



PROMOTING A SHARED VISION FOR AN ALL INCLUSIVE ECONOMY



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National Economic Development and Labour Council



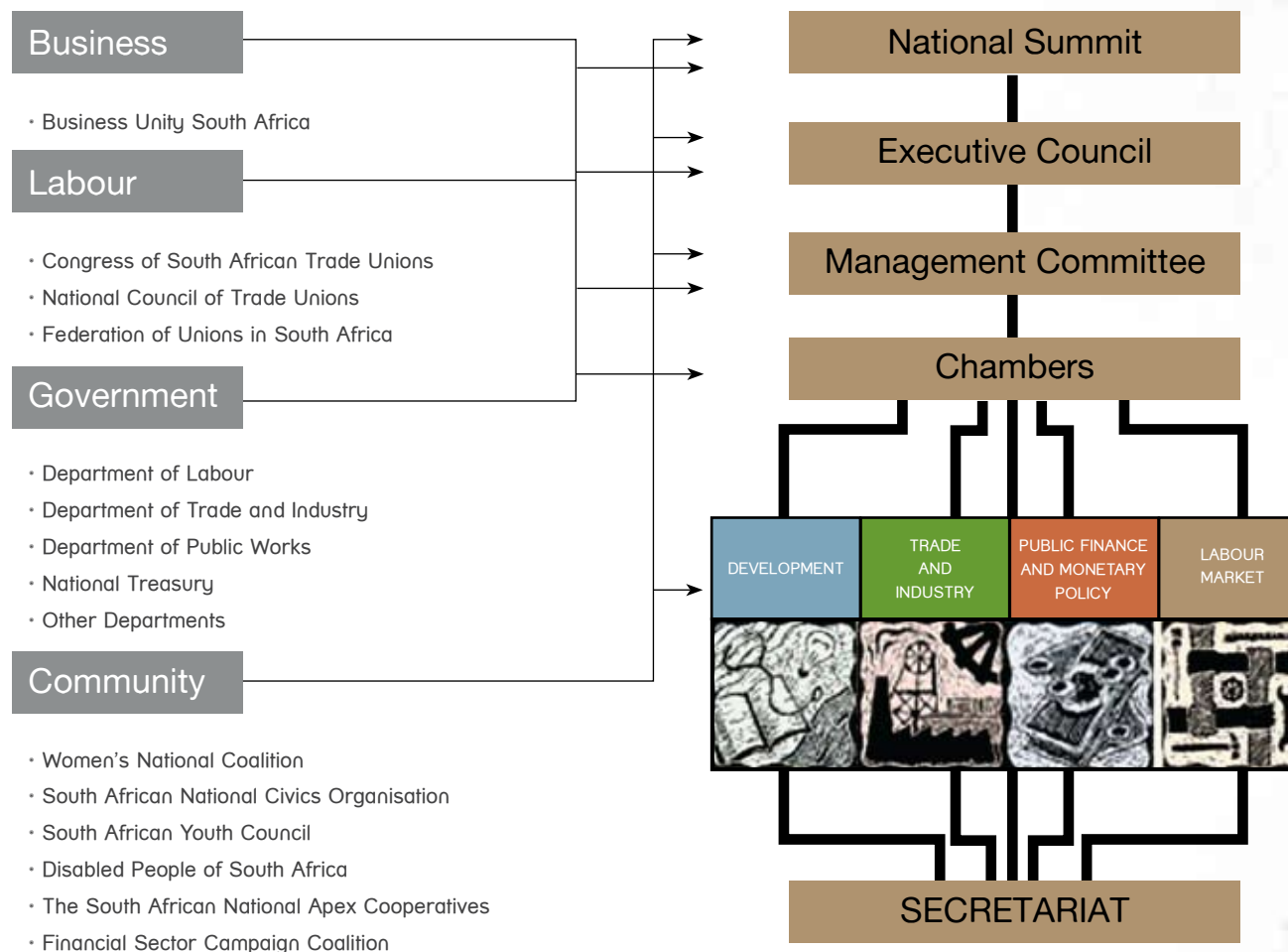
PART 1

GENERAL INFORMATION

PART ONE: GENERAL INFORMATION

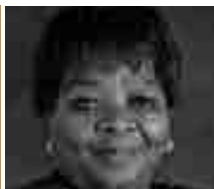
Structure at a glance

Constituencies



NEDLAC PRINCIPALS

GOVERNMENT



Gwen Mahlangu
Nkabinde
Minister of Public Works
(Replacing Geoff Doidge)



Pravin Gordhan
Minister of Finance



Mildred Oliphant
Minister of Labour
(Replacing Membathisi
Mdladlana)



Rob Davies
Minister of Trade and
Industry

BUSINESS



André Lamprecht
Chairperson of BUSA



Futhi Mtoba
President of BUSA

LABOUR



Dennis George
General Secretary of
FEDUSA



Manene Samela
General Secretary of
NACTU



Zwelinzima Vavi
General Secretary of
COSATU

COMMUNITY



Ruth Bengu
President of SANCO



Laura Kganyago
General Secretary of
WNC



Thulani Tshefuta
President of SAYC



Thulani Mabuza
General Secretary of
SANACO



Solly Mapaila
Chairperson of FSCC



Andrew Madella
General Secretary of
DPSA

OVERALL CONVENORS



Les Kettledas
Overall Government
Convenor



Laurraine Lotter
Overall Business
Convenor



Bheki Ntshalintshali
Overall Labour
Convenor



Lulama Nare
Overall Community
Convenor

OVERVIEW FROM THE EXECUTIVE DIRECTOR – HERBERT MKHIZE



Social dialogue has an important role to play in the design and implementation of socio-economic policies as it facilitates consensus building and balances demand and economic development, which leads to social cohesion. Social dialogue provides the best possible means for the effective and sustainable implementation of policies, and minimises the risk of industrial and social conflict.

Despite its proven worth in the South African policy discourse, social dialogue remains far from being utilised optimally. We need to recognise social dialogue as a process capable of addressing complex social and economic issues and we need to link it to tangible outcomes. There is also a dire need to strengthen the capacity of the key players in the process in order to unlock the full potential of the catalytic role that social dialogue is capable of playing.

In the 16 years of its existence, NEDLAC can lay a legitimate claim to:

- Creating a forum in which Social partners have been able to work on their relationships and build some level of trust;
- Building an important instrument to strengthen democratic governance and transparency in the decision-making process;
- Providing the space for the evolution of a new approach to policy-making and changes to legislation, thereby contributing towards better and more democratic policies that enjoy wide acceptance;
- Giving birth to a range of tripartite bodies and thereby promoting the concept of social dialogue;
- Creating a central forum where greater consensus has been achieved amongst key stakeholders on a diverse range of policy issues;
- Contributing to the development of a sophisticated and modern industrial relations system;
- Spearheading initiatives such as the Proudly South African Campaign, Workplace Challenge; Growth and Development Summit; South Africa's Response to the Global Economic Crisis, National Electricity Accord, amongst others.
- Minimising, and in some instances even completely eliminating the prospect of national policies being challenged through the courts.

Executive Director's observations on the period under review

Over the years, NEDLAC has maintained its position as the prime seat for national social dialogue in South Africa and has continued to add value to the country's socio-economic and labour market policy framework. The period under review has been no different and it required innovation, robust debate and an intrinsic understanding of the nature of the country's immediate and long-term challenges.

NEDLAC 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.

However, recent economic indicators reveal that the country is gradually moving towards economic recovery and the call from the highest office in the land is for joint action by all stakeholders in order to build a foundation for future economic growth and development.

Social partners have been involved in, contributed to and influenced the shaping of national initiatives aimed at addressing national imperatives. 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.

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The advent of the Industrial Policy Action Plan II (IPAP 2) and the New Growth Path (NGP) has also raised the need for collective action among NEDLAC Social partners based on clear action plans that define what each is committing to do as a contribution to achieving the stated objectives, one of the objectives being increased long-term, sustainable employment creation. Constituencies are called upon to roll up their sleeves, jointly and severally, in pursuit of a common vision and a set of agreed priorities. Together we can conquer the challenge of unemployment but it will take hard work and sacrifices from all stakeholders.

Indeed the period under review can be characterised as the year of taking stock of what works well and jointly rethinking interventions necessary to lift the country out of economic recession, joblessness and poverty. In his State of the Nation Address, the President of the Republic called on all citizens to join hands in the fight against unemployment and poverty. He called on all Social partners to work together behind a common vision.

Economic trends at a glance

The global economic recovery continued in the final quarter of 2010 and in the early months of 2011, its momentum somewhat stronger than many observers had expected. Major developing countries maintained high rates of economic growth. As indicated by the South African Reserve Bank, South Africa's annualised growth in real gross domestic product accelerated to 4.4% in the final quarter of 2010, lifting the economy's growth rate for the year as a whole to 2.8%. The South African economy expanded robustly in the fourth quarter of 2010 as growth in real gross domestic production accelerated from an annualised rate of 2.7% in the Q3 of 2010 to 4.4% in Q4 of 2010.

Growth in aggregate real gross domestic expenditure slowed from an annualised rate of 6.2% in Q3 of 2010 to 1.2% in Q4. This moderation in total expenditure partly reflected slower growth in real final consumption expenditure by the household sector. For the calendar year 2010, real gross domestic expenditure, however, increased at a rate of 4.2%, rebounding following the contraction of 1.7% recorded in 2009. Following a contraction at an annualised rate of 0.6% in Q3 of 2010, real final consumption expenditure by general government reverted to growth of 3.9% in Q4. As per the South African Reserve Bank, the stronger growth could mainly be explained by increased spending on compensation of employees, the biggest subcomponent of general government expenditure. Real compensation of employees normalised in Q4 as salary and wage accruals in Q3 of 2010 had been reduced because of the public sector strike.

National government revenue amounted to R472 billion in the first three quarters of fiscal 2010/2011, representing a growth rate of 14.6% when compared with the same period in the previous fiscal year. Collections from taxes on income, profits and capital gains increased at a rate of 4.6% when compared with the corresponding period a year earlier. Receipts from taxes on property increased by 3.7% in April - December 2010, reflecting a slow recovery in real estate market activity. Taxes on international trade and transactions increased significantly due to a substantial rise in customs duties, which resulted from strong growth in vehicle imports on account of an upswing in household consumption expenditure.

Gross saving as a percentage of gross domestic product increased throughout 2010, rising from 16.2%

in Q3 to 18.3% in Q4. The improvement in the saving performance can be attributed to stronger growth in the gross saving of corporate business enterprises and a lower rate of dissaving by general government. As a result, South Africa's saving ratio advanced from 15.6% in 2009 to 16.5% in 2010 lowering the country's dependency on foreign capital from 20.7% of total capital formation in 2009 to 14.4% in 2010. The gross saving by the corporate sector as a percentage of gross domestic product rose from 14.7% in 2009 to 17.5% in 2010. The gross saving rate of the household sector remained at 1.5% in both Q3 and Q4 of 2010. High income growth helped sustain the level of household saving.

The pace of employment creation remained sluggish, despite the recovery in domestic economic activity during the past year and a half. Formal non-agricultural employment increased moderately in Q3 of 2010, following a more significant increase in Q2. Employment levels in the private sector remained roughly unchanged in Q3 of 2010 compared with the preceding quarter, whereas employment levels in the public-sector continued to increase, albeit at a much slower pace than in Q2. The share of the private sector in total employment shrank in the past two years, whereas the public sector claimed the residual increase as its staff complement rose, especially at the provincial level. The public sector raised its share of total employment from 21.6% to 23.6% over the period.

The Quarterly Labour Force Survey released by Statistics South Africa reveals that the number of employed persons decreased from 13.1 million in Q1 of 2010 to 13 million in Q3 of 2010 after which there was an increase to about 13.1 million in Q4 of 2010 and a decrease of about 14 000 in Q1 of 2011. The number

of unemployed persons increased by 227 000 in Q1 of 2011, increasing the unemployment rate to 25% in that period.

According to the South African Reserve Bank, the fairly robust expansion in global economic activity in the fourth quarter of 2010, alongside firm international commodity prices and the continuous improvement in South Africa's terms of trade, paved the way for a further increase in the value of merchandise exports despite the further strengthening in the exchange value of the rand. Simultaneously, the value of merchandise imports receded somewhat due to restrained growth in capital spending in the aftermath of the completion of a number of infrastructure projects related to the hosting of the 2010 FIFA World Cup™. As a result, the country's trade surplus almost trebled from R30.3 billion in the third quarter of 2010 to R86.0 billion in the fourth quarter. The balance on current account registered a significantly smaller deficit of R17.0 billion in the fourth quarter of 2010.

The nominal exchange rate of the rand advanced by 5.4% in the fourth quarter of 2010. The trade weighted exchange rate of the rand decreased by 1.8% in October and increased by 1.4% and 5.9% respectively during November and December 2010. For the calendar year 2010 as a whole, the weighted average exchange rate of the rand increased by 12.0% compared to an increase of 22.9% in 2009.

Key Highlights in the period under review

NEDLAC held 175 meetings in this period, excluding the Annual Summit, the Executive Council, Management

Committee, meetings on the National Project to Reduce Poverty and Inequality in South Africa, the Electricity Crisis, Trade Policy Sessions with the Minister of Trade and Industry, Rob Davies and Leadership meetings with the Minister of Economic Development, Ebrahim Patel.

The Trade and Industry Chamber remains the busiest of all the NEDLAC Chambers. The Chamber accounts for 50% of the total NEDLAC Chamber work programme in the period under review.

The Development Chamber was the second busiest Chamber accounting for 26% of total output, with the Labour Market Chamber accounting for 18%. The Public Finance and Monetary Policy Chamber accounted for 6% of total output.

Some of the key issues and achievements that occupied the centre stage in the period under review include:

- Concluded the agreement on Preferential Procurement Regulations
- Launched the Decent Work Country Programme
- Commenced engagement on the New Growth Path
- Finalised the Code of Good Practice for the Expanded Public Works Programme
- Reached agreement on the National Climate Change Response Green Paper around how best to address climate change in relation to both mitigation and adaptation
- Finalised consideration of the Road Accident Fund No Fault Policy
- Resumed engagement on the labour market policy review: including consideration of the

Employment Equity Amendment Bill, the Labour Relations Amendment Bill, the Basic Conditions of Employment Amendment Bill and the Employment Services Bill

- Finalised recommendations on cushioning the poor against electricity tariff increases and concluded agreements on the Integrated Resource Plan 2010.

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Looking Ahead

This report reveals that a number of key items remain on the NEDLAC agenda for the year ahead and these include the Labour Market Policy Review, the New Growth Path, the Industrial Policy Action Plan II and Cooperatives Amendment Bill. There is no question that the period ahead will be challenging and rigorous but we plan to approach it with vigour and purposefulness.

We note that the implementation of the NEDLAC Review recommendations will be crucial in the coming reporting period, as the process will heighten the effectiveness and impact of social dialogue and the work performed by NEDLAC.

Some of the key issues that would feature prominently in the 2011/12 reporting period include:

- Finalise the Labour Market Policy Review
- Fast track collective action plans around key priorities in IPAP 2
- Contribute to the stated objective of creating five million jobs
- Strengthen social dialogue so that it remains the platform to mobilise social partners behind the national agenda
- Revive the commitment of social partners to social dialogue
- Deal with the challenge of meeting the national energy demand.
- Contribute meaningfully to the 5 national key priorities which are namely:

- providing quality education,
- creating decent jobs,
- providing quality health,
- promoting rural development and
- intensifying the fight against crime and corruption.

MESSAGE FROM THE OVERALL GOVERNMENT CONVENOR – LES KETTLEDAS



Minister Nelisiwe Mildred Oliphant, MP, hit the ground running as the new lead Minister at NEDLAC when she was appointed on 1 November 2010 as Minister of Labour. She brings with her a wealth of experience relevant to the NEDLAC processes, and is warmly welcomed.

Government's "Outcomes Approach" announced in May 2010 ensures that Government is focused on achieving real improvements in the lives of all South Africans through 12 outcomes that address the main strategic priorities of Government. We welcome and

appreciate the fact that the four NEDLAC Chambers had taken into account this Outcomes Approach in their work plans.

The social dialogue process at NEDLAC is critical in assisting Government to address South Africa's critical challenges of job creation and its goal to implement the 12 outcomes efficiently. Examples include:

- The release of the Framework of the New Growth Path on 23 November 2010, aimed at enhancing growth, employment creation and equity. The consultation process is lead by the Minister for Economic Development;
- Publication for public comment on and simultaneous tabling at NEDLAC of four labour market Bills in December 2010. The Bills propose amendments to the Basic Conditions of Employment Act, the Employment Equity and the Labour Relations Acts, and propose a new Employment Services Bill. The Bills will be under scrutiny by social partners during 2011;
- The Trade and Industry Chamber strategic session on 22 October 2010, chaired by Minister Rob Davies and focusing on the Industrial Policy Action Plan Two (IPAP II);
- The launch of the International Labour Organisation/South African Decent Work Country Programme (DWCP) in September 2010, to promote employment, fundamental principles and rights at work, and to strengthen social protection, tripartism and social dialogue. Since then NEDLAC committees deal with and oversee implementation of the DWCP through various projects until 2014.

As is customary every year, the Minister of Finance again led a focus session at the NEDLAC Executive Council to engage with social partners on the Budget that was presented in Parliament. This gives the opportunity for social partners to understand the rationale for the Budget and what it offers.

In addition, the Minister for Higher Education and Training also attended the Executive Council to lead a focus session on the Higher Education and skills development landscape, key challenges, institutional framework and key policy interventions going forward.

These focus sessions led by the relevant Ministers are of immense value in sharing information with social partners and enhance the understanding of social partners of the various policy initiatives. These initiatives are to be further encouraged where Ministers utilise the Executive Council focus sessions to share with social partners, developments concerning policies and initiatives undertaken by their Departments.

Finally, Government remains committed to address South Africa's challenges through social dialogue at NEDLAC, and is highly appreciative of the cooperation of all social partners in this regard during the past year.

MESSAGE FROM THE OVERALL BUSINESS CONVENOR – LAURRAINE LOTTER



As achievement of the goals of eradicating poverty, job creation and the necessary economic growth to support these goals continues to elude us, the need for robust social dialogue has never been greater. The role of NEDLAC as a forum which provides the opportunity for social partners to grapple robustly with ways in which these challenges can be addressed needs to be recognised. However, important as dialogue is we must also move to action. In this regard we need to guard against an approach that requires a holistic overarching plan before we can take any action. Where we can make progress in critical areas we should do so.

The increase in high level engagements that characterised last year continued in 2010/11. The need to build on these engagements to deliver concrete outcomes needs greater intensity of purpose. In turn execution of agreed outcomes remains challenging and we need to find ways to prioritise implementation of plans rather than only developing new ones.

2010 also saw the start of engagements on the New Growth Path under the auspices of NEDLAC. To date accords have been concluded on skills and basic education. Discussion is continuing on local procurement, the green economy, red tape, savings and investment, infrastructure and enterprise development. A number of ministers are participating, which facilitates the achievement of much needed interdepartmental co-ordination.

We still have a long agenda to tackle and need to move to the more difficult issues that need attention if we are to meet job creation targets.

Engagement on the amendments to labour legislation continued with the hope of concrete outcomes. Constituencies also continued to engage on the implementation of the Decent Work Country Programme funded by the ILO, which provides an opportunity for practical initiatives to be launched, by all social partners.

The long awaited review of customs legislation was tabled. A comprehensive review of the draft Bills was undertaken and it is anticipated that the agreements reached will be taken up in new drafts of the Bills which will be tabled in parliament. Collaboration amongst social partners in the clothing and textile sector in particular, in combatting customs fraud is an

example of the role NEDLAC can play establishing an ongoing initiative.

Practical implementation of IPAP is a key element of the two imperatives of job creation and economic growth. The implementation of various aspects of the Industrial Policy Action plan continues to be discussed. In this regard contributions to successful implementation are reported by all constituencies. The role of NEDLAC in establishing the broad buy in necessary for successful implementation of many of the cross cutting initiatives has been demonstrated in specific areas like standards. It is expected that implementation of preferential procurement regulations will enjoy the same success.

The challenge of meeting national energy demands while at the same time making progress towards a lower carbon growth trajectory remains an issue of focus for NEDLAC. In the year that South Africa hosts the Seventeenth Conference of the Parties of the United Nations Framework on Climate Change, we need to pursue climate response strategies which recognize our pressing need to achieve the national imperatives of poverty eradication, job creation and economic growth to support both.

MESSAGE FROM THE OVERALL LABOUR CONVENOR – BHEKI NTSHALINTSHALI



This time a year ago, we conveyed a message that we were looking forward to the implementation of the NEDLAC Review and in particular the revision of the NEDLAC Protocol. This year we can confirm the progress made and that there are signs that the Organisational Review process is on course. Social partners have re-emphasized their commitment to social dialogue and this is reflected in the manner in which Chambers have worked. The Development Chamber has improved significantly. Good progress colleagues, keep it up!

We also stated in our message that we were not convinced that the economic crisis was over; in fact we

were suspecting a double-dip recession. We rejected the notion that we should accept an economic recovery that does not create jobs. We said that if employment and social protection are not addressed, global social unrest would grow; if financial regulation with real constraints on speculative market activity in food and other commodities is not implemented, global inequality, deprivation and poverty would escalate. This would result in working people paying for this crisis through higher unemployment, lower wages or declining wage-share, social expenditure cuts, fewer public services and increased consumption taxes.

Since then, we are told that the world economy has resumed economic growth and that some countries have noticed encouraging signs of employment recovery. Despite these “gains”, however, new clouds have emerged on the employment horizon and the prospects have worsened in many other countries. A former Director of the IMF has warned that the growth model that co-existed with globalisation was unbalanced and unsustainable, that inequality might have stoked this unsustainable model and therefore that the crisis was provoking a serious rethink in all these areas.

His warning has been ignored and the scenario looks very much like business as usual. Despite this, many mainstream economists and commentators continue to call for weakening of employment protection legislation and decentralisation of collective bargaining. On the one hand, profits are booming and bonuses are back, symbolising the lack of fundamental financial sector reform. On the other hand, attacks are being launched on social protection and labour market institutions.

More recent trends suggest a weakening of the job recovery or even falling employment. We are still reeling from the massive 1,17 million job losses and, as if that was not enough, we are being bombarded by announcements of further retrenchments of thousands and thousands of workers from the retail, finance and mining sectors etc.

Globally, the austerity measures that are being forced upon the working people of the PIGS countries (Portugal, Ireland, Greece and Spain) clearly demonstrate that the crisis is still with us for a long period to come. The longer the labour market recession, the greater the difficulties for job-seekers to find a job. More job-seekers have been without work for more than a year and therefore run the risk of demoralisation, loss of self-esteem and mental health problems. Importantly, young men and women are disproportionately hit by unemployment and when they find new jobs, they often tends to be precarious and do not match their skills. The labour market has been depressed for so long that many unemployed people are getting discouraged and leave the labour market for good – too discouraged to look for a job.

It is in this context that organised labour considered all these challenges in adopting its 2010/11 NEDLAC programme, which prioritised labour market reforms in the form of defending the status of the Labour Court, banning labour brokers, speeding up the introduction of the comprehensive social security, skills development, climate change, water, energy (electricity prices) etc.

Have we managed to make progress on these issues? The answer is a mix of yes and no. NEDLAC constituencies have once more agreed on the

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importance of a Labour Court. In fact the current proposal before Parliament, including the constitutional amendment on this matter, reflects and confirms the importance of the Labour Court as a specialised court that plays a very important role in labour matters. We hope that the parliamentary process will ratify the NEDLAC conclusions. This is one of the longest discussions ever in NEDLAC, in almost ten years.

We had also a very interesting and important discussion on comprehensive social security. We were disappointed that government failed to rise to the occasion and table a comprehensive social protection proposal beyond retirement fund reform. We engaged on this matter and made proposals that in our view are a prerequisite for discussion on this matter.

As we are writing this report, NEDLAC is in the process of finding a new Executive Director. We take this opportunity to thank comrade Herbert Mkhize, who for eight years has driven and managed the social dialogue process in NEDLAC so well and has taken the institution to new heights. Thank you Khabazela and we wish you well in your new endeavours.

We also wish to welcome our new Minister of Labour Ms Oliphant. Her appointment came at a very interesting time and in the past few months she has been involved in very important activities of inspection blitzes and *imbizos* on inspection and we really appreciate that. Equally organised labour is keeping an eye on how the Ministry under her stewardship will handle the labour market reforms especially on labour brokering.

The workers' voice is clear and loud on this matter: "ban labour brokers".

The ILO has just adopted a Domestic Workers Convention and we are looking forward to its ratification by our government. So Minister, with our new Director General, Nathi Nhleko, we wish you well and have no reason but to look forward to better cooperation and the successful implementation and achievement of the Decent Work Agenda.

In the last three weeks, following the COSATU's Central Committee meeting, where a shocking report was tabled around the conditions under which workers find themselves, workers have vowed to reclaim their space in their struggle for a living wage and decent work. It is not surprising that they declared labour brokers to be their number one enemy and that there will be no industrial peace while labour brokering still exists. We hope that their message is clear to both employers and government.

The challenges facing the social partners at NEDLAC Business, Community, Government and Labour are huge. Even if profits, bonuses and growth are restored, we cannot claim victory until unemployment is brought down, and until the real income of workers are not just growing but have made up for the losses suffered during the crisis period. We are looking forward to the new year of NEDLAC with hope and determination.

MESSAGE FROM THE OVERALL COMMUNITY CONSTITUENCY CONVENOR – LULAMA NARE



2010–2011 has been a year of socio-economic challenges, which has focussed our social dialogue agenda at NEDLAC. In such difficult economic circumstances, the community constituency is deeply concerned about the impact of the economic downturn on the poor in our rural and peri-urban communities and what it would take to ensure that their livelihoods would be sustainable in any way one day.

Sustainable livelihoods require a range of inputs and assistance to enable people in their own circumstances to insure themselves against risk and vulnerability, and to move from subsistence to security. It includes aspects of income security, as

well as asset accumulation and access to the types of inputs required to ensure their income streams. It is about access to markets and logistical infrastructure. It is also about education and training and skills development to enable people to be innovative and to operate in spheres that ultimately transcend their own initial life experiences.

Above all, it is about ensuring that people have the ability to control their lives, make informed choices and to live well, and to dream of a future.

Social dialogue is critical in ensuring that the policies that are adopted nationally address the real needs and daily experiences of people living on the margins, including in rural and peri-rural areas. Development is not about a one-size-fits-all approach. The Community Constituency, we represent members who live across the length and breadth of South Africa, whose voices are not always heard by those in power. We believe that our contribution to issues pertaining to the New Growth Path, including the development of a dynamic vision of the development of the Green and Social Economies is accordingly critical.

Consultation and participation cannot be done in a top-down manner, but must start at a grass roots level. Such processes require time and commitment, but in the absence of this we cannot really claim to be an inclusive or participatory democracy, nor are we in a position to develop the policies that speak to the real needs.

The Community Constituency is also committed to the development of policies that are able to successfully

tackle the interrelated evils of poverty and inequality, including through the creation of decent work. The challenge of unemployment is a global challenge, given the changed face of globalised economies, and the virtual disappearance of the notion of full employment. In South Africa, however the levels of unemployment are exacerbated by the deliberate underdevelopment of human capital under apartheid, as well as spatial inequalities and the highly concentrated structure of our formal economy. Creating decent work will required commitment and long-term investment by all social partners. We to believe that there is an urgent need to consider how to support people to participate in such a national project in the short term. The Constitution provides a guarantee of social and economic rights to all living in South Africa. Through NEDLAC we believe that we need to actively strive to ensure that the policies implemented by the Executive need to be guided by a rights-based framework that puts the transformation of South Africa at the core of all policy development.

Social dialogue entails collective vision and social compacts need to be based on consensus but also compromise. As the Community Constituency, we believe that we need to reflect on core issues such as who is responsible for shouldering the burden of poverty in this country. Should it always be the poor themselves, or is there a collective solidarity that still exists amongst ourselves, the *Ubuntu* that we claim as part of our national identity? If *Ubuntu* drives us in reality, then we believe that this should translate in real sacrifices by those who have benefitted from past accumulation to ensure that we can indeed move forward to an inclusive and dynamic growth trajectory.

THE WORKINGS OF NEDLAC

NEDLAC is the seat of National social dialogue in South Africa and it is in many respects a uniquely South African model.

It was set up through an Act of Parliament – The National Economic Development and Labour Council Act, Act 35 of 1994.

NEDLAC is about securing the commitment and active participation of all social partners in those areas identified for prioritised action in ways that build on lessons learnt from development programmes.

NEDLAC remains a contested terrain of ideas and recognises that no social partner has the monopoly on solutions.

Inherent in real social dialogue is that it takes time for it to produce meaningful consensus that ultimately leads to real partnership.

Our Vision

The NEDLAC constituencies, Business, Labour, Government and the NEDLAC Community constituency commit themselves to social dialogue and working together to address the economic and development challenges our country faces underpinned by a common vision for promoting rising levels of growth, equity, investment, job creation, and people-centered development.

Our Mission

Building an enduring partnership – Promoting a shared vision of South Africa's growth and development strategy to frame sector and developmental agreements and lay the basis for partnership in action.

Addressing urgent challenges – Selecting from many possible interventions those which hold the promise of the greatest possible impact in the shortest possible time for accelerated investment, job creation, improved efficiency and productivity, greater social equity and a fairer distribution of economic opportunities and rewards, while undertaking serious social dialogue on broad policy frameworks.

Lending a hand – Securing the commitment and active participation of all constituencies in those areas identified for prioritized action in ways that build on lessons learnt from development programmes.

NEDLAC's Founding Declaration sets out the Institution's vision: "to address the new democracy's key challenges of promoting sustainable economic growth, social equity and increased participation". The document says that NEDLAC is the "vehicle by which Government, Labour, Business and Community organizations will seek to cooperate, through problem-solving and negotiations, on economic, labour and development issues and related challenges facing the country".

Our Mandate

The NEDLAC Act Requires the Institution to:

Strive to promote the goals of economic growth, participation in economic decision-making and social equity:

- Seek to reach consensus and conclude agreements on matters pertaining to social and economic policy;

- Consider all proposed labour legislation relating to labour market policy before it is introduced in Parliament;
- Encourage and promote the formulation of coordinated policy on social and economic matters; and
- Consider all significant changes to social and economic policy before it is implemented or introduced in Parliament.
- Consider Socio Economic Disputes in terms of Section 77 of the Labour Relations Act.

Composition

NEDLAC is made up of representatives from:

Organised Business

Business Unity SA (BUSA) represents this sector. The Overall Convenor of the Business constituency is Laurraine Lotter.

Organised Labour

Cosatu, Fedusa and Nactu represent the interests of Organised Labour. The Overall Convenor of the Labour constituency is Bheki Ntshalintshali.

Government

Government delegates are drawn from the key economic departments, namely, Labour, Trade and Industry, Treasury and Public Works. Representatives from other Government departments participate on an *ad hoc* basis. The Overall Convenor of the Government constituency is Les Kettledas.

Community Constituency

A number of organisations make up the Community representation, including the Women's National Coalition; the South African National Civics Organisation; the South African Youth Council; Disabled People of South Africa; The South African National Apex Cooperatives and the Financial Sector Campaign Coalition. The Overall Convenor of the Community constituency is Lulama Nare.

NEDLAC World of Work

NEDLAC business is conducted under nine (9) distinct policy work streams; namely Annual Summit; Executive Council; Management Committee; Public Finance and Monetary Policy Chamber; Trade and Industry Chamber; Labour Market Chamber; Development Chamber, Section 77 and Special Projects.

Annual Summit

The Council convenes an annual summit each year which is Chaired by the President or Executive Deputy President or such equivalent person as the Constitution of the Republic of South Africa may provide for.

While the summit does not form part of the Council itself, its function involves as many relevant groups and forums as possible in order to give feedback on Council activities to obtain inputs from organisations or persons not normally involved in the day-to-day activities of the Council. The summit brings together no more than 300 delegates.

Executive Council

The Executive Council is NEDLAC's highest decision-

making body. It consists of no more than 18 members of each of the four NEDLAC constituencies- Government, Business, Labour and Community.

The Executive Council meets at least four times every financial year to receive report-backs on NEDLAC's four Chambers and Management Committee to review progress, reach consensus and ratify agreements.

Management Committee

NEDLAC's Management Committee consists of 18 members made up as follows;

- 4 Overall Convenors
- 13 Chamber Convenors and
- The Executive Director

The Management Committee oversees and coordinates all NEDLAC's work, subject to authority of the Executive Council.

Negotiations are conducted under four distinct policy work streams; namely Public Finance and Monetary Policy Chamber; Trade and Industry Chamber; Labour Market Chamber; and the Development Chamber.

Labour Market Chamber

The Labour Market Chamber considers all proposed labour legislation relating to labour market policy before it is introduced in Parliament. The Labour Market Chamber seeks to reach consensus and make arrangements for placing before the Executive Council on all matters pertaining to the world of work and the associated institutions of delivery.

Trade and Industry Chamber

The Trade and Industry Chamber seeks to reach consensus and make 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.

Development Chamber

The Development Chamber seeks to reach consensus and make agreements on all matters pertaining to development, both urban and rural; implementation strategies; financing of development programmes; campaigns to mobilise the nation behind development and the associated institutions of delivery.

Public Finance and Monetary Policy Chamber

The Public Finance and Monetary Policy Chamber seeks to develop and reach consensus as well as arrive at agreements on all matters pertaining to the framework within which financial, fiscal, monetary and exchange rate policies are formulated. It also seeks to enhance the coordination of fiscal and monetary policy related elements of macro economic policy as well as the institutions of delivery.

Section 77

Section 77 of the Labour Relations Act gives workers the right to take part in protest action to promote or defend their socio-economic interests. The Act gives NEDLAC the task of bringing the parties to a Section 77 notice together to attempt to resolve the reasons for the contemplated protest action.