-political and socio-economic level, can be reflexively engaged with.

Yet, in contrast to these forums for collective self-reflection proliferating and deepening their impact, such as through public schools and universities, the trend in South Africa has been a flight into private provision among elites who have little faith in the state's fledgeling capacity. As new elites join this trend, the counter-productive impact on social cohesion is that historic cleavages along racial lines are increasingly translated into alienation along class and community lines. Naturally, such an approach to dialogue extends far beyond the technocratic and corporatist conception of Nedlac's historical mandate and operations.

The model also suggests that societies that are fraught with historically extractive and oppressive political and economic institutions, require new fissures to be opened in terms of discourses, where the power structures, and structures of accumulation and skewed distribution can be questioned in an evolutionary manner.

That is to say, such societies require dialogue processes that contemplate the alternative options for value creation and distribution. While Nedlac has in some ways undertaken such dialogue in seeking to secure South Africa's industrial policy approach, the various policy plans such as the Asgi-SA policy and the NDP and more recently, the Covid-19 pandemic recovery plan, are overly tactical compared to what is required.

If one considers the possibility that the socio-economic features of South African society seem likely to overtake the economic and political capacity for the maintenance of legitimacy and coherence, a more fundamental dialogue about value creation and distribution is required. Simultaneously, the understanding that the production of value is not limited to narrow private sector or business enterprise activities, but that it arises from an inter-institutional confluence, it then illustrates the need for a third form of dialogue about the need for public value creation and capacity-building.

For instance, if over time, the South African economy grows in GDP terms, and the value created is distributed only along the lines of historical advantage and disadvantage, the likelihood is that the social contract will not prevail. If the underlying enablers of progress, such as infrastructure, education, resource availability including capital, and the intangible enablers of trust and social capital are not addressed through a conserved effort, the social contract will fray.

Therefore, for institutionalised social dialogue to succeed to managing the convergence of interests of a pluralistic society such as South Africa, it must enable the creation of sufficient consensus in all three domains. In doing so, it must enhance the levels of legitimacy of the formal institutions in the eco-system, and draw social partners into the centre of the model, where cohesion is sustained.

In contrast to the propensity for grand policy plans being developed and introduced into the national system in a directive manner by any one social partner, as has been the case in South Africa under ANC leadership, the model suggests an ambitious and inspiring, but co-creative and adaptive consensus for action at the core would be preferrable. As such, the policy process would allow for experimentation and trust-building, in the process of shared experimentation, in pursuit of the national interest.

6.2.7 Social compacts, instruments for incremental progress in social dialogue

One of the difficulties of institutionalising social dialogue within the complex domains under consideration is the question of how to scope and formulate the social dialogue agenda. In the case of Nedlac, we showed how the agenda often emerged from sporadic political imperatives, economic shocks or issue areas. While a measure of adaptability and responsiveness is required for national social dialogue to respond to these, we have argued that national social dialogue needs to take a more intentional approach to agenda-setting.

In the Nedlac case, the unfortunate timing of the introduction of the NDP in relation to the derailing effects of political development in the period, meant that the policy instrument failed to secure the social partners buy-in at the agenda-setting level. Once an overall agenda has been clarified, social compacts offer a mechanism for bringing coherence to the social dialogue agenda amid of the complexity of the domain. Naturally, social compacts themselves have inherent complexities and require renegotiation or recalibration over time, but provide a lynchpin around which to forge consensus and mobilise collective commitment and effort.

The Nedlac case has shown how social compacts, if aimed at specific bounded issues such as energy security or energy sector reform, can provide a mechanism for integration of social partners' interests and a clarification of their contribution and role in resolving the issue. We argue, therefore, that social compacts of various kinds and conceptions can function as the scaffolding against which consensus-building and eventual social contracting can be built.

It might, for instance, be beneficial to consider the use of formal as well as informal social compacting initiatives that construct, in a complementary and self-reinforcing way, the social, cultural, economic, political and technical aspects of the social fabric, and thereby give life to the social contract at national level. Symbolic national gestures, such as shared experiences during high profile sports or cultural events have been seen to provide society with a qualitative sense of shared identity, notwithstanding the fact they such sentiments dissipate quickly in the absence of substantive social change and progress.

6.2.8 Integrative leaders and the creation of public identity, belonging, value and capability

Leaders and participants at Nedlac have often self-identified as constituency representatives, social partners, convenors, facilitators or even parties to a negotiation. However, what the model indicates is that perhaps a preferred conception of leadership within the context of national social dialogue is that of integrative leadership for the creation of public identity, belonging, value and capability.

As seen in the case of Nedlac, social dialogue succeeded when magnanimous leaders, such as Nelson Mandela, inspired a semblance of shared national identity and shared national interest. It also succeeded, when such leaders demonstrated and inspired a shared commitment to the furtherance of the public good and specifically to the dialogue process, or when their personal credentials as leaders and that of the institutions they represent are of a quality that enhances the dialogue process rather than diminishing its attractiveness.

In light of the model, one might then think of integrative leadership in institutionalised social dialogue as a process of shared-frame formation across the social, political and economic domains. To seek to create a shared frame in one domain, at the neglect of the other, is then shown to perhaps be politically expedient, but not socially desirable over time.

This raises the question of whether pluralistic societies such as South Africa that have arranged themselves through democratic political institutions, can reform their economic and social institutions through integrative leadership, to be more representative? Also, in the absence of a symbolic cultural reference point such as a monarchy or single religion

at the meta-cultural level, can such society cohere purely on the basis of shared interests and progress towards them?

If the answer is yes, then it appears that institutionalised social dialogue ought not only to be thought of in procedural and formal structural terms, but as an embodiment of the democratic expression of civic leadership. That is to say, what the King or Queen is to the monarchy, or what the vote is to politics, and trade is to commerce, institutionalised social dialogue is to democracy.

Social dialogue then is the institutionalisation of the very notion of societal integration and coherence. If one follows the argument that in democracies violence as a means of settling social conflict is undesirable, and that democratic systems ought to provide alternative means for oppressive, regressive or destructive elements in society to be dealt with by a mutually interested collective within a sovereign state, then dialogue is a reasonable alternative to violence. In a sense, dialogue is a shock absorber which compensates for the shortcomings of the formal and procedural democratic progress, while potentially being the highest form of democratic integration between sectoral or collective interests. If effective, it provides a channel through which power can be wielded by a multiplicity of actors, and the tendency for power to coalesce to be mitigated – but only if the dialogue process itself is not co-opted.

In the case of Nedlac, dialogue is the acknowledgement that a society might engage by way of reasoned conversation, as a preferred mechanism for discovering and creating mutuality, mutual interests and the maintenance of the social contract. However, as we have shown, the process and the platform created by Nedlac has to a large extent been co-opted by persistent patterns of undesirable social interaction, rather than challenging them.

6.3. Responding to the Challenges at Nedlac: A Practitioner's Perspective

At the outset, this study sought to investigate the institutional effectiveness of Nedlac, a multi-sectoral institution for social dialogue and consensus-building. The study sought to understand the case of Nedlac in its historical and national context, to investigate the

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institutional evolution of Nedlac and examine the micro-foundational discursive frames employed by the social partners in their policy deliberation at Nedlac.

The study sought to understand the case of Nedlac, first from the point of view of institutional theory, and in light of the micro foundations of institutions in particular, while also examining the case in light of related concepts in institutional economics and literature related to policy analysis and policy deliberation. Through the study, it was intended to better understand the contributing factors to the effectiveness, or lack thereof, of Nedlac as a forum for social dialogue for consensus-building on issues of national development. In light of the study's findings, we offer a range of observations and a framework of recommendations, to be taken under consideration as the institution and the social partners who engage at Nedlac look to the future.

We categorise these recommendations in three levels, namely, the macro level societal, meso level institutional and micro level discursive recommendations. We further combine these levels, with the cross-cutting dimensions contemplated in the dominant or generative themes discussed in Chapter 5, as arising from this study.

Thereby, we offer a framework of recommendations in the form of a matrix structure that gives rise to 21 challenges detected in this study, confronting practitioners of social dialogue for social compacting at Nedlac and elsewhere in similar cross-sectoral institutions globally.

Table 8: Matrix of challenges arising from the of macro, meso, and micro level aspects as they relate to the dominant or generative themes

	a. Macro level societal	b. Meso level institutional	c. Micro level discursive
1. Lack of clear institutional mission	1.a. The societal institutional architecture and design challenge	1.b. The formal institutional mandate and legitimacy challenge	1.c. The challenge of revitalising a discourse of mutual interest and good-faith engagement

2. Inter-institutional misalignment between Nedlac and other institutions	2.a. The policy process and facilitation challenge	2.b. The institutional agenda and limitation of scope challenge	2.c The challenge of clarifying and delineating intra-institutional boundaries and responsibilities
3. Intra-institutional incapacity within Nedlac	3.a. The societal social dialogue capacity challenge	3.b. The formal institutional social dialogue capacity challenge	3.c. The challenge of nurturing a home-grown discursive toolkit for co-creative engagement
4. Susceptibility to macro-environmental shocks in Nedlac's environment	4.a. The societal institutional vulnerability challenge	4.b. The formal institutional vulnerability challenge	4.c. The challenge of resolving the sense of alienation of social partners from impacts of external environmental factors
5. Issues of representivity, associated with aspects of voice, power relations and interests in Nedlac's processes	5.a. The societal inclusiveness and participation challenge	5.b. The formal institutional inclusiveness and participation challenge	5.c. The challenge of discursive inclusiveness and participation
6. Conflict and procedural effectiveness in social dialogue undertaken at Nedlac	6.a. The societal conflict management and consensus-building challenge	6.b. The procedural mediation, facilitation and conflict transformation challenge	6.c. The challenge of rhetorical pluralism, frame formation and crating shared frames

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7. Social compacts, social contracts and social cohesion arising from Nedlac	7.a The social cohesion challenge	7.b. The social partner consensus, agreement and social compacting challenge	7.c. The challenge of creating and embedding tacit credible commitments

From the matrix above arise 21 challenges confronting Nedlac as it seeks to improve its effectiveness. These challenges range from broad societal challenges ranging from the societal institutional architecture decided upon for South Africa in the 1990s (see 1.a in Table 8), to the narrow focus of creating and embedding the tacit credible commitments (see 7.c. in Table 8) that might underpin a level of sufficient consensus for South Africa's social partners in the future.

These challenges are briefly discussed and clustered into five recommendations for leaders of multi-sectoral social dialogue institutions.

6.3.1 Recommendations for responding to macro, meso, and micro level challenges

The framers of Nedlac set out to provide South Africa with a formal institutional mechanism for social partnership between government, business and labour. Later, as the community constituency was added, it was hoped that Nedlac would provide a social dialogue mechanism for the social partners to coalesce around a broad and inclusive national agenda, and reach sufficient consensus to move forward together on critical issues of legislation, policy and regulation for national progress.

The study has shown that the initial institutional architecture and design of Nedlac was inadequate for the institutional mission it was given (Challenge 1.a) and that it fell short of the expectation that it would facilitate apex social dialogue for consensus-building.

6.3.2 Recommendation 1: Review and refresh the institutional architecture for social dialogue and consensus-building

It is recommended that South Africa's leaders from across the spectrum of social partners,

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initiate a process whereby the institutional architecture for social dialogue can be revisited, reviewed and revitalised. Given the fact that Nedlac has today been formally embedded in the legislative and normative institutional landscape of South Africa, of necessity, such a process would require an act, in unison, of the executive in government, of other institutions such as Parliament, as well as the participation of business, labour and civil society more broadly.

It is likely that a consultative process, whereby societal leaders from various sectors, across the strata of society, and a diversity of cultural, linguistic and social backgrounds are able to contribute, would be most beneficial in terms of a renewed architecture for social dialogue for consensus-building. In light of the emergence of social media, high levels of technological connectedness and access, and distribution of technology use, these may become the basis for national social dialogue in future. In instances where direct democracy, or citizens polling and referendum are optimal for policy decision-making, the new era of digital connectedness and the iniquitousness of information mean that citizen participation may in future be enabled by artificial intelligence, big data analytics and automation. National social dialogue institutions such as Nedlac need to harness these capabilities and thereby provide a counterbalance to the alternative eroding effects that social media manipulation and the use of fake news has had on democracies.

New national institutional architecture for social dialogue

The product of such a process ought to be the creation of a new national institutional architecture that takes into account the constitutive complexity, plurality and evolutionary nature of the social stakeholder landscape of South Africa today, as distinct from that of the 1990s.

Clarify the mandate

At the meso level, in terms of the formal institutional and organisational coalface, a renewed commitment to social dialogue and its effectiveness would require that the challenge of clarifying (Challenge 1.b) the institutional mandate and legitimacy of the institution(s) tasked with convening and facilitating such engagement. To do so would involve reflecting on the ideal form of the policy process as well as the role social dialogue

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institutions are expected to play therein, as is discussed under recommendation 2 below.

Use reflexive frame formation to create shared frames

At the micro-foundational level, the study has shown that South Africa's social partners have not moved on from many of the long-held, ideologically informed policy perspectives that were carried over from the apartheid era into the democratic dispensation. This lack of micro-foundational change, of frame formation, or the absence of shared frames among the partners, might be attributable to the lack of frame-reflective policy deliberation within the social dialogue process to date. A contributing factor may very well be the fact that many of the same faces have circulated and remained at the forefront of the institutionalised dialogue in all constituencies. Without making an ageist claim in this regard, it seems unlikely that social partner representatives whose formative years were the 1950s, 1960s and 1970s and who rose to prominence in the 1980s, 1990s and 2000s, will be articulate in voicing the concerns and conceptions of the citizens who will live to see the 2050s. The lack of generational representation in the institutions from which Nedlac participation is comprised is therefore of significant concern in enabling new frame-formation at the collective level.

However, it does point to a need for a revival and revitalisation of a new-found discourse that places value on mutual interest and good-faith engagement such as through social dialogue (Challenge 1.c). The absence of such an endeavour, by implication, means that it places South Africa's prospects of consensus-based progress on either the leadership effectiveness of one key person, such as the president, or on external events such as the Covid-19 pandemic's shock. This seems irresponsible and undesirable as an approach.

Demonstrate integrative leadership

Instead, it is recommended that a national endeavour to bolster the understanding and the appreciation of, and the willingness to engage in social dialogue becomes a preferred mode for conflict resolution and the creation of mutuality. This will require a demonstration of integrative leadership within the social dialogue process, both in formal and informal ways.

6.3.3 Recommendation 2: Clarify, capacitate, resource and commit to a less fraught policy process

Furthermore, the outcomes of such a process ought to account for needed clarity in the policy process and the facilitation thereof (Challenge 2.a). It seems unlikely that the current approach, whereby the persistence of unresolved political contestation, illicit acts such as irregular public expenditure and collusion for corrupt dealings between government and business counterparts, and vested interests and conflicts of interests continue to complicate and undermine the policy process, will be beneficial for South Africa. It seems more likely that these difficulties will continue to undermine the social dialogue and the consensus-building mission of Nedlac and its counterparts in the inter-institutional eco-system.

Enhance the national policy research system and capacity

It seems evident from this study that South Africa requires a considerable improvement in the nation's national research and analysis capacity as it pertains to policy options. It is also apparent that the current the disjuncture between research institutions, independent think tanks, and the internal capacity of institutions tasked with social dialogue, all of which undermine the policy rationality and accompanying evidence-based approach being pursued, do not stand the policy process in good stead in its current form.

The development of quality, reliable and relevant evidence-informed policy options is in the national interest and in the interest of all social partners. Having a range of institutions who represent the spectrum of ideological and issue-based diversity, contending in the public square and for the public imagination in a battle of ideas, is a strength of democracy and ought to be nurtured. If neglected, three risks emerge, one being that the most well-resourced social partner will dominate the technical dimension of the dialogue process, the second being that the dialogue process is beholden to the good-will and availability of social partner capacity on a case by case basis resulting in institutional weakens and turbulence, and thirdly that segments of society are beholden to interest groups or lobby's to speak on their behalf without adequately representing their perspectives.

Improvement is needed in the levels of coordination, alignment and synergy to be gained from cross-institutional collaboration to support the policy process with evidence and rigorous engagement. However, in addition to this somewhat technocratic aspect, the discursive capacity of the South African society for well-informed, civic engagement, or creative and constructive contestation, also requires attention (Challenge 3.a).

Deepen civic discursive engagement skills

It seems unlikely that over time, a formal institution tasked with social dialogue for consensus-building can succeed, if the overall societal capacity for such engagement wanes. Therefore, alongside the enhancement of the technocratic capacity of the South African society to undertake policy deliberation, the need exists for the enhancement of the discursive skills for civic engagement in the public sphere.

It would seem that such an initiative would require the involvement of the media, institutions of higher learning, as well as other public fora and cultural institutions, within which and whereby, the mechanisms and modes of engagement associated with social dialogue can be more fully socialised, institutionalised and embedded as a cultural feature of South African society.

Focus institutional efforts

At the meso institutional level then, the accompanying mandate and legitimacy of the institutions tasked with giving expression to social dialogue ought to be clarified (Challenge 1.b). Once the role and sequencing of the institution or institutions in the policy process have been articulated, the core issue of their agenda and the limitations of their scope (Challenge 2.b.) needs to be addressed.

Be intentional about width verses depth of social dialogue

In this regard, South Africa faces a divergence in terms of the width and depth of social dialogue it seeks to orchestrate, where width implies the levels of societal participation and issue areas to be included in the mandate and scope, and depth implies the extent to which these issues are engagements, instrumentally or substantively, in terms of empirical

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research as well as discursively in terms of the character of the dialogue sought.

If the choice is made that future social dialogue approaches ought to be corporatist, such as in Nedlac, orientated towards evidence-based policy rationality and focused on regulatory and legislative issues, the institution(s) ought to be capacitated in financial, human capital and other terms accordingly (Challenge 3.b.).

If however, South Africa opts for a more sophisticated and nuanced array of institutional dialogue mechanisms, some formal and structured, orientated to the procedural legislative and regulatory agenda, some more deliberative and mediatory, orientated towards the questions of national vision, identity and social relations, for instance, then the accompanying institutional instruments would need to be developed to enable sufficient focus for effectiveness.

Let social compacts set the direction

It is recommended that the compacting agenda as contemplated in recommendation 5 below, is used as a departure point for the decision regarding how the choice of direction and forms of social dialogue are sought, so as to inform the institutional architecture in a dynamic way in light of the societal needs it is seeking to address.

However, once the architecture and accompanying polices, protocols and procedures for social dialogue have been developed, and socialised with the social partners, it is recommended that the institution(s) be insulated from undue turbulence in the institutional environment as contemplated elsewhere in this study (Challenge 4.b).

Professionalise the institutional capacity for dialogue, but maintain responsiveness and agility

This is likely to be possible through a combination of the professionalisation of certain aspects of the formal institutional architecture, in order to protect the structure and institutional integrity from the threats of short-termism, political derailment or distraction by the urgency of economic or social developments, all of which have been shown to counter-

act the focus of the institution. On the other hand, mechanism for dynamic responsiveness in the agenda of the institution(s), to changing conditions, pressing needs and issues arising, also need to be embedded to ensure the institution's relevance.

To also ensure that there is greater coordination and alignment, or complementarity between the various institutional actors in the policy process, such as political parties, Cabinet, Parliament, and so forth, the need exists to clarify and delineate the intra-institutional boundaries and responsibilities in relation to the policy issues or agenda items in the social dialogue (Challenge 2.c.). This means going beyond the four walls of Nedlac and initiating an assessment and renewal of the understanding regarding the various institutional actors in relation to the national agenda and policy process in particular.

6.3.4 Recommendation 3: Develop the legislative, sanctioning and incentive system required to ensure compliance with the national norms for deliberation on public policy

As shown in the study, South Africa's attempts at social dialogue for consensus-building has shown considerable vulnerability to the external shocks arising from global and national political, economic and social events (Challenge 4.a). If this were to continue, and if, for instance, further global economic conditions, or domestic political changes were left to upend again the social dialogue process and institution, it is likely that a consensus-based approach to national progress would fall victim to this vulnerability in future.

Such an approach would need to make provision for an option to opt-out, but at least should require a demonstrable and reasoned mechanism by which to do so. This will at the same time protect the integrity of the process, as well as providing a second layer of accountability in the event that the dialogue process has been co-opted or derailed by narrow interests.

Make social dialogue participation legal and binding

It is therefore recommended that South Africa develop a series of measures, legislative and sanctioning, as well as incentive-based approaches to mitigate against the abandonment of the social dialogue process agreed upon by the social partners.

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If, for instance, government in future opts to side-line agreed-upon procedures associated with social partner engagements, there ought to be a political and legal cost exacted upon such conduct. Ultimately, the sanctioning of those in government depends on the electoral process at the ballot box, which brings to the fore the role of citizenship education about the role and impotence of the dialogue mechanism and processes as central and critical for the health of democracy and for governance in general.

If the social partners, business, labour, community formations or other formations of societal actors who participate in the process, exceed the bounds of the process that has been agreed upon within the framework of the law by for instance lobbying outside of Nedlac once agreement has been reached, there ought to be economic and reputational costs associated with such conduct. Each social partner should be in a position to call out and veto the conduct of the other in relating to their compliance with the process.

Crucially, if South Africa is to continue to be arranged institutionally as a sovereign nation state, a constitutional democracy, with a party-political and parliamentary system, with an independent judiciary and a mixed economy, governed by the rule of law as embodied in regulations, clear rules ought to exist for how societal actors might, or might not, exercise the power in the pursuance of their interests. Since rules exist to govern each dimension listed here of the democratic system on which South Arica has agreed, the same ought to be true of institutionalised social dialogue.

To abandon the idea of social dialogue altogether or to dissolve Nedlac entirely, would be to leave the pursuance of interests entirely over to the political process and the use of economic and other incentives in that domain. This would be problematic for two reasons. One being that the social milieu would lend itself to populist appeals devoid of the needed policy rigour and consideration of the legal, regulatory and market implications. Secondly, the self-same social milieu would likely see economic interest groups arrange themselves politically and drive the policy agenda further into a divergence of factional interest in geographic and industry terms, at the expense of the national interest. It would be preferred for a coherent and socially contracted policy direction, at least on fundamental elements of the policy agenda, to be co-created in a participative manner.

The need for rules of engagement therefore ought to apply to the intersectional character of the policy process, where politics, economics and social features coalesce and where social dialogue is the preferred mechanism whereby the social partners iron out their differences so as to ensure the furtherance of their mutual interests.

Reform the process and institutional arrangements

As such, the corporatist grand bargain that Nedlac has historically represented, ought to be reimagined in a way that allows for new entrants and voices to exert their influence, while protecting the political and democratic gains achieved since 1994.

6.3.6 Recommendation 4: Create a national consultative process and subsequent directives to broaden the inclusion and participation of societal actors

Following from the aforementioned recommendation relating to rules of engagement for social dialogue and consensus-building, there is a pressing need for South Africa to undertake actions that will broaden the levels of participation and inclusion in consensus-building processes.

Make youth inclusion, and female inclusion in particular, front and centre

The demographic structure of the South African society, which is dominated by a youth cohort, accompanied by the economic structure of South African society, in which the unemployed youth cohort looms similarly large, considered against the backdrop of South Africa's historical patterns of exclusion and suppression, all point to the need for rapid action in relation to enhancing participation and inclusion at the institutional level. As is often seen, the weight of social depravity rests most heavily on young girls, pointing to a need for a concerted effort and focus on their upliftment.

The corporatist nature of Nedlac historically, and the embedded nature of the economic and political relations that have sustained Nedlac's corporatist character, have only served to accentuate the need for greater levels of inclusion and participation (Challenge 5.a.).

Deepen the capacity to listen to the margins of society

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We also observe the need for a series of measures, legislative, institutional in terms of design, as well as societal and cultural, to enhance South Africa's capacity to hear the voices of the marginalised in the society, to account for their voices in the formal institutional processes, and ensure that that have a seat at the table in the policy process.

At the formal institutional level, any successor to Nedlac ought to be an embodiment of the new social partner landscape that South Africa exhibits today (Challenge 5.b). This implies that such an institution or institutions would in some ways look vastly different from their appearance today.

Accommodate plurality and an inclusive social dialogue agenda

These groupings would not be allowed to be dominated, in terms of participation, by the highly consolidated corporate and business sectors, or by the incumbency of the organised labour movement in its current form. Instead, they would exhibit a diverse composition of racial, age and sectoral diversity, and a range of interests from across the top and bottom, length and breadth of South Africa's social strata. Consequently, the agenda emerging in these institutions would exhibit the aspirations, struggles and perspectives of both the insiders and the outsiders to South Africa's political, economic and social orders.

Naturally, such a commitment to representivity would increase the constitutive complexity of such institutions as fields of interacting frames, logics and interests, but to deny these characteristics within the institutional domain would be to deny the pluralistic nature of South African society. Therefore, an enhanced paradigm of social dialogue and consensus-building within which these complexities can be accommodated is recommended.

6.3.6 Recommendation 5: Deepen the capacity of the society for conflict mitigation, management and transformation

The deep-seated nature of South Africa's social fissures, accompanied by the low likelihood of South Africa's economic progress and its ability to resolve the socio-economic

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contradictions in the society in the near term, mean that conflicts of various kind are very likely to abound. The existence of these conflicts in society do not however imply that social dialogue for consensus is unattainable or irrelevant. On the contrary, they highlight the need for alternative mechanisms for social convergence (Challenge 6.a).

Become expert at conflict transformation

We recommend that steps are taken at the national level to enable society to better understand and articulate the conflicts and issue areas that underpin them. This means that society's capacity for conflict mitigation, management and transformation needs to be enhanced, while exceeding the boundaries and capacity of a formal institution such as Nedlac, which presents a contextual intervention that over time, is likely to contribute meaningfully to the eventual mode of social dialogue, in whatever form it is undertaken.

Skills and capacity development

At the meso-institutional level, an enhancement of the procedural and skills capacity for the mediation, facilitation and transformation of conflict is recommended (Challenge 6.b.). In somewhat of a departure from Nedlac's historical commitment to technocratic deliberation, accompanied by ad hoc and sporadic relations-focused dialogue through other fora such as the Millennium Labour Council, or the CEO Initiative [multi- and quadrilateral informal dialogue forums set up by social partners outside of Nedlac], we recommend a proactive preference for the conflicts that permeate the social partner landscape to be allowed to enter into and feature in the social dialogue arena. Therefore, the institutions tasked with social dialogue must become masterful at conflict transformation, rather than opting for conflict avoidance.

If it is the case that South Africa's social partners' respective interests are bound up in one another's divergent aspirations and in their framing of the questions of national priorities and the national agenda, as we have shown in this study, social dialogue that avoids the conflicts that underpin these contestations represents a 'fig leave' rather than a remedy for society's conflicts.

Develop deep dialogue capacity, including conflict mediation

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Yet, the implication is that institutions tasked with social dialogue for consensus-building need to be able to traverse the Inverted Ladder of Reflection (See Figure 15, page 265) as contemplated in this study, as well as navigating proactively the accompanying forms of conflict that are likely to emerge at each level of the engagement. This means improving considerably the institutional capacity for collective action on the one hand (Level 1 of the ladder), and the management of frame conflict at the level of the societal values, cultures and meta-narratives employed by the social partners (Level 7). This implies the need to develop a multifaceted facilitation and conflict mediation skill and toolkit in these institutions, that can be adapted to changing conditions in social partner relations.

Part of addressing the challenge of greater capacity for conflict transformation is the need to domesticate, or indigenise, for a lack of a better word, some of the concepts and perspectives employed in the approaches taken to social dialogue. That is to say, the need exists to nurture a home-grown discursive toolkit for co-creative engagement (Challenge 3.c.). This is necessary to evolve South Africa's institutionalised approach to social dialogue, from one rooted in labour relations and bargaining, somewhat informed by apartheid's capitalism with further influences from the Scandinavian and other Western European traditions, towards approaches more resonant with the broader societal landscape.

Localise the social dialogue approach

This is especially important if the approach is to find resonance with those outside of big business, outside the current labour movement or those who do not share the historical exposure to the liberation movement, as have the current political elites in government. Instead, a new generation of South African leaders will need to be attracted to and socialised within an approach with which they feel comfortable at a linguistic, cultural and symbolic level.

6.3.7 Recommendation 6: Identify, popularise and pursue a social compacting agenda towards securing long-term social cohesion

Should South Africa succeed at maintaining the democratic and constitutional order that it has created in the last three decades, it is likely to have to complement the order with a

set of economic, socio-economic and even political outcomes that meaningfully represent the aspirations contained in its constitutive agreements at the constitutional level. This would only be achievable if the social partners, in whatever future formation they are constituted, find ways of working in complimentary and synergistic ways to further the national agenda.

Improve coordination on a foundation of social cohesion

If the difficulties of the societal institutional architecture and design challenge (1.a), the policy process and facilitation challenge (2.a), the social dialogue capacity challenge (3.a), the institutional vulnerability challenge (4.a), the inclusiveness and participation challenge (5.a), and the societal conflict management and consensus-building challenge (6.a) can be overcome, or their prospects improved, the challenge will remain of building and maintaining sufficient social cohesion (7.a).

The identification, popularisation and pursuance of a social compacting agenda, which targets specific issue areas associated with South Africa's deep-seated conflicts, social stratification and socio-economic and political deficiencies, would contribute meaningfully to the long-term maintenance of social cohesion (Challenge 7.b). Such social compacting endeavours would likely provide the social dialogue with a more targeted and less emergent agenda, and in so doing, likely serve to stabilise the institutional environment somewhat.

Accommodate co-existing agreements and disagreements

It is envisioned therefore that at the meso-institutional level, social partner agreements might be reached in certain areas of the agenda, or on certain issues, geographic, industry / sectoral in scope, while they remain elusive in others. South Africa's constitutional order is not presumed to be a one-dimensional agreement that cascades into perfect alignment on all matters of contestation, but rather a umbrella agreement under which dynamically changing and contending parties are able to agree, or agree to disagree, in pursuit of their of mutual interests, as contained in the social compacts that are in fact concretely arrived at (Challenge 7.b.).

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Create shared frames and reduce alienation

Crucially, as part of this process of renewed social compacting for long-term social cohesion, the discursive development is required of new shared frames and co-creative frames on key national policy issues that the social partners can agree and commit themselves to. Part of addressing this challenge involves resolving the sense of alienation of some or all of the social partners regarding certain internal societal or of external environmental factors and learn to understand and accept factors that they are unaccustomed to, either for ideological or cultural and historical reasons (Challenge 4.c.).

By way of example, unless the contending logics between the government's state-led and interventionist orientation, versus business' market-led and business confidence orientation, can be bridged, it is unlikely that consensus on economic and development policy can be sustained. Similarly, in the case of the labour movement's conception of capital and the private sector being seen as inherently undesirable, and business' reluctance to engage on social issues as part of their conception of business' broader societal role, unless the frame conflicts between these parties can be bridged through reflective frame formation, it is unlikely that sustainable consensus can be maintained.

Create new discourses of inclusion

The procedural participation of previously excluded segments of South African society from the social dialogue process is not an end in and of itself. Rather, the push for greater inclusion and representivity in the social dialogue process ought to be anchored in the micro-foundational work of crafting new discourses of inclusion and participation (Challenge 5.c).

This means that macro-economic and development issues on which the national development trajectory depend, as well as socio-economic and societal issues that define the social fabric as it transitions from a traumatised post-apartheid South Africa into a normalised democratic nation, need to be recast in inclusive and progressive terms. This must be consonant with the bill of rights and the transformative intent of the constitution, and ought to be done jointly by the social partners in shared frames that are integrative of their interests, and within which they are able to be mobilised for collective action.

The challenge for those who participate in or lead the dialogical engagement in society towards greater consensus and social cohesion, will be the task of developing a greater measure of pluralism in the rhetorical mechanism, and creating frames of institutional logics by way of which social dialogue is organised and institutionalised (Challenge 6.c.). As seen in this study, the credibility and robustness of the process of dialogue depends on the maintenance of the space for dialogue, the credibility of the leaders and participants who form part of the process, and the procedural appropriateness in the process. Thus, the question of alignment between the real-world societal plurality in the South African context, and the discursive terrain in the social dialogue arena, is essential if agreements reached are going to result in the creation of embedded tacit commitments that are credible and have longevity.

6.4   Key Points in Summary of Chapter 6

6.4.1   Social dialogue seems to offer a crucial institutional instrument in managing the policy-making process in a participative and democratic manner, in pluralistic societies. This is especially the case in societies where social partner trust is low and deep-seated societal conflicts persist.

6.4.2   However, for institutionalized social dialogue to be effective it must take account of the tendency for institutional path dependence, especially in the form of embedded power relations among the social partners. Even institutions intended to facilitate social dialogue may themselves be susceptible to the perpetuation of institutionalized patters inclusion and exclusion, as has been shown to be the case with Nedlac.

6.4.3   Institutions, as an embodiment of the ongoing pursuit of parties' interests, will not evolve to advance the national interest, or shared societal interests of all societal segments, unless designed and operated to do so.

6.4.4   For social cohesion in such societies to be sustained, a meaningful measure of political, economic and social inclusion needs to be maintained. If not,

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institutional legitimacy becomes eroded and social segments can spiral out beyond the *boundary of legitimacy*, and the centre does not hold. To mitigate against this tendency and draw social partner constituencies towards greater levels of social cohesion, shared interests must be identified, articulated and the requisite discursive processes, shared-frames and logics developed to translate these into actionable policy frames.

6.4.5   Reflexive frame formation therefore, beyond being evidenced within the context of specific policy debates on very narrow policy issues, may offer an approach to crafting national consensus on important and strategic questions of development and desirable reform.

6.4.6   Social dialogue with reflexive frame formation at its core may be employed in three societal domains, to address; issues of identity formation, value creation and national capacity building. Within the context of the broader role of social dialogue in pluralistic democracy, social compacts may function as instruments for incremental progress and consensus, where an enabling factor in the use of institutionalized social dialogue is integrative leadership, including the role of leader credibility, commitment and participation.

6.4.7   Seven practitioner recommendations arise from the research:

Recommendation 1: Review and refresh the institutional architecture for social dialogue and consensus-building
Recommendation 2: Clarify, capacitate, resource and commit to a less fraught policy process
Recommendation 3: Develop the legislative, sanctioning and incentive system required to ensure compliance with the national norms for deliberation on public policy
Recommendation 4: Create a national consultative process and subsequent directives to broaden the inclusion and participation of societal actors
Recommendation 5: Deepen the capacity of the society for conflict mitigation, management and transformation

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Recommendation 6: Identify, popularise and pursue a social compacting agenda towards securing long-term social cohesion

6.5   Study's Contribution to New Knowledge in Short

This study has contributed to new knowledge in a number of ways. Firstly, through the conceptual integration of notions from institutional theory, institutional economics, integrative leadership theory and policy deliberation, the researcher has offers new theoretical tools to contemplate the constitutive complicity of multi-level institutional processes, their design and their operation.

By exploring the case of Nedlac in the context of democratic South Africa, the researcher has offered rich insights to grounded theory scholars about the role of institutionalised social dialogue in democracy, about the effects of societal complexity and embedded institutions on social dialogue processes, and how these interplay at macro-, meso- and micro level.

By systematically setting out the policy making process within the institutional architecture, against the backdrop of political economic factors in a post-colonial, post-apartheid society, new insights have been alluded to on the effects of racism, imperialism, extractive capitalism and other cultural and institutional effects on the power relations in society, and how economic governance will need to contend with these in future attempts at decolonization.

By examining the comparative policy frames and logics of the social partners and contemplating the social dialogue process and reflexive frame formation in particular, the research offers a starting point for more thoughtful and systematic approaches to institutionalised social dialogue, conflict transformation and consensus building at the micro-foundational level.

Finally, by delineating practical insights and recommendations for apex level social dialogue institutions, the research has offered scholar and practitioners new avenues effectiveness in their praxis.

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Appendix 1: Graphic depiction of independent and dependant variable

Independant and Dependent variables

Independant variable

Persistent multi-level frame conflict in the absence of reflective frame formation

A feature of social dialogue in the context of policy-making in the discourse and process

Corporatist "framing" of Nedlac

A formal setting for social dialogue between the social partners of "government", "business", "labour" and "community" constituencies

The persistence of the effects of historic factors at macro, memo and micro level
(such as political economy, political development, economic development, social features and personal leadership features of social partner representatives)

Dependent variable

Performance of multi-sectoral institutionalized social dialogue

The *lackluster* performance of Nedlac

Need for Reform of Nedlac

Beyond a formal institutionalised corporatist conception in order to account for the complexity of reflexive frame formation through enhanced representivity, integrative leadership, and institutional design which counteracts issues of environmental turbulence, political short-termism and extra-institutional or illicit contestation of interests.