

National Economic Development and Labour Council



PART 2

PROGRAMME PERFORMANCE

PART TWO: PROGRAMME PERFORMANCE

WORK STREAM 1

Annual Summit

Scope

The Executive Council shall convene an annual meeting of members and interested parties, called the National Summit, to report and consider the activities of the Council.

The NEDLAC Summit is chaired and addressed by the Presidency and it brings together 300 delegates drawn from NEDLAC social partners and key stakeholders who may not be usual NEDLAC participants. If the President, Executive Deputy President or such equivalent persons are not available to chair the session, the parties on the Council will themselves decide on a replacement chairperson.

Introduction

A successful 15th Annual Summit was held on 11 September 2010, at the Birchwood Conference Centre, Boksburg. The theme of the Summit was “Building partnerships anchored on a shared vision for a Labour-Intensive Growth Strategy for South Africa”.

The Summit was attended by 300 senior delegates from NEDLAC’s four Constituencies, as well as a number of guests from other statutory bodies, NGOs, Provincial and Local Governments, foreign embassies and other socio-economic councils and key stakeholders who may not be usual NEDLAC participants.

The Summit was chaired by the Hon. Deputy President of the Republic of South Africa, His Excellency Mr Kgalema Motlanthe.

Input by the Deputy President of the Republic of South Africa: H.E. Mr Kgalema Motlanthe

Highlights of the Deputy President’s address to the Summit

The Deputy President thanked all Social partners and government representatives who had given their time to support NEDLAC and the process of social dialogue that it provides.

The Deputy President asserted that NEDLAC had a noble mandate, which was a commitment to a national effort towards development. It was an indication that a developmental state in South Africa required serious partnerships between government and the major players in the economy. For several years, it seemed that NEDLAC would meet the challenge of its mandate.

By the late 1990s, however, Labour began to complain that Government and Business were not taking NEDLAC seriously enough, that they saw NEDLAC as a compliance requirement, rather than an integral part of a State committed to a social partnership path to economic development. During the mid-2000s, NEDLAC recovered somewhat from a difficult period in the early 2000s. However, although the Presidential Job Summit was an impressive affair, and the agreement was substantial, the Job Summit failed in implementation. Whatever the reason for this failure, stakeholders could confidently conclude that follow through was weak, and NEDLAC lost more of its credibility.

The Deputy President gave credit to the current Executive for having turned NEDLAC in the right direction, even though there was still a long way to go. He mentioned that one could also state with confidence

that NEDLAC’s potential to contribute to South Africa’s development was huge. In view of this, if stakeholders were blocked in some way from fulfilling that potential, the Deputy President confirmed that he would want to know the reason for this blockage in order to address it.

The Deputy President reflected that in late 2008 it became clear that South Africa would be seriously affected by the financial crisis that began in the United States. Though South African financial institutions were sound and were not deeply affected by the financial crisis itself, the economy was about to be severely battered by the after effects of the crisis.

Even when Government called the Joint Economic Working Group meeting in early December 2008, Government did not anticipate how severely the crisis would affect the economy and people.

The Joint Economic Working Group met at the Union Buildings and agreed that social partners should formulate a joint response to the crisis. By 19 February 2009, stakeholder negotiators had agreed to a text, and the Working Group met at Tuynhuys to endorse it.

Social partners agreed to take joint action on a wide variety of fronts, and agreed to ask NEDLAC to facilitate the implementation of the agreement, on behalf of the President.

The main text of the framework had five key elements:

- Financing growth and investment;
- Addressing distressed sectors;
- Avoiding retrenchment, and managing it;
- Addressing the social impact of recession;

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- Engaging with the international response to the crisis.

There were also a set of agreed principles:

- Protection of the vulnerable, the working poor and the poor;
- Activities should support strengthening capacity for future growth;
- We were committed to continuing high levels of public investment to counter cycle;
- Interventions should be timely, tailored and targeted;
- And we agreed that that bold counter-cyclical action was needed.

The main purpose of the Framework Agreement was to save jobs. Some of the interventions were simply to tighten up existing systems, for example to reduce the level of customs fraud so that labour intensive industries like the clothing sector would not face unfair competition. At the same time, some of the proposals were to recommit Government to existing programmes, such as the infrastructure investment programme, or to bring forward planned reforms, like the social grant programmes. Some were through the establishment of new facilities, such as the R6 billion IDC fund to finance firms in distress, while some were innovations such as the development of the Training Layoff Scheme.

The Deputy President stated that altogether, tens of thousands of jobs were saved, and quite a significant number of companies. In spite of this, a million jobs were lost as a result of the crisis.

The Deputy President accounted the following as reasons for the loss:

- Stakeholders acted too slowly. The launch of some of the new programmes, and certainly of the social partnership oversight structures were delayed until after the April 2009 elections.
- Because suitable instruments were not already in place, the development of these new instruments took time.
- The management of some of the instruments fell short too. For example, the insistence that firms release confidential financial details to gain access to the training lay-off scheme was the illogical imposition of an unnecessary bureaucratic rule. These things sometimes happen in Government out of good intentions, to protect the public purse but to ill effect.
- Many of the workers who lost jobs were in relatively unorganised sectors and in the informal sector. There were no suitable instruments to protect or support them.
- In countries, like Germany, where job losses were minimal, workers and employers had found ways to agree to temporary measures that reduced employment benefits but avoided retrenchment.

The Deputy President stated that Social partners must now consolidate the successes in the response and learn from the failures. Social partners must consider carefully how to ride difficult economic times more smoothly in the future. The Deputy President expected that NEDLAC social partners would think deeply about

this and would make recommendations in that regard. The expectation within Government was that NEDLAC Social partners had thoroughly discussed the industrial policy action plans and that they would be putting their shoulder to the wheel. Also, the expectation was that the New Growth Path would be subject to intense engagement in NEDLAC, following its launch, so that an implementable strategy with thorough and fully committed backing from social partners could be finalised.

The Deputy President assured stakeholders that Government had made a commitment to making the creation of decent work opportunities and sustainable livelihoods the primary focus of its economic policies. This commitment had been taken further in the launch earlier this year of the Industrial Policy Action Plan (IPAP2), which sought to respond to various economic and industrial imperatives and to address weaknesses that existed in the South African economy.

Part of government's vision of the Industrial Policy Action Plan is to have an industrialisation trajectory that is responsive to:

- The promotion of more labour-absorbing industrial sectors, with an emphasis on tradable labour-absorbing goods and services and economic linkages that catalyse employment creation;
- The promotion of a broader-based industrialisation path that is characterised by greater levels of participation of historically disadvantaged people and marginalised regions in the mainstream of the industrial economy.

The New Growth Path that was being finalised within Government would define the nature of the South African jobs and equity challenge as well as address labour-intensive growth. It would provide a policy framework for a labour-intensive growth strategy and identify the policy tools available to support employment growth across the economy. Government hoped that the New Growth Path would provide another stepping stone towards the shared vision that was required to address the structural constraints of the South African economy. The Deputy President assured stakeholders that Government would consult and engage social partners on the New Growth Path.

The Deputy President stated that there would be a number of challenges that would confront stakeholders in the endeavour to achieve a more labour-intensive growth path. He posed a question to each of the social partners: “What can each of the social partners do to contribute towards achieving a higher participation rate and a better utilisation of labour?”

He mentioned that an obvious but necessary starting point would not only be to acknowledge the importance of finding solutions, but also being prepared to rise above partial interests in constructing shared solutions that were in the public interest.

Conclusion

In conclusion, the Deputy President reiterated that NEDLAC was one of the first innovations of South Africa’s democratic Government. It was built on a very firm foundation, the National Economic Forum, which made a huge contribution to helping Government steer through the transition to democracy. It contributed to

the development of an outstanding body of labour law, and many other important legal and administrative innovations.

NEDLAC had also helped Government avoid some major potential mistakes in a range of economic laws and measures. For these achievements, NEDLAC was widely admired worldwide. Even though there are many achievements to be proud of, the nation’s high standards and great ambitions demand that more should be expected from NEDLAC in the future.

NEDLAC must build itself in such a way that it becomes an indispensable cog in the nation’s developmental societal machine. It can add so much more to the effectiveness of the country’s institutions and our initiatives.

The Deputy President thanked NEDLAC staff for their continued efforts and, in particular, the Executive Director, Mr Herbert Mkhize, for staying the course.

**Input by the Representative of the Business
Constituency: Ms Futhi Mtoba – President of BUSA**

Highlights of the Business Representative’s address to the Summit

The President of Business Unity South Africa (BUSA), Ms Futhi Mtoba thanked NEDLAC for the opportunity afforded to her to contribute to the 15th NEDLAC Summit on behalf of business in South Africa.

Ms Mtoba reflected on a challenge to South Africans posed by world acclaimed Chilean-American author and human rights activist, Ariel Dorfman, to make every

day a “Mandela Day”. Ariel Dorfman asked if South Africans had “the energy, the intelligence and the talent to create a country that did not have the tremendous inequalities and tensions”. Business in South Africa believed that South Africans have the energy, the intelligence and the talent to make every day a Mandela Day, to make every day a World Cup Day.

Business in South Africa firmly believed that South Africans could start leveraging these qualities over the long term, as was done during the Soccer World Cup, during which South Africans:

- Demonstrated ability to focus on a common objective;
- Capitalised effectively on the phenomenon of shared pride;
- Built one another’s confidence as legitimate and respected parts of what makes this country great to live in, great to work in and great to do business in; and,
- Harvested the fruits of social cohesion that so easily blossoms naturally where we work together to overcome, rather than emphasise, the fault lines that delineate our society.

As one, stakeholders should focus on economic growth, employment and transformation as key objectives that could change society for the better and these objectives must stand at the apex of South Africa’s socio-economic policy hierarchy going forward. NEDLAC stakeholders must mobilise all stakeholders around these aims: colleagues in Government, associates in business, labour leaders and compatriots in the rest of civil society. In particular, the BEE Advisory Council

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– on which business was well represented – should consider new initiatives to make the BEE process a successful one.

Ms Mtoba stated that the post-Soccer World Cup “dividend”, in other words, the benefits of the improved international awareness, enhanced image abroad and South Africa’s greater attractiveness as a tourism and business destination, must be leveraged to get South Africa on to a higher labour-absorbing growth path. BUSA believed that this was eminently possible if South Africa redeemed another very important World Cup “dividend”. That is, to keep building on the experience gained in maintaining timelines, targets and the monitoring of projects to achieve tangible outcomes more promptly than before the World Cup. That stakeholders do so in pursuit of as rapid an improvement of shared prosperity as is possible, just as we did in pursuit of giving the world the best Soccer World Cup as was possible.

To do the above, BUSA believed that stakeholders should start by identifying and consolidating the ‘efficiency gains’ South Africa achieved in the preparations for 2010.

Ms Mtoba mentioned that a lesson that should not be forgotten was that the 2010 Soccer World Cup “project” was a public-private sector partnership on a huge scale. Without the private sector involving itself to the extent that it had, much of which had been achieved would decidedly not have been possible. Ms Mtoba, however, stated that this stood in stark contrast to what was planned for “project” South Africa over the next three years. The R846 billion in planned infrastructure spend would see to the nation’s most basic infrastructure needs only, and would be disbursed with difficulty by

a fiscus already under great pressure. Yet, only about 3-5% of this amount had been allocated to public-private sector partnerships, which was low by global standards.

Ms Mtoba pointed out that for the purposes of the World Cup, legislation was swiftly passed, temporary courts were put in place and long-troubled institutions, such as the Road Accident Fund, could quickly come up with new dispensations to deliver an effective service to visitors and citizens alike. If nothing else, this certainly provided solid ‘empirical evidence’ that if stakeholders put their minds to it, they could take action in pursuit of a common goal.

The World Cup had therefore shown that unnecessary red tape could be put out of the way expeditiously. That lesson should be applied to areas such as the regulatory and cost burdens that weighed down business growth and job creation. It had long been accepted that a regulatory review was necessary in this regard. BUSA viewed this as particularly important to current and potential entrepreneurs, who had in the past shown small businesses’ potential to be the engine room of job creation in South Africa.

In addition to the above ways that South Africa could consolidate its World Cup ‘efficiency gains’, stakeholders must pay the necessary attention to some basic, but important issues, on which various factor-driven economies were starting to rival and better South Africa. Stakeholders needed to ensure:

- That the state maximised its coherence, transparency and accountability on economic policy implementation;

- That support for a growth-focused macro-economy was strengthened;
- That stakeholders put every effort into ensuring that the input factors that would help make the most of South Africa’s human resource endowment (i.e. the even provision of access to primary education, health and justice) are taken care of;
- A coordinated and integrated anti-poverty programme to raise standards of living in SA;
- An effective anti-corruption campaign.

Ms Mtoba added the 2009/2010 NEDLAC Annual Report had recently been tabled in Parliament. The report gave a good overview of NEDLAC’s work and activities over that period. She further mentioned that in the NEDLAC Annual Report, Overall Business Convenor, Laurraine Lotter, gestured to the 2010 Soccer World Cup as “an example to stakeholders of what could be done if social partners worked together towards a common goal”. The World Cup 2010 also demonstrated NEDLAC’s potential in showing leadership in “engaging on ways to accelerate achievement on common goals like elimination of poverty, economic growth and job creation, universal access to basic services, an effective and efficient public service and smart regulation”.

BUSA also noted that COSATU gestured towards strongly raising anti-corruption issues in NEDLAC. BUSA would welcome an engagement on this matter. Ms Mtoba indicated that BUSA was implementing a nationwide anti-corruption campaign in partnership with the Department of Public Services and Administration and the Danish Embassy. BUSA’s first Annual Anti-Corruption Forum was held at the

Sandton Convention Centre in October 2009. The forum reviewed anti-corruption mechanisms, including international agreements and their effectiveness in preventing corruption in the business sector. The second Forum will be held on 28 October 2010. Business had assumed the role of Chair of the National Anti-Corruption Forum (NACF), which drove the national anti-corruption programme and resolutions of the national Anti-Corruption Summit.

Conclusion

In conclusion, Ms Mtoba stated that there was emphasis on the need to rebuild consumer and business confidence in South Africa in the post-recession period. One of the most important ways to project a message of confidence was for the Social partners and Government to be seen to be cooperating in tackling challenges and offering practical solutions. A recent ILO publication referred to South Africa's Response to the Global Economic Crisis as a "stimulus package with strong social partner consensus". This was the approach stakeholders needed to build on to help take the tough decisions that still lay ahead.

It was clear that NEDLAC could contribute to what the Minister of Finance had described as the 'new normality', which was needed in the post global economic crisis phase in South Africa. It would be achieved by showing leadership in interrogating the total learning experience of 2010 Soccer World Cup, to help South Africans to seize the moment and to emphasize the 'can' in African and, indeed, also in South African. The above were all key stepping stones if South Africa was to aspire to a 7% growth rate over the long term. Stakeholders needed to work together in the national interest in

order to succeed. South Africa needed effective social dialogue more, not less, in the period ahead.

**Input by the Representative of the Labour Constituency:
Mr Zwelinzima Vavi, General Secretary of COSATU**

Highlights of the Labour Representative's address to the Summit

Mr Vavi underscored that 1.1 million jobs were lost from the beginning of 2009 to the middle of 2010. This had plunged five and a half million more family members of those jobless workers deeper into the ranks of the poor. The official unemployment rate, excluding those who had given up looking for work, rose to 25,3% from 25,2% in the first quarter, and remained at an unacceptable level, the highest in 62 countries tracked by Bloomberg news agency. The more realistic, expanded unemployment rate, which included those who had given up looking for work, increased from 35,4% to 35,9% over the first quarter.

South Africa was also the most unequal country in the world. The Gini Coefficient stood at 0.64 in 1995, but at last count, it was 0.68. The top 20 paid directors in JSE listed companies earned on average 1 728 times the average income of a South African worker while state owned enterprises' CEOs earned 194 times an average worker's income.

Income inequality was still racialised and gendered. In 2007, Whites were earning 8 times more than Africans. An average African man earned in the region of R2 400 per month, whilst an average white man earned

around R19 000. The racial income gap was therefore roughly R16 800 among males. Unemployment among Africans, which was estimated to be 38% in 1995, stood at 45% in 2005.

The most outrageous and obscene levels of inequality were found in bank CEOs pay packages. Nedbank CEO, Tom Boardman, earned R43 million last year, Standard Bank CEO, Jacko Maree, R18,2 million and Absa CEO, Maria Ramos, R13,5 million.

In 2004, COSATU concluded that the first decade of freedom had benefited capital more than workers and expressed the hope that this would be reversed in the second decade. However, the reality was that the problems of unemployment, poverty and inequality were getting worse.

As President Zuma said at the 2010 May Day Rally in Durban, "The benefits of economic growth have not been broadly and equitably shared." Despite the slowly accelerating GDP growth, unemployment, poverty and inequality worsened and continued to widen the wealth gap, and the racial inequalities inherited from apartheid.

Despite the ANC government building 1.1 million new houses since 1994, thousands of working-class families still lived in shacks with no water, electricity or other basic services.

South Africa still had a two-tier system of education in which 70% of Matric exam passes were accounted for by just 11% of schools. Only 3% of the children who enter the schooling system eventually complete with higher grade mathematics. Of the 1.4 million learners

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who entered the system in 2008, 24% were able to complete Matric in the minimum of 12 years.

South Africa had a collapsing public health service and still no progress towards a National Health Insurance Scheme. Although South Africa ranked 79th globally in terms of GDP *per capita*, South Africa ranked 178th in terms of life expectancy, 130th in terms of infant mortality, and 119th in terms of doctors per 1 000 people.

The high levels of poverty and inequality aggravated many other anti-social consequences which were seen more and more – violent community protests, crime, corruption, xenophobia and the collapse of social and moral values. South Africa faced not just personal and family disasters but a national catastrophe, a ticking bomb which had already begun to explode in the poorest communities.

Mr Vavi said that history provided some excellent guidance about how the crises highlighted above could be solved. The Freedom Charter declared in 1956 that “The people shall share in the country’s wealth” and that “the mineral wealth beneath the soil, the banks and monopoly industry shall be transferred to the ownership of the people as a whole.” This was taken up by the RDP, whose five pillars were macro- economic stability, meeting basic needs, providing social safety nets, human resource development and job creation.

It would seem that stakeholders had broad consensus on the need to prioritise a labour-intensive growth strategy, with a strong, interventionist state. However, the problem was that stakeholders had hardly started to implement all the resolutions.

South Africa could not claim to have achieved the strategic objective of the NDR – the liberation of black people in general and Africans in particular, when so many South Africans were unemployed and poor, and wealth was unevenly spread between the races, after 16 years of democracy under ANC governments.

The Polokwane delegates were spot on when they demanded that the developmental state must intervene strategically to tackle these problems, especially unemployment. The Freedom Charter, the RDP and the Polokwane resolutions were unanimous in rejecting the neoliberal, free-market policies of previous administrations. They all insisted that the state must intervene to plan the use of the country’s resources in the interests of the people.

The state was not class, gender and racially neutral and nor should the ANC be neutral, but biased in favour of workers and the poor, and must intervene to transform the basis of the nation’s economy, from one that is over-dependent on the export of raw materials to one firmly based on the manufacturing industry.

Mr Vavi stated that it was a bold move to adopt the Industrial Policy Action Plan 2, but it remained a piece of paper. He added that 17 months after its election, government was still debating its economic strategy, seemingly torn between the Department of Trade Industry and Economic Development Department who were trying to implement the Polokwane resolutions and elements in National Treasury and the Reserve Bank who cling to the old, conservative monetary agenda.

Conclusion

South Africa should hope that the 50 base point cut in the lending rate announced in the week – although it was too little, too late – marked a move in the right direction, towards a labour-intensive growth strategy, and a rejection of the former rigid inflation-targeting policy.

Mr Vavi asserted that he was confident that the proposals in COSATU’s new economic policy document were fully in line with the theme of the Summit, a labour-intensive growth strategy for South Africa, which could take the nation forward in solving the economic, social and political crises. NEDLAC, as always, would have to play a pivotal role in turning proposals into actions and driving forward the completion of the national democratic revolution.

**Input by the Representative of the Community
Constituency: Mr Andrew Madella, Secretary General
of Disabled People South Africa**

Highlights of the Community Representative’s address to the Summit

The Community Constituency welcomed the opportunity to address the NEDLAC Annual Summit. Mr Madella reaffirmed that the NEDLAC Summit grants social partners the opportunity to critically, constructively reflect on the achievements in the past year, as much as it presented opportunities to define new, and redefine ongoing, policy objectives and strategies for the period ahead.

Mr Madella stated that South Africa was on a journey out of the global economic crisis. Among the losses due to the crisis, Mr Madella counted decreased chances of employability among the unemployed; job losses among those who had jobs; families being forced into distress as a result, an increase in social ills; workers' unyielding demands for higher wages and hyperinflation. Among other reasons, it was due to the hard squeeze that the nation's socio-economic reality had felt that the necessity for the development of a shared growth strategy came about.

Unfortunately, growth was an amorphous phenomenon whose achievement, if lucky, might only be realised through consistency by the next generations. However, this shared growth needed to bear certain qualities and its manifestation would start through 'social dialoguing'. NEDLAC should pride itself as one of the few dialogue-enabling structures and processes through which Organised Business; Organised Community, Organised Labour and Government constituencies might significantly hammer out South Africa's collective aspirations into desirable policy and programmes' outcomes.

Mr Madella pointed out that the first of the qualities that a shared growth strategy must have was that it must be crafted, reviewed and agreed upon through NEDLAC processes. In NEDLAC, consistent interchanges between Social partners were the beginning of consolidating a deeper sense of understanding one another, and thereby ensuring the paving of that path where we wish this country's future generations to broaden our strengths.

Social partners should therefore be proud of NEDLAC's accomplishments to date, as much as to continue to

strive for the strengthening of the institution's internal mechanisms for it is through these that NEDLAC's role would be anchored in the country's growth itinerary.

The Community Constituency was of the view that if legislations and policies aimed at achieving operational institutional integration were to have real meaning to NEDLAC's intended objectives, this legislation and policies needed to be enforceable. If there were no mechanisms to enforce institutional and administration-to-administration integration, this left room for democracy to be manipulated with socio-political distancing resulting at community level.

The Constituency believed that important integration avenues like the Inter-governmental Relations Framework (IGRF) and Local Government Integrated Development Planning (IDP) processes needed to contain community emphasis in order for them to have the desired and effective contributions towards anchoring NEDLAC's continuous deliberations on the country's collective efforts of constructing a shared growth strategy.

Therefore, when South Africans fashion out a future growth strategy, this strategy should neither be pigeonholed into a category, "economic" nor should it remain in the exclusive purview of some experts at the communities' expense. The growth strategy envisaged by the Constituency was a comprehensive one that would ensure that as the country's economy grows, that this growth's proceeds were democratically accounted for.

Mr Madella pointed out that in order to lead in developing sustainable and strong growth, South Africa needed

to meaningfully and structurally link all its institutions of 'social dialogue', consultative, and Constitutional governance so as to enhance measures through which communities' aspirations would be unquestionably visible in the eyes of the services' intended and rightful recipients.

Thus far, South Africa's institutions had given greater prominence to the bureaucratisation of communities' aspirations; and the exploitation of poor people's adversity for political ends and using them as what had come to be known as "voting cattle". This was the backdrop of rising disenchantment, and undesirable destructive community-based protests that were mimicking the political opportunism that had embedded itself in the echelons of power.

The Community Constituency emphasised the central role of rural development in community members' lived experiences of food shortage crisscrossed by numerous other real phenomena. It was for this reason that the Constituency welcomed the CRDP as one of government's significant instruments in addressing the multiple and systemic challenges facing disabled people, women, youth and children.

The CRDP should be viewed more as a long-term impact food security initiative whose success will depend on South Africa's unrelenting vigour not to allow its people to be hungry because of lack of food. South Africa should extend the CRDP's efforts to individual households through ensuring that:

- Municipal councillors and their administrations initiate households' vegetables' gardens through providing every household throughout the country

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- in traditionally-owned, rural, peri-urban, and urban land alike – with vegetables’ seeds.
- Community social development officials and community development workers (CDWs) were an inherent part of coordinating the resourcing of household vegetables’ gardens. Along with local government councils, the Ministry of Rural Development and Land Affairs should pursue the urgent need for each household to have its own vegetable garden.
- All municipalities should identify land within each community that could be used for social co-operative farming projects. This was a way of establishing and consolidating a community-level farming culture and self-sustenance. It was also a practical, organic and day-to-day way of keeping hunger at bay while working towards consolidating cash-dependent ways of securing food for our communities.
- Community-based food security initiatives should start to be given increasing budgetary attention through local government’s Integrated Development Plans (IDPs) than monetary-reliant food security initiatives.
- The Ministries of Rural Development and Land Affairs and Higher Education and Training should work beyond the exclusive strengthening of agricultural offerings in agricultural colleges. The same should be engrained throughout all further education and training institutions.

In an age where globalisation ordered the nature of all relationships, the Community Constituency unflinchingly supported the house’s call for growth. In the same way

as the developed world economies had come to realise that the successful and credible resuscitation of the global economy would be effected through and by developing economies, the Community Constituency similarly urged Social partners – specifically the Deputy President – to be mindful of this future reality: South Africa would achieve a strong, sustainable and balanced growth only through community-based co-operatives.

The Community Constituency represented a growing critical mass of sectors that were increasingly establishing co-operatives where their members lived. The challenge that these co-operatives faced were multiple, the main among these being:

- Despite the fact that eighty percent (80%) of government departments at all tiers were resourced with financing mechanisms that could be utilised by these co-operatives, in effect as well as in practice co-operatives continued to be disregarded and thereby struggled for their survival.
- This is against the backdrop that globally the co-operative sector was the least affected economic sector by the now-leaving global economic crisis. The Constituency called on all partners to make community co-operatives work in all industries so as to obviate the possibility of a double dip.
- Community co-operatives found the application of preferable procurement, with respect to selling their produce and services both in the public and private sectors, to be absent.

Despite contrary evidence sourced internationally, in

South Africa community co-operatives remained an insufficiently explored source of organic social stability in their role of assisting government to deliver core services within communities, and thereby minimise service delivery-related protests.

In order for South Africa to define and implement a successful growth strategy, that strategy would need to be closely monitored and every aspect of it operationalised over the next 50 years. This meant that in order for the country to grow its economic base, South Africa needed to consciously promote locally-relevant and locally-owned industries that add value to the current productive resources’ base.

In so doing, Social partners should further strengthen a skilling economy through which the farms can feed the growing population, while ensuring that universities start putting real emphasis on the generation of research-based postgraduate degrees that would address the needs of the growth strategy.

Conclusion

Stephen Stieglitz specifically stated that “one cannot ignore the possibility that the survival of the [past] paradigm was partly because the belief in that paradigm, and [its] policy prescriptions, has served certain interests.”

Mr Madella reasserted that NEDLAC needed to reformulate these same institutions and their culture of exclusivity with the view to bringing forth strong, sustainable and balanced South African growth that would lead to 50 years of development.

WORK STREAM 2

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 shall meet at least quarterly with a view to receiving report-backs from the various Chambers, reviewing progress, reaching consensus and concluding agreements between the parties.

Meeting Target for 2010/11

The Executive Council planned to hold four (4) meetings in the year under review; this target was met. The Executive Council work is anchored largely on focus sessions that are driven and led by Cabinet Ministers. The Executive Council, in executing its mandate, focuses on key national policies at micro and macro levels, key challenges, the institutional framework and key policy interventions.

Summary of Executive Council Meetings

Date	Chair	Focus Session	Lead Cabinet Minister/ Speaker	Strategic Objective
28 May 2010	S Dlamini - Labour	G20: South Africa's position	Sherpa M Mpahlwa	To influence the country's position ahead of the Canada and Korea G20 sessions.
		Introduction to the National Planning Commission (NPC)	Minister in the Presidency, National Planning Commission, T Manuel	Briefing on the workings of the NPC, to draw synergies between the NPC and NEDLAC.
21 October 2010	Minister G Doidge - Government	Education and Skills Development Policy	Minister of Education, B Nzimande	Input on the Higher Education and Skills Development current landscape, key challenges, institutional framework and key policy interventions going forward.
29 October 2010	Minister M Mladlana - Government	Medium Term Budget Policy Statement (MTBPS)	Minister of Finance, P Gordhan	Briefing on South Africa's economic outlook and factors underpinning the MTBPS.
25 February 2011	R Parsons - Business	National Budget 2011/12	National Treasury Director General, L Kganyago	Input on the National Budget 2011/12 and its salient pillars. Engagement on the fiscal and monetary policy path for South Africa.

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Members of the Executive Council and Alternates 2010/11

Business	Community	Government	Labour	Executive Director - NEDLAC
L Lotter (Overall Convenor)	L Nare (Overall Convenor)	Minister M Mdladlana - replaced by M Oliphant	B Ntshalintshali (Overall Convenor)	H Mkhize
L Khoza	A Madella	Minister R Davies	J Maqhekeni	
N Majikija	P Horn	Minister G Doidge - replaced by G Mahlangu-Nkabinde	Z Vavi	
W Nkhulu	D Masondo	Minister P J Gordhan	D George	
E Strydom	D Mthlane	L Kettledas (Overall Convenor)	K Bezuidenhout	
R Friedland	L Kganyago	N Mashiya	T Ehrenreich	
D Dykes	K Hlongyana	L Kganyago	A Benjamin	
A Campbell	M Nkosi	R Levin	C Malikane	
E Masilela	I Frye	F Adams	S Dlamini	
G Mosena	M Toni	I Makgetla	N Craven	
F Mtoba	J Malqueeny	N Matsotso	M Samela	
R Shuter	R Bhengu	M Metcalfe	D Carstens	
S Nicolau	A Tshitangano	T Zulu	S Gumede	
S Siwisa	T Mara	G Aboobaker	L Grobler	
S Shosana	A Madella	I Goodspeed	S Sithole	
T Mazwai	H Marais	R Masoga	I Ramputa	
T Chandler	I Hassan	A Shaw	J Mosia	
J Vilakazi	T Moja	M Mabuza	P Govender	
	M Toyana	P Mjwara	A Benjamin	
	Z Matsela	S Jehoma	H Mushonga	
	S Gwala	V Madonsela	I Jim	

Members of the Executive Council and Alternates 2010/11- continued

Business	Community	Government	Labour	Executive Director - NEDLAC
	C Matlakala	T Matona	T Gumani	
	S Mapaila	J Stott	M Mbongwe	
	N Mqhayi	L Fuzile	C Gina	
	A Nkabinde	C Rossouw	T Zulu	
	R Tshweu	N Madula	T Tengela	
	E Paulus		J Barrett	
	I Isaacs		S Zokwana	
	Z Ndaba		F Oosthusyen	
			P Tsukulu-Motshohi	
			T Ntola	
			P Zenzile	
			M Burger	

WORK STREAM 3

Management Committee

The Management Committee is responsible for overseeing and coordinating the work of the Council. The core membership is made up of Overall Convenors of the four (4) Social partners as well as Convenors of the Constituencies on each of the Chambers. If deemed necessary, not more than four additional members can be appointed to the Management Committee.

NEDLAC'S Management Committee consists of 18 members made up as follows:

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

Meeting Target for 2010/11

The Management Committee planned to hold seven (7) meetings in the year under review. The Management Committee met four (4) times during this period. The Management Committee met as follows:

Date	Chair
29 July 2010	Thulani Tshefuta – Community
30 September 2010	Faried Adams – Government
26 November 2010	Raymond Parsons – Business
16 February 2011	Faried Adams – Government

The remaining three (3) scheduled meetings were cancelled in order to allow the leadership time to provide guidance on four major projects that were being fast tracked for completion, namely:

- Preferential Procurement
- Integrated Resource Plan 2010
- Climate Change
- Decent Work Country Programme

PROGRAMME PERFORMANCE

In addition to dealing with the day-to-day operational matters of the Council, the Management Committee also dealt with, *inter alia*:

- Road Accident Fund – No Fault Policy
- Metered Taxi Policy Implementation Strategy
- HIV/ AIDS Strategic Plan
- SADC - EAC/COMESA
- Social Plan Review
- Municipal Systems Amendment Bill
- Expanded Public Works Programme Code of Good Practice
- Cooperatives Amendment Bill

Members of the Management Committee and Alternates 2010/11

Business	Government	Community	Labour	Executive Director NEDLAC
L Lotter (Overall Convenor)	L Kettledas (Overall Convenor)	L Nare (Overall Convenor)	B Ntshalintshali (Overall Convenor)	H Mkhize
P Drodskie	I Goodspeed	L Bale	M Mbongwe	
E Masilela	F Adams	I Frye	T Ehrenreich	
F Xaba	T Mchunu	L Kganyago	I Ramputa	
K Moyane	T Mkalipi	S Mapaila	S Gumede	
S Siwisa	C Rossouw	T Mabuza	M Samela	
V Harbhajan	N Madula	T Tshefuta	D George	
R Parsons	T Makgetla	D Mithalane	B Mngxekeza	
T Skenjana	D Davhana	P Nkomo	S Sithole	
	G Aboobaker	D Moreotsenye	K Rensburg	
		M Toni	L Grobler	
			P Zenzile	
			M Burger	

WORK STREAM 4

Labour Market Chamber

Scope of Work

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 all matters pertaining to the world of work and the associated institutions of delivery.

Chamber's Modus Operandi

Most of the substantive work of the Chamber is done in Task Teams comprising representatives of stakeholders that have specific knowledge of the relevant subject matter. The work of the Task Team is governed by Terms of Reference, which are developed by the Chamber. The outcome of work done in the Task Teams is submitted to the Chamber for consideration and ratification. Once the Task Team report is signed off by the Chamber, it is then tabled at the Management Committee for final consideration and sign off.

Meeting Target for 2010/11

The Chamber is required to meet at least six (6) times in each financial year. Representation in the Chamber is made up of six (6) mandated representatives from Organised Labour, Organised Business and Government. The Chamber and its Task Teams held thirty-one (31) meetings in the period under review. The bulk of Labour Market Chamber work is executed and expedited in the various Task Teams and the Chamber monitors and signs off on reports generated by the Task Teams. A summary of the activities of the Chamber and its Task Teams is captured in the table below:

	Number of Meetings
Chamber Meetings	9
Decent Work Country Programme Task Team	8
Labour Market Policy Review Task Team	2
Local Government (Municipal Systems Amendment Bill) Task Team	3
Social Plan Review Task Team	1
Superior Courts Task Team	4
Expanded Public Works Programme Task Team	3
Insolvency Technical Task Team	1
Total	31

PROGRAMME PERFORMANCE

Programme Performance

Labour Market Chamber

Key Focus Area	Key Performance Indicator	Measurement	Status
Bargaining councils demarcation disputes/ applications	Make recommendations on demarcation issues tabled before the Demarcation Committee.	To consider applications as and when forwarded by the CCMA to the Secretariat.	The Committee considered and finalised twenty-three (23) applications in the 2010/11 reporting period.
Social Plan Review	Review the existing social plan in accordance with the Report compiled by Cheadle Thompson and Haysom.	Complete a NEDLAC report with maximum areas of agreement.	Task Completed.
Insolvency Bill	Consider the Bill by the Department of Justice with the focus on insolvency of individuals, partnerships and trusts.	Complete a NEDLAC report with maximum areas of agreement on how to mitigate the impact of insolvencies on jobs and other consequences.	Pending publication and tabling of the Bill in NEDLAC.
Labour Market Policy Review	Consider amendments to the Employment Equity Act, Labour Relations Act and Basic Conditions of Employment Act as well as consider the Employment Services Act.	Complete a NEDLAC report with maximum areas of agreements, which will feed into the legislative framework.	The convergence of ideas has gained momentum in pursuit of reaching consensus. Finalisation is expected in the 2011/12 reporting period.
Decent Work Country Programme (DWCP)	Develop a framework that will form the basis for engagements among the NEDLAC Social partners.	Finalise the Country Programme for South Africa.	NEDLAC Social partners launched South Africa's first DWCP. The implementation phase is underway.
Municipal Systems Amendment Bill	Engagement on and consideration of the proposed amendments to the Municipal Systems Amendment Bill.	Complete a NEDLAC report with maximum areas of agreement, which will feed into the legislative framework.	Task Completed.
Expanded Public Works Programme (EPWP): Code of Good Practice	Amend the Code of Good Practice in line with the relevant labour legislation.	A revised Code of Good Practice endorsed by all Social partners.	Task Completed.
Superior Courts Bill	Get agreement with the Minister of Justice on the proposals to address NEDLAC concerns on the Bill.	Facilitate engagements with the Minister of Justice on the concerns raised by NEDLAC Social partners on the Bill.	Underway.
Labour Court Rules	Engagement and consideration of rules for the Rules Board and develop protocols.	Revised Labour court rules and protocols.	Nominations to the Labour Court Rules Board completed. Labour Court rules and protocols are pending.
Merchant Shipping Act	To review exclusion of workers at sea from labour legislation.	Develop proposals for the amendment.	Pending the tabling of the Bill in NEDLAC.
Immigration Act	Review existing Immigration Act with a view to addressing the gaps and labour market imperatives including the improvement and efficiency of the key objectives of the Act.	A revised Immigration Act that takes into account the Country's key National priorities.	Pending the tabling of the Bill in NEDLAC.

Programme Performance

Labour Market Chamber

Key Focus Area	Key Performance Indicator	Measurement	Status
Monitoring Labour Market Institutional Trends	Social partners to engage the institutions with a view to understanding their challenges and key priorities in their world of work.	Agreed mechanisms and instruments to ensure that the institutions continue to function optimally.	Monitored on an ongoing basis.
Companies Act (Business Rescue Provision)	Assess labour market implications.	Receive a briefing from the dti on the business rescue provision.	Withdrawn from the Chamber work programme until further notice.
National Skills Development Strategy (NSDS) 3	Consultation on the Strategy with a view to reach consensus on the broad thrust of the Strategy.	An agreed NSDS 3 that takes into account the input by Social partners.	NSDS 3 finalised.
GDS Agreement Relating to Employment Equity and Skills Development	Agree on concrete steps to ensure compliance with the: <ul style="list-style-type: none"> • Employment Equity Act; Code of Good Practice on employment of People with Disabilities; • Code of Good Practice on key aspects of HIV/AIDS in the workplace. 	<ul style="list-style-type: none"> • To encourage designated employees to comply with the requirements of the Employment Equity Act. • To promote the Code of Good Practice on Employment of People with Disabilities; • To promote the Code of Good Practice on key aspects of HIV/AIDS at the workplace. 	Pending the finalisation of the Labour Market Bills.

PROGRAMME PERFORMANCE

Labour Market Chamber and Task Team Members

Labour Market Chamber

Government	Business	Labour
T Mkalipi (Convenor)	K Moyane (Convenor)	M Mbongwe (Convenor)
I Macun	A Ranchod	E Mutileni
N Mamashela	C Gardner	G Gosa
C Rossouw	D Carson	J Simon
D Khumalo	E Strydom	J Wilimiec
S Molapo	E van der Westhuizen	J van Niekerk
S Rathai	G Bezuidenhout	L Grobler
	J Botha	N Craven
	L Trentini	P Govender
	T Cohen	P Gqoba
	J Cumming	P Phelane
	V Harbhajan	S Mimi
		T Khumalo

Decent Work Country Programme Task Team

Government	Business	Labour	ILO	Community
I Macun	T Cohen	M Samela	J Musabayana	I Frye
K Letoaba	B Jack	L Grobler	S Moitse	P Horn
T Sephiri	K Cowley	N Craven	S Hayter	Z Matsela
	V Harbhajan	J Wilimiec	R Anang	
		P Phelane	L Mandoro	
			K Pfeffer	

Members of the Labour Market Policy Review Task Team

Government	Business	Labour
L Kettledas	K Moyane	B Ntshalintshali
T Mkalipi	A Ranchod	M Mbongwe
N Mamashela	C Gardner	A Kriel
Z Mabaso	D Carson	P Govender
I Macun	E Monage	L Grobler
S Rathai	E Strydom	P Gqoba
V Seafeld	E van der Westhuizen	N Newman
B Mampuru	J Botha	P Phelane
V Singh	J Goldberg	B Dlamini
L Monaheng	K Cowley	A Motane
P Laubscher	L Trentini	N Craven
	J Cumming	
	P Pillay	
	T Cohen	
	V Harbhajan	

PROGRAMME PERFORMANCE

Local Government (Municipal Systems Amendment Bill) Task Team

Government	Business	Labour
T Mkalipi	V Harbhajan	P Govender
J Maepa	P Drodsky	N Craven
M Bhabha	T Skenjana	R Ronnie
N Nkontwana	D Maree	N Newman
F Louw	F Xaba	L Grobler
N Mongela		W van Heerden
B Malada		

Social Plan Review Task Team

Government	Business	Labour
M Ratshivhanda	N Smythe	M Mbongwe
M Malapane	T Mutavhatshindi	

Superior Courts Task Team

Government	Business	Labour
L Kettledas	K Moyane	B Ntshalintshali
T Mkalipi	E Strydom	M Mbongwe
J Skosana	T Cohen	N Craven
N Seti	V Harbhajan	P Govender
S Rathai		L Grobler
L Monaheng		M Samela
C Phathela		J van Niekerk
Z Bastille		B Dlamini
N Phasha		

EPWP Task Team

Government	Business	Labour
V Seafeld	K Moyane	N Craven
M Bergmann	V Harbhajan	N Newman
I Akhalwaya		B Ngcobo
		B Dlamini
		J van Niekerk
		P Phelane
		S Gumede

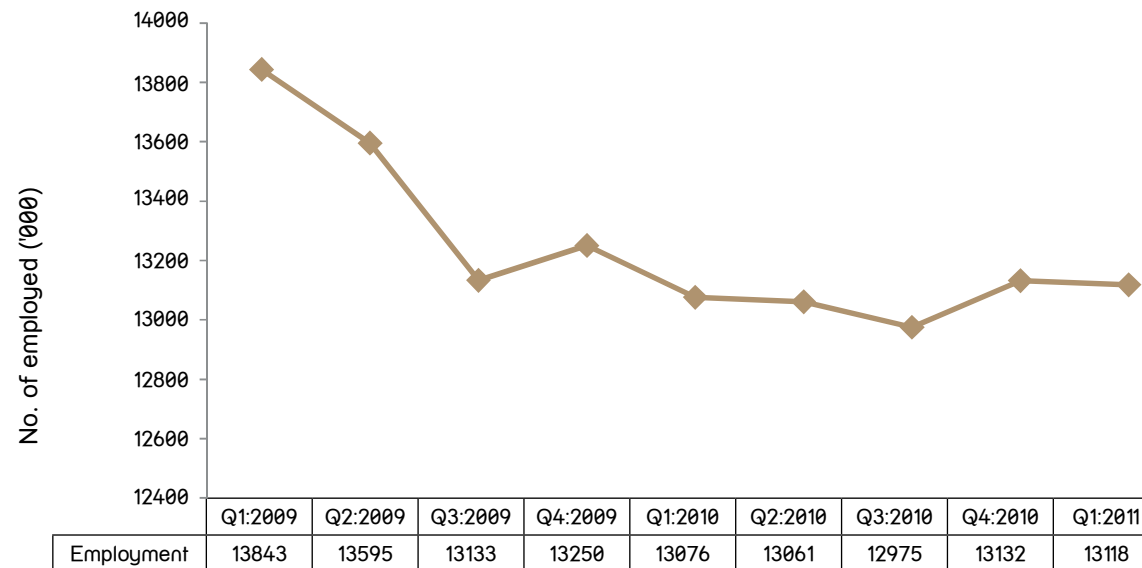
Insolvency Technical Task Team

Government	Business	Labour
T Mkalipi	V Harbhajan	N Craven
M Cronje	K Cowley	P Govender
S Rathai		J Wilimiec
		T Tshozana

PROGRAMME PERFORMANCE

Labour Market Landscape in Numbers

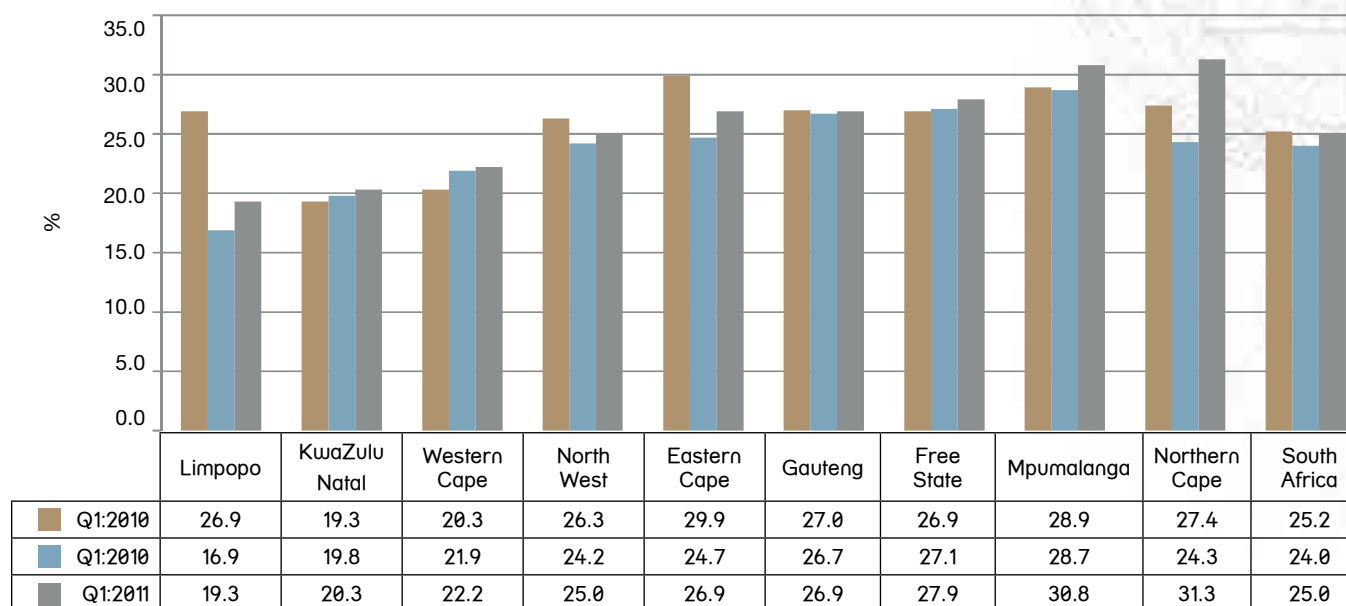
Total employment, Q1:2009 to Q1:2011



Source: Statistics South Africa - Quarterly Labour Force Survey Q1:2011

The above figure shows that the number of employed persons decreased from 13,1 million in Q1:2010 to 13 million in Q3:2010 after which there was an increase to about 13,1 million in Q4:2010 and a decrease of about 14 000 in Q1:2011.

Unemployment by Province

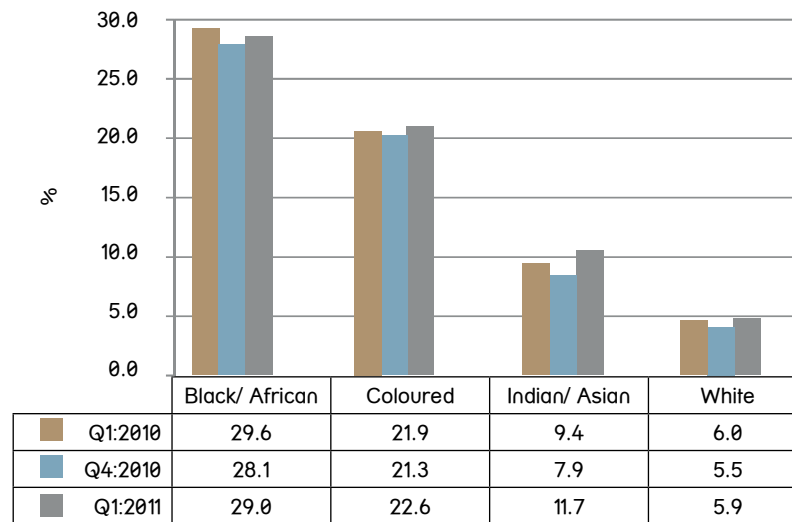


Source: Quarterly Labour Force Survey, Quarter 1, 2011

There was an increase in the unemployment rate in all nine provinces in Q1:2011 compared to Q4:2010. The biggest increase in the unemployment rate was observed in Northern Cape (7.0%), Limpopo (2.4%), Eastern Cape (2.2%) and Mpumalanga (2.1%). The comparisons between Q1:2010 and Q1:2011 indicate that there was a substantial decrease in the unemployment rate in Limpopo (down by 7.6%) and Eastern Cape (down by 3.0%). The provinces that experienced an increase in the unemployment rate in the same period were Northern Cape (up by 3.9%), Western Cape and Mpumalanga (up 1.9% each).

PROGRAMME PERFORMANCE

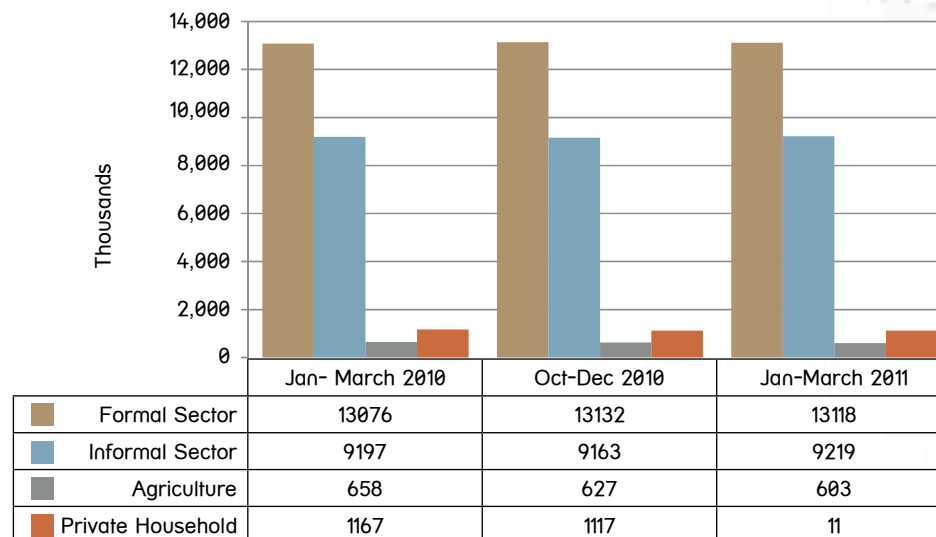
Unemployment rate by population group



Source: Quarterly Labour Force Survey, Quarter 1, 2011

As indicated in the above figure, between Q4:2010 and Q1:2011, the unemployment rate increased for all population groups, with the highest increase recorded in the Indian population group (3.8%), followed by Coloured population group with an increase of 1.3%.

Employment by sector

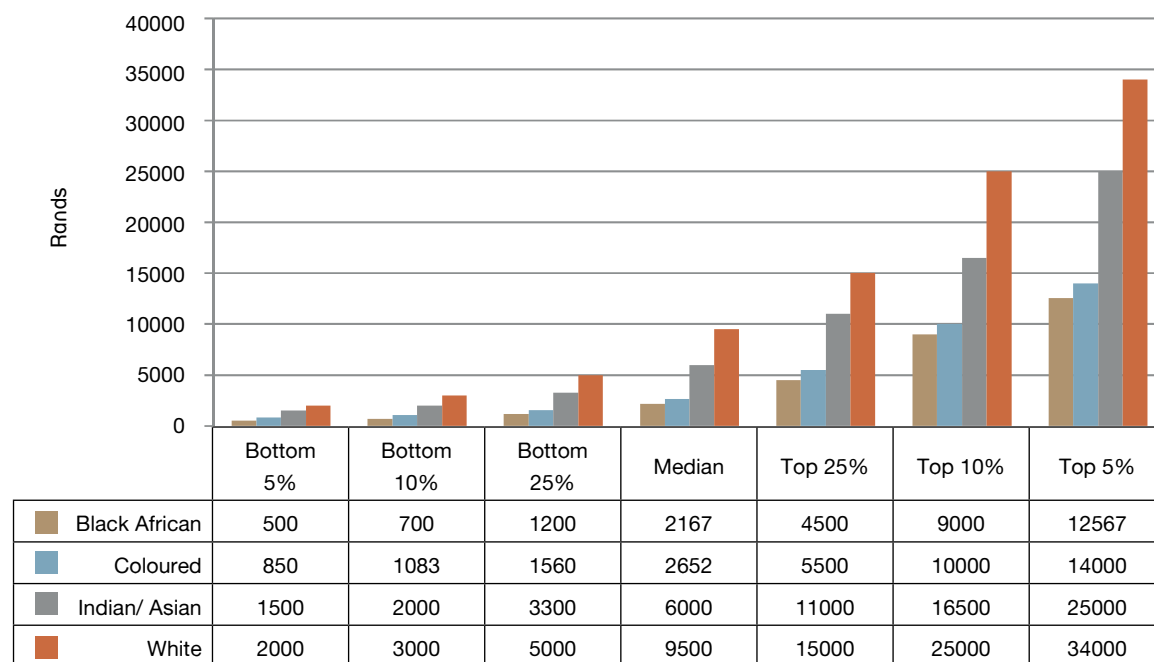


Source: Statistics South Africa, Quarterly Labour Force Survey Q1:2011

Employment decreased by 14 000 between Q4:2010 and Q1:2011 with the formal sector gaining 56 000 and informal sector losing 46 000 jobs respectively; while agriculture lost 24 000, and employment in private households remained virtually unchanged.

PROGRAMME PERFORMANCE

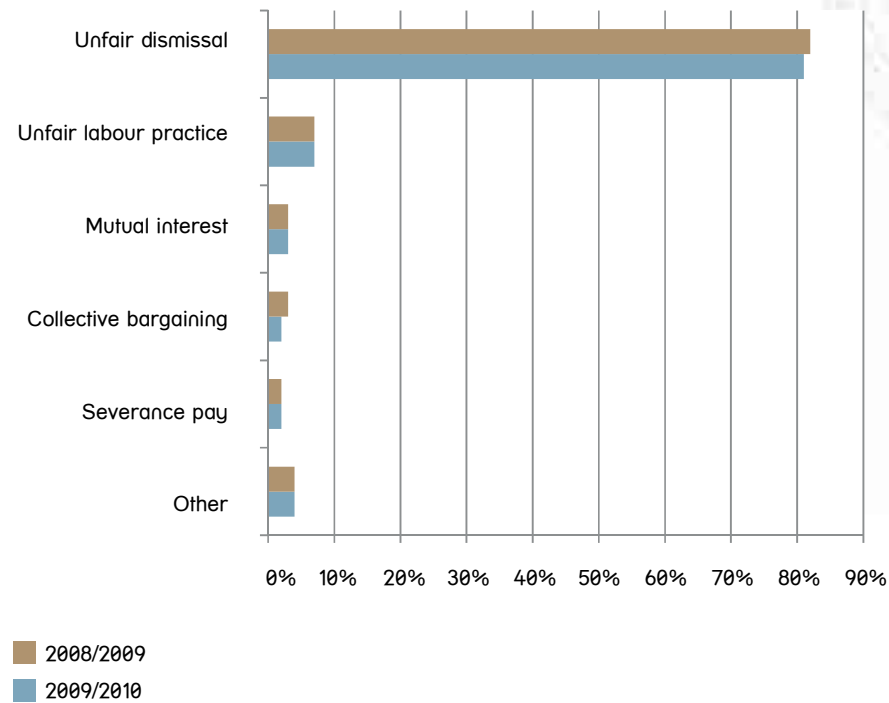
Distribution of monthly earnings for employees by population group



Source: Statistics South Africa - Quarterly Labour Force Survey, Q1:2011

The above figure indicates that the median monthly earnings of the white (R9 500) and Indian/ Asian (R6 000) population were substantially higher than the median monthly earnings of their coloured (R2 652) and Black African (R2 167) counterparts. Black Africans earned 22% of what the white population earned; 36,1% of what Indians/Asians earned; and 81,7% of what the coloured population earned.

CCMA referrals by issue



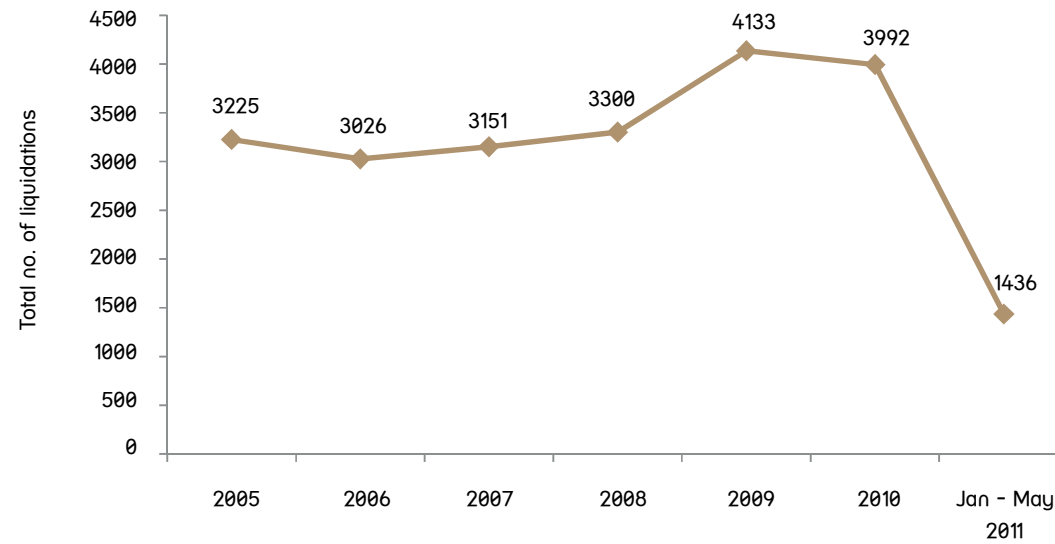
Source: CCMA Annual Report 2009/10

Unfair dismissal disputes continued to account for the largest percentage of issues in dispute. During the period under review, these disputes accounted for 81% of the total of cases received, a decrease from the previous reporting period.

The figure on the next page shows that the total number of liquidations had been on the increase from 2006 (total number recorded at 3 026) to 2009 (total number recorded at 4 133); however, the total number of liquidations declined in 2010 to 3 992.

PROGRAMME PERFORMANCE

Total number of liquidations 2005 to 2011



Source: Statistics South Africa, Statistics of Liquidations and Insolvencies, May 2011

WORK STREAM 5

Trade and Industry Chamber

Scope of Work

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.

Chamber's Modus Operandi

Most of the substantive work of the Chamber is done in Task Teams comprising representatives of stakeholders that have specific knowledge of the relevant subject matter. The work of the Task Team is governed by the Terms of Reference, which are developed by the Chamber. The outcome of work done in the Task Teams is submitted to the Chamber for ratification. Once the Task Team report is signed off by the Chamber, it is tabled at the Management Committee for final consideration and sign off.

Meeting Target for 2010/11

The Chamber is required to meet at least six (6) times in each financial year. Representation in the Chamber is made up of six (6) mandated representatives from Organised Labour, Business and Government. The Chamber and its Task Teams held ninety (91) meetings in the period under review. The bulk of the Trade and Industry Chamber work is executed and expedited in the various Task Teams and the Chamber monitors and signs-off on reports generated by the Task Teams. A summary of the activities of the Chamber and its Task Teams is captured in the table below:

	Number of Meetings
Strategic sessions with the Minister of Trade and Industry	2
Chamber Meetings	12
Trade negotiations	38
FRIDGE	13
Climate Change Task Team	3
SQAM Task Team	4
Water Quality Task Team	3
Customs Control and Customs Bill Task Team	1
Cooperatives Task Team	5
Small Scale Fisheries	1
Plastic Bag MoA	3
SA Regional investment	2
Preferential procurement	3
Administered prices	1
Total	91

PROGRAMME PERFORMANCE

Programme Performance

Trade and Industry

Key Focus Area	Key Performance Indicator	Measurement	Status
Cooperatives Amendment Bill ¹	To undertake a line by line analysis of the Bill with a view to reaching consensus on the provisions thereof, including amending the Bill to reflect areas of agreement.	Complete a NEDLAC report with maximum areas of agreement.	The proposed draft amendments to the Cooperatives Act have been tabled in NEDLAC and are being considered. Finalisation of the task is earmarked for the 2011/2012 reporting period.
Customs Fraud and Illegal imports (Clothing Textiles, Leather and Footwear)	Agree on necessary amendments to curb illegal imports, under invoicing, etc.	Complete a NEDLAC report with maximum areas of agreement.	Ongoing and agreements are being implemented on an ongoing basis as well as monitoring.
Custom Control and Customs Duty Bills	Input into the review of Customs legislation.	Complete a NEDLAC report with maximum areas of agreement.	The legislations have been tabled in NEDLAC and being considered. Finalisation of the process is earmarked for the 2011/2012 reporting period.
Fisheries Policy	To engage and agree on steps to be taken to develop a policy that takes into account the key challenges in fishing.	To ensure that the policy intervention takes into account the balance between commercial and subsistence fishing.	Pending the tabling of the Fisheries Policy in NEDLAC and is earmarked for completion in the 2011/2012 reporting period.
Standards Quality Accreditation Metrology (SQAM)	Agree on necessary amendments to curb the influx of sub-standard products into the country.	Complete a NEDLAC report with maximum areas of agreement on all relevant policy.	The NEDLAC report on the Legal Metrology Policy is completed and has been referred to the Executive Authority and NEDLAC continues to engage on other related policy matters.
Administered Prices	To engage on the drivers of administered prices and the impact of administered prices on the economy.	Complete a NEDLAC Report with maximum areas of agreement and to ensure that the agreements feed into the regulatory framework.	A FRIDGE study has been commissioned to collate all work done on administered prices and the findings of which will be the basis for engagement by the Constituencies.
Strategy sessions with the Minister of Trade and Industry	Policy discussion at Strategic Session (with the Minister of Trade and Industry) to broadly discuss IDF, link between Industrial and Trade Policy etc.	Recommendations and way forward from Strategic Session are referred to the Chamber for consideration and implementation.	Task Completed for the year under review.
Regulatory Impact Assessment (RIA)	Define the role of NEDLAC in general and the Trade and Industry Chamber in particular on the Regulatory Impact Assessment Initiatives.	Establish the participation of NEDLAC and the Chamber in the RIA initiatives.	Finalised on the basis that were RIA had been conducted, findings will form part of the discussions in the Chamber.

¹ Joint project with the Development Chamber

Programme Performance

Trade and Industry - continued

Key Focus Area	Key Performance Indicator	Measurement	Status
NEDLAC role in MoUs	Define the role of NEDLAC in the MoUs.	An agreed framework for the NEDLAC role in the MoUs.	Finalised on the arrangement that it will be dealt with on an issue by issue basis.
Preferential Procurement Regulations	Engage with a view to reach agreement on the Preferential Procurement Regulations.	To conclude the regulatory framework on Preferential Procurement in order to meet the policy objective.	Task completed and has been referred to the Executive Authority.
Water Quality risks	To engage on water quality risks faced by South Africa.	Recommendations, agreement and way forward to be referred to the Chamber for consideration and implementation.	Underway and earmarked for completion in the 2011/2012 reporting period.
Climate change ²	To engage on climate change mitigation and adaptation matters, with particular reference to the Climate Change Green paper.	Complete a NEDLAC report with maximum areas of agreement.	Task completed and has been referred to the Executive Authority.
ITA Act	To examine the administrative aspects of the ITA Act.	Enhance administrative processes and improve functioning of core units in line with objectives provided by the Act.	Pending the tabling of the legislation in NEDLAC and earmarked for completion in the 2011/2012 reporting period.
Industrial Policy Action Plan (IPAP) 2	Initiate engagements to address the gaps in the IPAP 2.	Accelerate the implementation of the Plan in order to curb de-industrialisation.	Engagements are ongoing.
National Water Amendment Bill	Provisions in the Act (36 of 1998) relate to the establishment of a system of administrative authorizations that is flexible to accommodate changes in availability of and requirements for water, and the creation of a decentralized institutional framework that facilitates public involvement in managing water resources.	Facilitate NEDLAC engagements on the Bill with a view to produce an Agreement.	Pending the tabling of the legislation in NEDLAC and earmarked for completion in the 2011/2012 reporting period.

²Joint project with the Development Chamber

PROGRAMME PERFORMANCE

Technical Sectoral Liaison Sub-Committee (Teselico)

Key Focus Area	Performance Indicator	Measurement	Status
WTO Trade Negotiations	To reach agreement in NEDLAC on the overall country approach to WTO trade negotiations in respect of the DOHA Round.	NEDLAC agreement on the WTO trade negotiations relating to Agriculture; Industrial Products; Services and Trade and Environmental, as well as Goods and Services.	The DOHA Round has reached a stalemate. The Ministerial conference in December 2011 to give direction.
SACU - USA - TIDCA	To engage on the position and approach to be adopted in the SACU - USA - TIDCA trade negotiations.	NEDLAC agreement on the position and approach to be adopted in the SACU - USA - TIDCA trade negotiations.	The engagements not finalised. Awaiting feedback from Government to Government processes.
SACU – INDIA	To engage on the position and approach to be adopted in any trade negotiations with India.	Finalise the South African position on the approach to be adopted when dealing with trade negotiations with offensive lists of interest with India.	Government is still engaging with the Indian counterparts.
TRADE IN SERVICES	To reach agreement in NEDLAC regarding all offers made in the WTO under GATS.	To reach consensus on the NEDLAC position and approach to be adopted in the WTO offers.	Finalised. However there are still a couple of outstanding and new issues.
COMESA-EAC-SADC Free Trade Area	To reach agreement in NEDLAC on the position and approach to be adopted in the SADC negotiations.	To undertake a comprehensive FRIDGE study on the establishment of the COMESA - EAC - SADC Free Trade Area.	The FRIDGE study has been commissioned and earmarked for completion in the 2011/2012 reporting period.
SADC - EC/EPA	To engage on the position and approach to be adopted in SADC - EC/EPA trade negotiations.	NEDLAC agreement on the position and approach to be adopted in the SADC - EC/EPA trade negotiations.	Await progress report from the diplomatic engagements.
Trade policy strategic Framework	To reach agreement in NEDLAC position and approach to be adopted on the Bilateral investment Treaties.	To complete NEDLAC positions on identified areas of work on the agreed working template by Constituencies.	Engagements are underway and earmarked for completion in the 2011/2012 reporting period.
SACU- EFTA	To engage on the position and approach to be adopted in SACU - EFTA trade negotiations.	NEDLAC agreement on the position and approach to be adopted SACU - EFTA trade negotiations.	Await feedback from the Government to Government processes.

Fridge Studies Commissioned and Pending

Title	Purpose of Activity	Status
CURRENT AND PENDING STUDIES		
Retail Sector Study	A study to lay a foundation for the design of a retail sector development strategy.	Task Completed and the findings are being considered by the Social Partners.
Listed Chemicals NCC/MCCM	A study to investigate the extent of manufacture, use import and export of new chemicals listed in terms of the Stockholm and Rotterdam Conventions.	Task Completed and the findings are being considered by the Social Partners.
Labour Intensive Sector	A small study into the Labour Intensive Sector.	Task Completed the findings are being considered by NEDLAC Social Partners.
Essential Oils	A study to develop a strategy that will be used for the development of a viable essential oils industry in the country.	Task Completed the findings are being considered by NEDLAC Social Partners.
Water Infrastructure	A study to look into water infrastructure including conservation and quality.	Task Completed and the findings are being considered by the Social partners.
Water Accord Business Plan	To develop a business plan for the proposed NCP.	Underway and earmarked for completion in the 2011/2012 reporting period.
Administered Prices	A study to collate all work done on Administered prices.	Underway and earmarked for completion in the 2011/2012 reporting period.
Regional Investment - the role of SA Business in Africa/ South African outward investment	A study to determine a quantitative and qualitative analysis of investments by South African companies, both public and private in Africa.	Underway and earmarked for completion in the 2011/2012 reporting period.
COMESA - EAC - SADC FTA	A study to conduct a comprehensive study on the establishment of the COMESA - EAC - SADC Free Trade Area.	Underway and earmarked for completion in the 2011/2012 reporting period.
National Appliance and Equipment Energy Action Plan	A study to implement a compulsory minimum energy performance requirement for big appliances in South Africa.	Underway and earmarked for completion in the 2011/2012 reporting period.

PROGRAMME PERFORMANCE

Members of the Trade and Industry Chamber

Business	Government	Labour
P Drodskie (Convenor)	F Adams (Convenor)	T Ehrenreich (Convenor)
N Vermeulen	N Madula	A Benjamin
H van der Merwe	T Makgetla	E Vlok
D Jordaan	Z Mdlalose	T Tengela
M Lawrence	P Kgalegi	A Franks
G Mandigora	T Mlangeni	J Mosia
C Chikura		M Lepaku
R Jordaan		W Aroun
L Lotter		
S Gcayi		
C Bezuidenhout		
C Mithali		
S Maruatona		
G Harris		

Members of the Climate Change Task Team

Business	Government	Community	Labour
L Lotter	T Demana	S Eaton Patrick	J Mosia
A von Ketelhodt	M Mathekgana	T Taylor	S Gumede
H Kruger	I Srakinsky	D Hallowes	V Ninzi
D Katz	F Adams	F Adams	S Mimi
S Pillay	P Lukey	R Worthington	B Dlamini
S Gcayi	Z Mdlalose	G Chobui	B Chidi
	X Mabusela	G Moerane	H Mushonga
	M Gordon		J Mawbey
			J Barret
			T Tengela
			W Arooun
			G Humphries

Members of the Cooperatives Task Team

Business	Government	Labour	Community
J Purchase	R Rapoo	V Ninzi	P Nkomo
R Jordaan	J Ndumo	W Aroun	T Mabuza
	S Zikode	S Eppel	L Bale
	E Koekemoer	S Gumede	D Moreotsenye
		S Thompson	N Ncapai

PROGRAMME PERFORMANCE

Members of the Customs Control and Customs Duty Bills Task Team

Business	Government	Labour
A Erasmus	M van Twisk	M Lepaku
J Marais	R Mohanlall	W Aroun
R Lichtus	R Mostert	E Vlok
D Jordaan	J Paljaard	P Govender
C John	A Ali	
R Jordaan		

Members of the SA Regional Investment Task Team

Business	Government	Labour
C Grant	R Moothilal	J Mosia
C Chikura	D Alrich	J Rudin
	M Keet	A Venter

Members of the Preferential Procurement Task Team

Business	Government	Labour
C Mtshali	C Rossouw	J Motau
G Pirie	M Seate	M Fafuli
G Harris	R Malatji	P Govender
M Macdonald	J Breytenbach	S Gangca
N Bagosi	H Malinga	J Mosia
T Mazwai	W Mathebula	W Aroun
		F Abrahams
		B Mqxekeza

Members of the SQAM Task Team

Business	Government	Labour
L Lotter	T Demana	J Mosia
T Boco	E Steyn	M Lepaku
N Vermeulen	T J Mbekeni	
A Pretorius	M Phaloane	
D Jordaan	S H Carstens	
J Maloney	S Prins	

Members of the Water Quality Task Team

Business	Government	Labour
M Ginster	F Adams	N Newman
S Gcayi	H Muller	L Veotte
T Wentzel	L Manus	V Vena
N Opperman	M Swart	J Hugo
	N Slabbert	W van Heerden
	M Keet	A Venter

PROGRAMME PERFORMANCE

Members of the Small Scale Fisheries Task Team

Business	Government	Labour
F Kuttel	F Adams	A Franks
L Conrad	J Augustyn	M Tonga
C Chikura	D Fredericks	T Ehrenreich
A Swart	S Seleke	Z Ngeleka
R Bross	C Liebenberg	M Mhlakane
	R Seleke	

Members of the Plastic Bag MOA Task Team

Business	Government	Labour
J Pieterse	D Fischer	D Fredericks
A Pretorius	F Adams	
V Keesenberg		
S Bragazzi		

Members of the Administered Pricing Task Team

Business	Government	Labour
A Tshifularo	F Tshazibana	T Tengela
S Siwisa	T Phele	J Barrett
	F Adams	M Kepadisa
	Y Smit	B Mtyingizana

Members of the TESELICO Sub - Committee

Business	Government	Labour
L Lotter	W Smalbeger	A Benjamin
B Brink	P Mahosi	P Magane
D Jordaan	T Mlangeni	E Vlok
G Harris	T Nkomo	T Tengela
P Corbin	P Gasela	J Rudin
P Theron	F Adams	J Mosia
G Mandigora	R Brits	M Lepaku
J Pienaar	E van Renen	R Ramputa
N Lamprecht	B Vickers	B Chidi
N Vermeulen	K Du ploy	B Mngxekeza
H Maluleke	S Mathade	
S Gcayi	R Williams	
P Droskie	P Marisha	
H Claassens	V Naidu	
C Chikura	M Pillay	
R Jordaan	S Sooklal	
T Skenjana	G Miller	
	M Da Gama	

PROGRAMME PERFORMANCE

Members of the FRIDGE Sub - Committee

Business	Government	Labour	IDC
N Lamprecht	M Molefynane	T Tengela	M Monyeke
C Chikura	P Kgalegi	J Mosia	K Chauke
G Harris	Z Mdlalose	M Lepaku	
L Lotter	E van Renen		
G Mandigora	M Phukubje		
H Maluleke	L Shipalana		
	O Osman		
	M Ramushu		
	V Mmutle		

Members of the NAMA & NTB Task Teams

Business	Government	Labour
B Brink	R Brits	E Vlok
C Chikura	P Mahosi	J Mosia
D Jordaan	W Smalberger	M Lepaku
G Harris	T Mlangeni	T Tengela
P Theron	A Lotter	P Magane
H Claassens	S Pule	
N Vermeulen	E van Renen	
N Lamprecht	V Naidu	
R Jordaan	M Pillay	
L Lotter	F Adams	
P Drodskie	X Carim	
S Gcayi	S Sooklal	
	K du Plooy	
	M da Gama	

Members of the Trade and Environment Task Team

Business	Government	Labour
C Chikura	E Steyn	J Mosia
	K du Plooy	M Lepaku
	K kambel	P Magane
	M Visagie	
	D Buthelezi	
	Z Mdlalose	
	J Kekana	
	D Naidoo	
	T Ramaru	

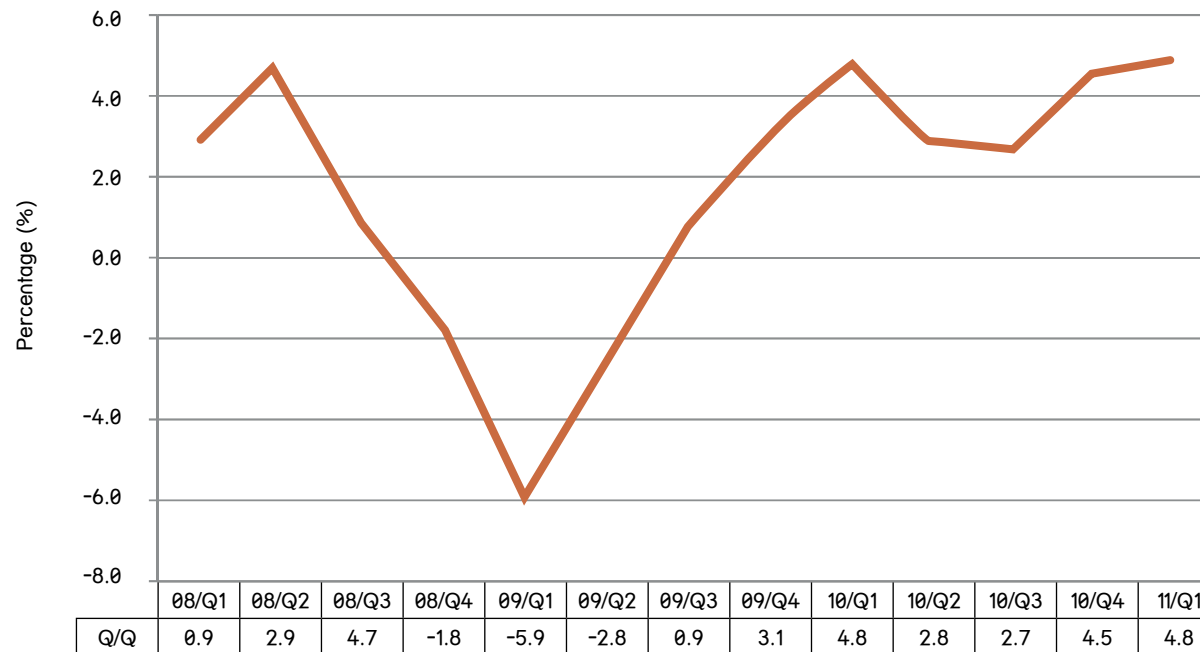
Members of the Services Task Team

Business	Government	Labour
C Chikura	K du Plooy	I Ramputa
S Gcayi	M da Gama	J Barrett
	M Pillay	J Rudin
	S Sooklal	J J Van Rensburg
	V Naidu	J Mosia
		N Newman
		J Koen
		M Lepaku

PROGRAMME PERFORMANCE

Trade and Industry Landscape in Numbers

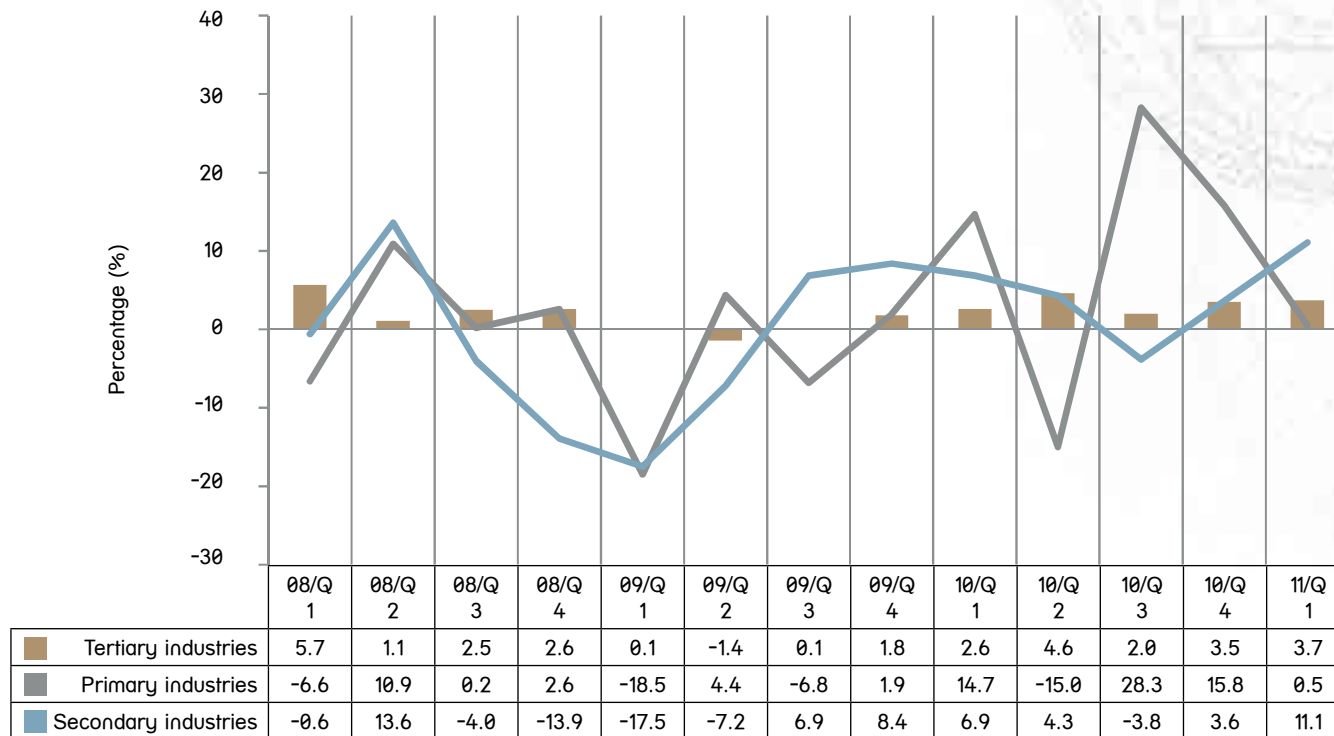
Growth in gross domestic product quarter-on-quarter (Q/Q)



Source: Statistics South Africa, Gross Domestic Product Q1: 2011

As revealed by Statistics South Africa the real gross domestic product at market prices increased by 4.8% quarter-on-quarter seasonally adjusted and annualised. The largest contributions to the quarter-on-quarter growth of 4.8% included a 2.2% contribution from the manufacturing industry based on growth of 14.5%. Manufacturing growth was led by strong growth reflected in the production of the petroleum, chemical products, rubber and plastic products division, the basic iron and steel, non-ferrous metal products, metal products and machinery division and the furniture and other manufacturing division.

Value Added Growth Rates in various sectors

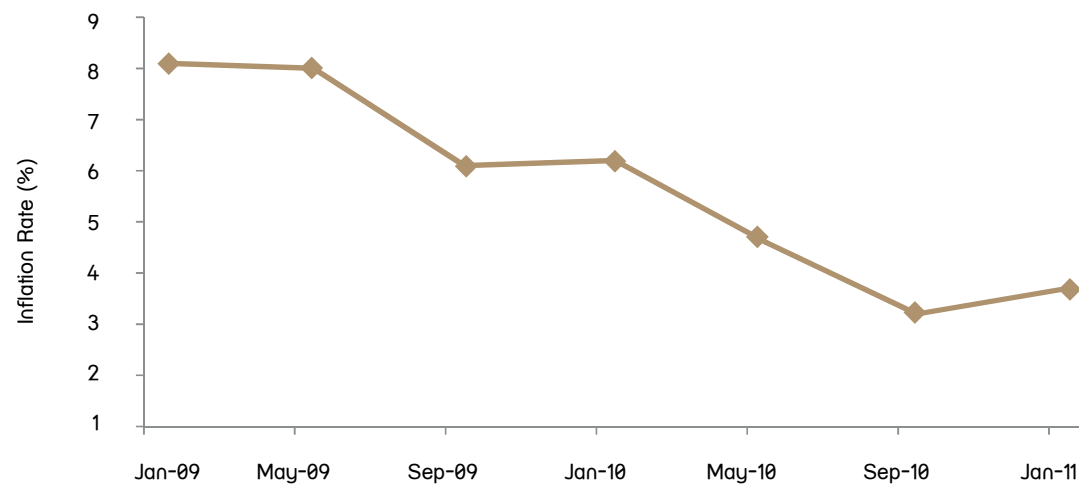


Source: Statistics South Africa, Gross Domestic Product Q1: 2011

The tertiary sector of the economy has grown consistently except for the second quarter of 2009 during which it contracted. In contrast, the primary and secondary volatile sectors' growth patterns are persisting.

PROGRAMME PERFORMANCE

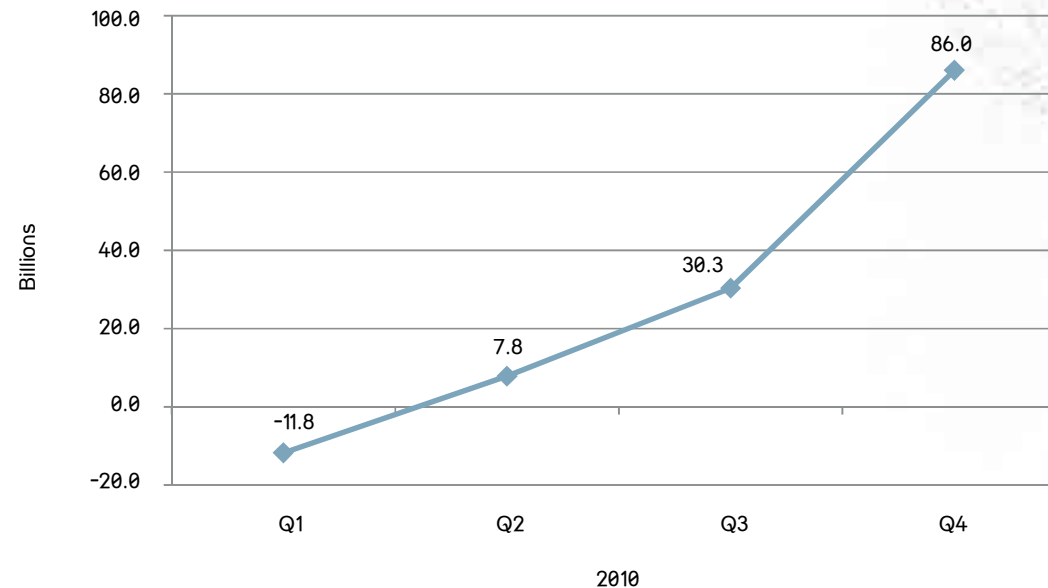
Consumer Price Inflation Rates 2009 - 2011 (Base year: 2008=10)



Source: Statistics South Africa CPI Index, May 2011

The headline CPI annual inflation rate in January 2011 was 3.7%. This rate was 0.2 of a percentage point higher than the corresponding annual rate of 3.5% in December 2010.

Trade Balance, Quarter-to-Quarter, 2010



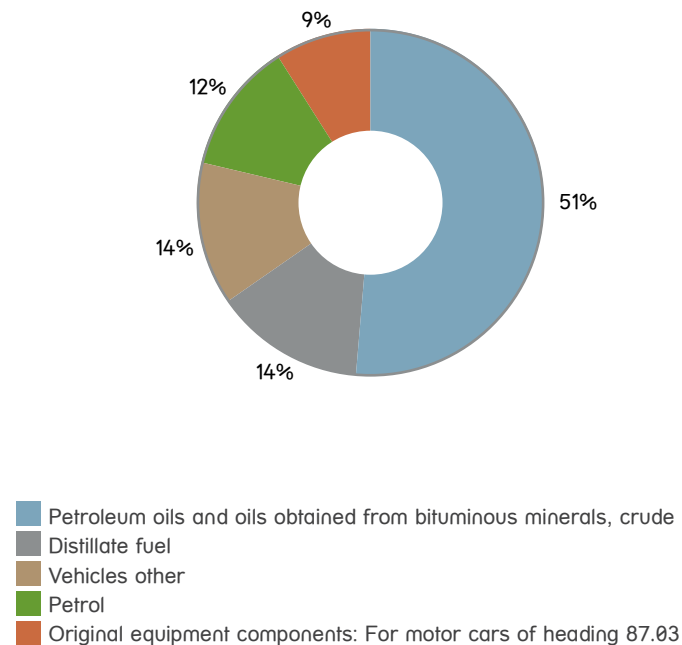
Source: South African Revenue Services, Quarterly Bulletin, March 2011

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.

As seen in on the next page, the top commodities imported in December 2010 were petroleum oils and oils obtained from bituminous minerals, crude at a value of R5 794 million. The top commodity exported in the same period was gold (monetary) at a value of R6 265 million.

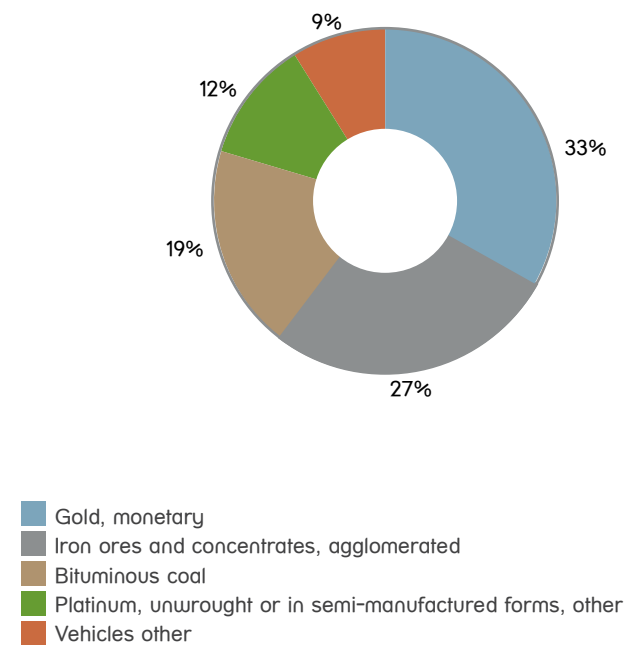
PROGRAMME PERFORMANCE

Top Five Import Commodities by Value for December 2010



Source: South African Revenue Services

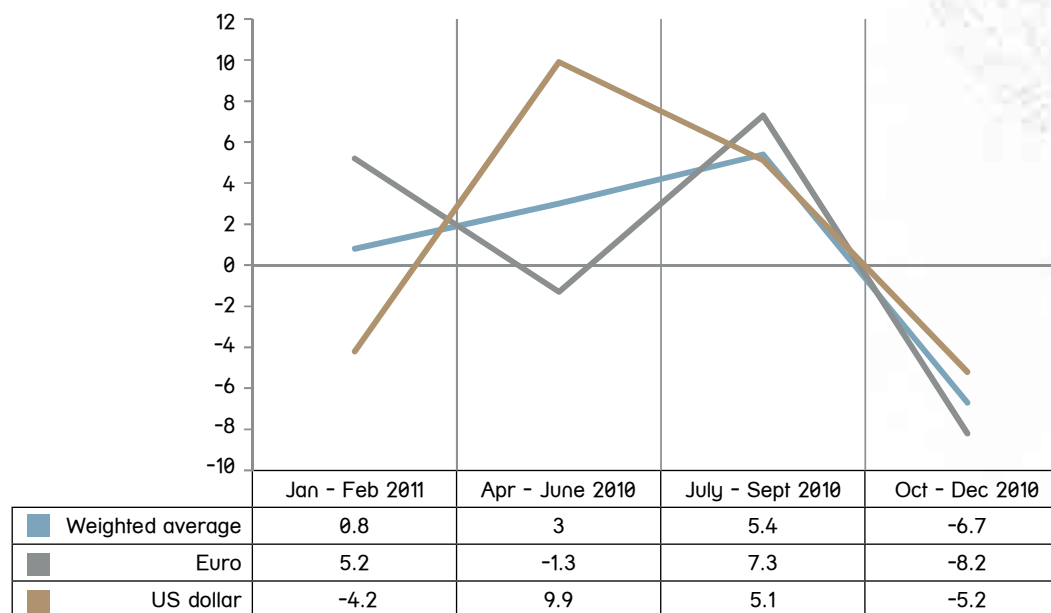
Top Five Export Commodities by Value for December 2010



Source: South African Revenue Services

Having increased on balance by almost 6.3% in the first nine months of 2010, the nominal effective exchange rate of the rand advanced by a further 5.4% in the fourth quarter. 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 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. The further strengthening in the exchange value of the rand during the fourth quarter of 2010 can be attributed to, among other factors, sound macro-economic policy measures, the sustained increase in commodity prices and the expectation of sizeable inflows of direct investment capital into the country.

Exchange rates of the Rand

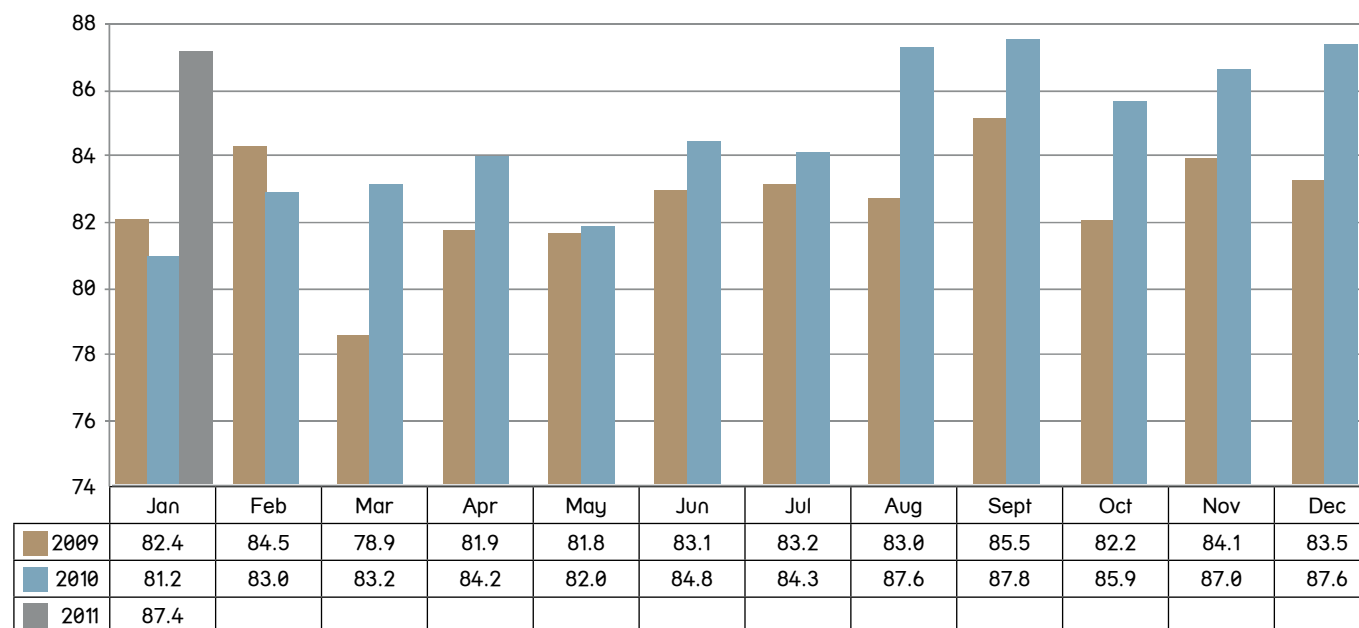


Source: South African Reserve Bank, Quarterly Bulletin, March 2011

From the end of December 2010 to the end of February 2011, the nominal effective exchange rate of the rand declined by 6.7%, affected by developments in the euro/dollar exchange rate and net sales by non-residents of South African equity and debt securities during the first two months of 2011.

PROGRAMME PERFORMANCE

Business Confidence Index (2005=100)



Source: SACCI Business Confidence Index, January 2011

The SACCI Business Confidence Index (BCI) maintained a level above 87 as the reading for January 2011 declined marginally to 87.4 from 87.6 in December 2010. The BCI was 6.2 index points higher in January 2011 than in January 2010. This is the biggest year-on-year difference since March 2010 when, in the current upward confidence cycle, the index started to exceed the previous year's level.

WORK STREAM 6

Development Chamber

Scope of Work

The Development Chamber 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. The Development Chamber adopts a proactive approach in dealing with developmental issues within the legislative framework and outside the legislative programme.

Chamber's Modus Operandi

Most of the substantive work of the Chamber is done in Task Teams comprising representatives of stakeholders that have specific knowledge of the relevant subject matter. The work of the Task Teams is governed by Terms of Reference, which are developed by the Chamber. The outcome of work done in the Task Teams is submitted to the Chamber for consideration and ratification. Once the Task Team report is signed off by the Chamber, it is then tabled at the Management Committee for final consideration and sign off.

Meeting Target for 2010/11

The Chamber is required to meet at least six (6) times in each financial year. Representation in the Chamber is as follows: 6 mandated representatives from Organised Labour, Business, Community and Government.

The Chamber and its Task Teams held forty-three (43) meetings in the period under review. The bulk of Development Chamber work is executed and expedited in the various Task Teams and the Chamber monitors and signs off on reports generated by the Task Teams. A summary of the activities of the Chamber and its Task Teams is captured in the table below:

	Number of Meetings
Chamber Meetings	14
Climate Change Task Team	3
Cooperatives Task Team	5
National Disability Task Team	5
Immigration Policy Task Team	6
Youth Development Task Team	2
Public Transport Task Team	5
Rental Housing Amendment Bill Task Team	3
Total	43

PROGRAMME PERFORMANCE

Programme Performance

Development Chamber

Key Focus Area	Key Performance Indicator	Measurement	Status
Comprehensive Social Security and Retirement Funds Reform ¹	To engage and reach consensus on the Social Security and retirement fund legislative framework.	To ensure that ordinary working people have access to affordable retirement provisions.	Pending the tabling of the revised policy proposals.
Local Government	To engage on government plans and strategies to improve delivery at local level. To consider the Municipal Property Rates Amendment Bill.	To develop proposals that will enhance the government strategy on service delivery.	Pending the tabling of the Municipal Property Rates Amendment Bill in NEDLAC.
Cooperatives Amendment Bill ²	To undertake a line by line analysis of the Bill with a view to reaching consensus on the provisions thereof.	Complete a NEDLAC report with maximum areas of agreement, which will feed into the amended Cooperatives Act.	The proposed draft amendments to the Cooperatives Act have been tabled and are being considered in NEDLAC. Finalisation is expected in the 2011/2012 reporting period.
Land Reforms	Facilitate engagements on the Policy and Strategy Framework on Land Reforms.	NEDLAC agreement on the policy and strategy to feed into the policy and strategic framework.	Pending the tabling of policy proposals in NEDLAC.
National Youth Development Agency (NYDA) Strategy	Consideration of the NYDA Strategy and engagement on how to enhance youth development.	NEDLAC agreement on encouraging youth development.	The National Youth Development Agency committed to tabling its strategy in NEDLAC in June 2011.
Rental Housing Amendment Bill	Consideration of and engagement on the amendments to the Rental Housing Act.	Complete a NEDLAC report on with maximum areas of agreement, which will feed into the legislative framework.	Underway and finalisation is targeted for the 2011/12 reporting period.
Higher Education and Training Laws	Engagement on the proposed amendments to the Higher Education and Training Laws.	Complete a NEDLAC Report with maximum areas of agreement and to ensure that the agreements are reflected in the legislation.	Pending the tabling of the policy proposals in NEDLAC.
Public Transport	Facilitate engagements on the policy and strategy framework for public transport.	To ensure that issues related to safety and security; accessibility and affordability of public transport are adequately addressed in the national transport strategic framework.	Tasks on the Road Accident Fund - No Fault Policy and the Metered Taxi Implementation Strategy are completed.
Immigration Policy	Engagement on and consideration of the proposed amendments to the Immigration Act.	NEDLAC agreement on proposals to enhance immigration policy.	NEDLAC Social partners have commenced the process of developing proposals. Finalisation is targeted for the 2011/12 reporting period.

¹ Joint project with the Public Finance and Monetary Policy Chamber

² Joint project with the Trade and Industry Chamber

Programme Performance

Development Chamber - continued

Key Focus Area	Key Performance Indicator	Measurement	Status
National Disability Policy and the Guidelines for Implementation	Seek consensus on the National Disability Policy and develop proposals on updating the Integrated National Disability Strategy (1997).	To complete a NEDLAC report with maximum areas of agreement on the Policy and the Guidelines for Implementation, which will feed into the policy framework.	Underway and targeted for finalisation in the 2011/12 reporting period.
Climate Change ³	To engage on climate change mitigation and adaptation matters, with particular reference to the Climate Change Green Paper.	Complete a NEDLAC report with maximum areas of agreement, which will feed into the regulatory framework.	Task Completed.
Human Resources Development Strategy (Joint Project with the Labour Market Policy Work Stream)	Develop programmes that address the responsiveness of education and training to effective human capacity development, the country's economic growth and developmental goals.	To foster cohesion among the different government institutions, so as to effectively contribute to the acquisition of critical skills nationally and thus economic growth.	Task Completed.
Education - Basic and Higher Education Policy Framework	Engage government on the National Education Policy Framework.	A plan that enjoys broad support from all Social partners.	Social partners have commenced engagement on the issue. Earmarked for completion in the 2011/12 reporting period.
Human Settlements	Engage government on the National Strategy to Address the Human Settlements challenge in South Africa.	A sustainable Human Settlement Plan for South Africa.	Strategy has been presented at NEDLAC. Earmarked for completion in the 2011/12 reporting period.

³ Joint project with the Trade and Industry Chamber

PROGRAMME PERFORMANCE

Members of the Chamber and Task Teams

Chamber Members

Government	Business	Labour	Community
M Mgemana (Convenor)	F Xaba (Convenor)	S Gumede (Convenor)	L Bale (Convenor)
D Davhana	A Tshifularo	B Mngxekeza	E Tjale
W Jiyane	K Matabane	J Barrett	J Siwani
N Thokwana	F Njobe-Jaiyesimi	M Mkalipi	L Qhakaza
	M Myataza	M Makgoba	C Matlakala
	N Bilap-Nsegbe	M Parks	L Kganyago
	T Chabana	A Conradie	N Nyembezi
	T Skenjana	S Sithole	T Mabuza
	L Masoga	S Barsel	T Hufke
	Z Mgolodela		V Chepape
	K Cowley		Z Ndaba

Members of the National Disability Task Team

Government	Business	Labour	Community
R Mathivha	K Kweyama	S Barsel	N Nyembezi
B Palime	S Kau	T Mfulu	T Hufke
M Mgemane	L Leibrandt		J Siwani

Members of the Public Transport Task Team

Government	Business	Labour	Community
I Seedat	K Matabane	S Gumede	L Kganyago
T Mchunu	T Skenjana	G Strauss	T Mabuza
D Davhana	E Cornelius	G Wilson	T Nkwe
		J Barrett	D Ndaba
			J Williams

Members of the Youth Policy Task Team

Government	Business	Labour	Community
C Mkasi	L Masoga	S Sithole	P Nkomo
M Mgemane	G Sabela	S Gumede	T Tshefutha
	T Skenjana	M Serobatse	L Monyahi
			L Kganyago

Members of the Xenophobic/Immigration Task Team

Government	Business	Labour	Community
M Mgemane	T Skenjana	S Gumede	N Nyembezi
M Skade	K Matabane	J Barrett	S Shange-Buthane
			T Mabuza
			T Polzer

PROGRAMME PERFORMANCE

Members of the Climate Change Task Team

Government	Business	Labour	Community
T Demana	L Lotter	J Mosia	S Eaton Patrick
M Mathekgana	A von Ketelhodt	S Gumede	T Taylor
I Sarakinsky	H Kruger	V Ninzi	D Hallowes
F Adams	D Katz	S Mimi	F Adams
P Lukey	S Pillay	B Dlamini	R Worthington
Z Mdlalose	S Gcayi	B Chidi	G Chobui
X Mabusela		H Mushonga	G Moerane
M Gordon		J Mawbey	
		J Barret	
		T Tengela	
		W Aroun	
		G Humphries	

Members of the Cooperatives Task Team

Government	Business	Labour	Community
R Rapoo	J Purchase	V Ninzi	P Nkomo
J Ndumo	R Jordaan	W Aroun	T Mabuza
S Zikode		S Eppel	L Bale
E Koekemoer			D Moreotsenye
			N Ncapai

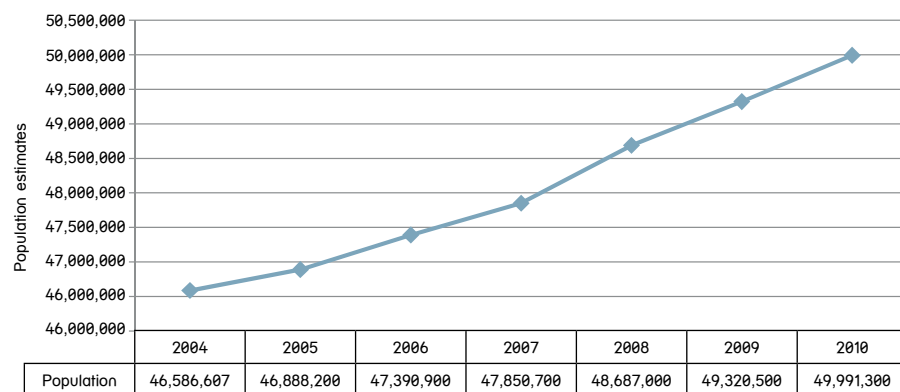
Members of the Rental Housing Amendment Bill Task Team

Government	Business	Labour	Community
J Tladi	K Matabane	S Gumede	D Ndaba
T Mchunu	T Skenjana	V Ninzi	T Nkwe
M Mgemane	F Xaba		J Williams
	M Makgoba		T Mabuza
			L Kganyago

PROGRAMME PERFORMANCE

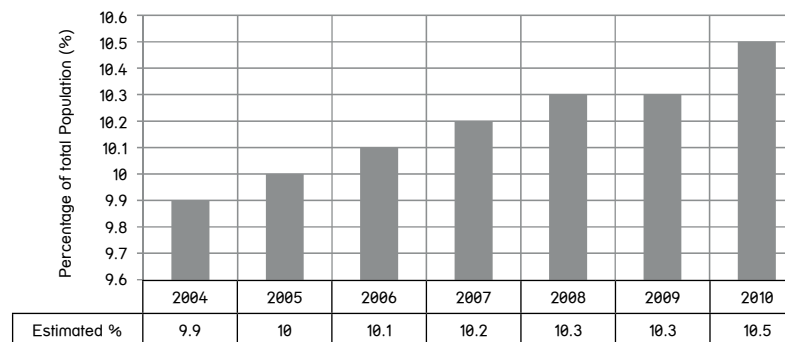
The Development Landscape in Numbers

Mid-year population estimates 2004 – 2010



Source: Statistics South Africa, Mid-year Population Estimates 2004 – 2010

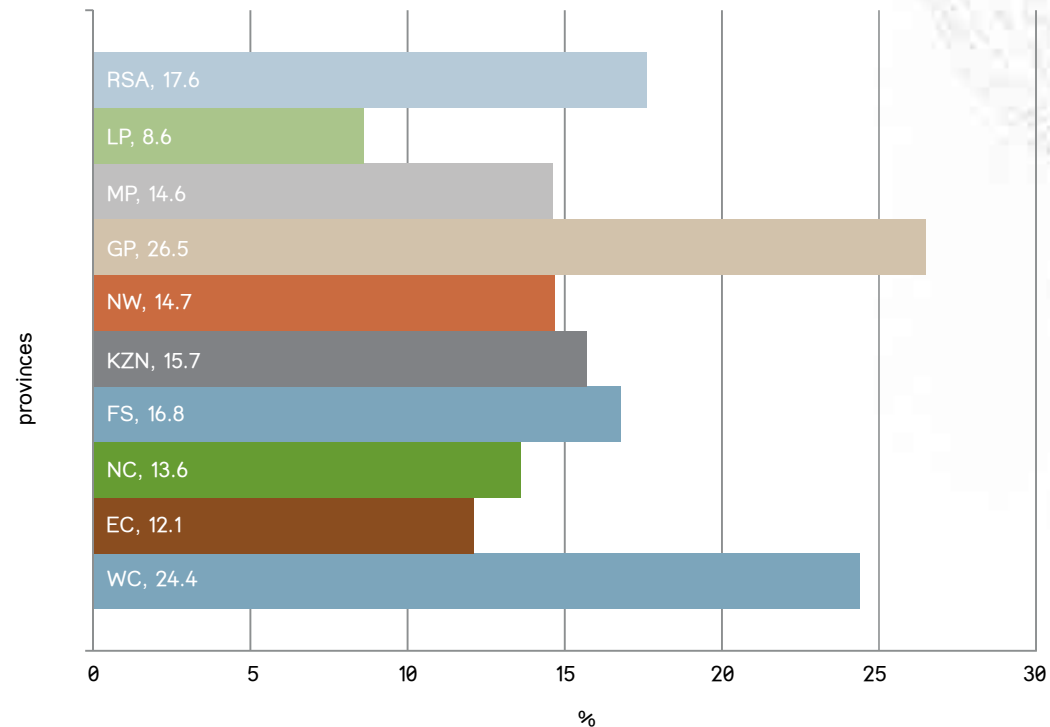
HIV prevalence estimates 2004 - 2010



Source: Statistics South Africa, Mid-year Population Estimates, 2010

The Mid-year Population Estimates projected that the population would grow by 670 800 from 2009 to 2010. The number of people living with HIV is also estimated to increase by 0.2% between 2009 and 2010. The total number of persons living with HIV in South Africa increased from an estimated 4.10 million in 2001 to 5.24 million by 2010. Approximately one-fifth of South African women in their reproductive years are HIV positive.

Percentage of persons with medical aid coverage by Province

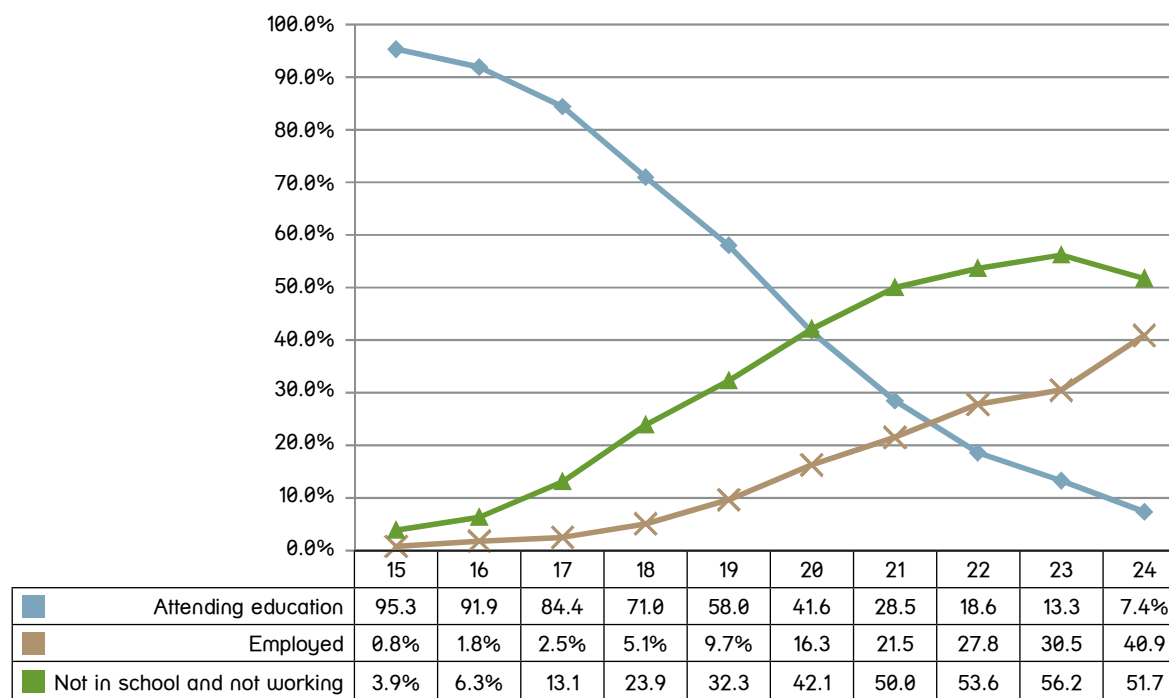


Source: Statistics South Africa, General Household Survey, July 2010

Gauteng Province (26.5%) accounts for the largest percentage of persons with medical aid coverage of the nine province. Following closely is the Western Cape with 24.4%. The overall national percentage of persons with medical aid coverage was recorded at 17.6%.

PROGRAMME PERFORMANCE

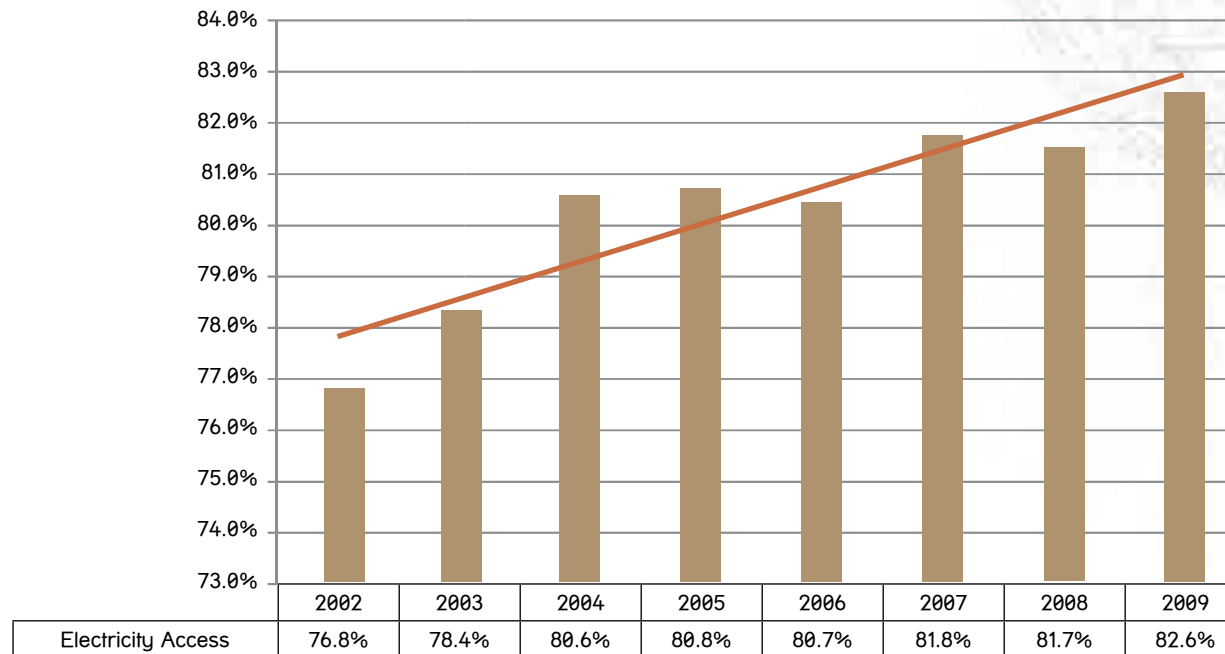
Percentage of youth aged 15 – 24 who are not in school and not employed



Source: Statistics South Africa, Social Report 2009

In the Social Report 2009, Statistics South Africa revealed that on average 33.3% of the youth between the ages of 15 and 24 are neither attending an educational institution nor working. The Social Report 2002-2009, released by Statistics South Africa reveals that 43.9% of persons between the ages of 15 and 24 that are not attending any educational institution or working cite lack of funds as the reason for their inactivity.

Household access to mains electricity

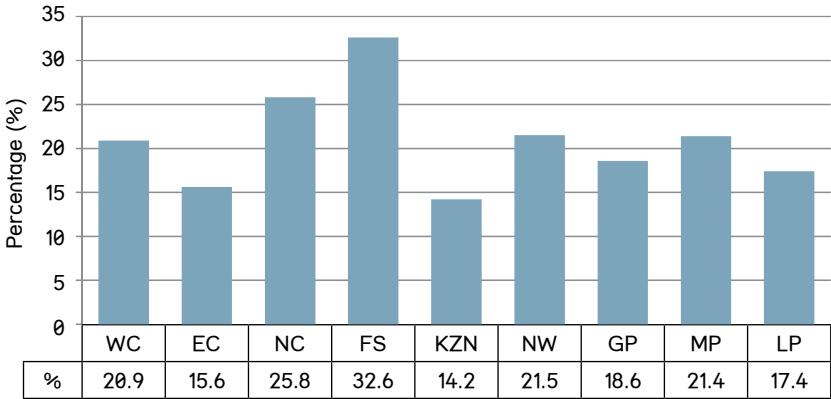


Source: Statistics South Africa, Social Report 2009

Although the connection to mains electricity does not preclude the use of other sources of energy for cooking, connection to mains electricity does benefit households and the individuals living in them in a variety of ways. As a result of sustained efforts in this regard, the proportions of households connected to mains electricity has increased steadily over the past 8 years. In its Integrated National Electrification Programme, the Department of Energy hopes to increase access to electricity to 92% by 2014. As seen in figure 19, 82.6% of households had access to mains electricity in 2009.

PROGRAMME PERFORMANCE

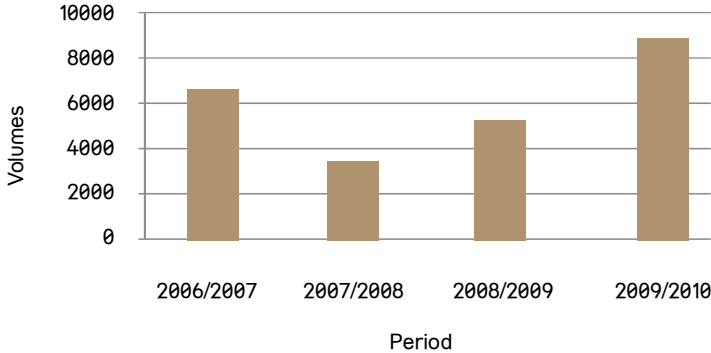
Percentage of persons who live in an RDP or state subsidised house



Source: Statistics South Africa, General Household Survey, Selected Development Indicators, July 2010

The percentage of people living in RDP or state subsidised houses in the Free State is 32.6%, which is the highest percentage when compared to that of other provinces. On the other hand, Gauteng Province has the lowest percentage at 18.6%.

Volumes of Registered Cooperatives



Source: CIPRO Annual Report 2009/10

The number of cooperatives registered has been on the increase since the 2006/2007 reporting period. The number of cooperatives registered in the 2009/2010 period increased by 3 225 registrations from 6 054 registrations in the previous period.

WORK STREAM 7

Public Finance and Monetary Policy Chamber

Scope of Work

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 co-ordination of fiscal and monetary policy and related elements of macro-economic policy as well as the institution of delivery.

Chamber's Modus Operandi

Most of the substantive work of the Chamber is done in Task Teams comprising of representatives of stakeholders that have specific knowledge of the relevant subject matter. The work of the Task Teams is governed by Terms of Reference, which are developed by the Chamber. The outcome of work done in the Task Teams is submitted to the Chamber for consideration and ratification. Once the Task Team report is signed off by the Chamber, it is then tabled at the Management Committee for final consideration and sign off.

Meeting Target for 2010/11

The Chamber is required to meet at least six (6) times in each financial year. Representation in the chamber is made up of six (6) mandated representatives from organized Labour, Business and Government.

The Chamber held ten (10) meetings in the period under review.

PROGRAMME PERFORMANCE

Programme Performance

Public Finance and Monetary Policy Chamber

Key Focus Area	Key Performance Indicator	Measurement	Status
Financial Education and Promotion of Savings	NEDLAC to develop proposals to promote savings in South Africa and conduct a consumer education campaign on savings.	Conclude projects aimed at promoting national savings.	NEDLAC Social partners have partnered with South African Savings Institute in promoting savings. SASI Savings campaign will be launched in July 2011.
Comprehensive Social Security and Retirement Funds Reform	To engage and reach consensus on the Social Security and Retirement Fund legislative framework.	To ensure that ordinary working people have access to affordable retirement provisions.	Pending the tabling of the revised policy proposals in NEDLAC and targeted for completion in the 2011/12 reporting period.
Financial Sector Charter Council	Monitor progress on the implementation of the Finance Sector Charter agreements.	Highlight and address key challenges and gaps in the implementation of the Charter resolutions.	Pending finalisation of the Financial Sectoral Code by the Charter Council.
Fiscal Policy and National Budget Processes	Engage and reach agreement on key policy matters on the national budget and allocations. Hold at least one focus session on the budgetary process with the Minister or Deputy Minister of Finance and one or two sessions with the NT Director General in preparation for the Medium Term Budget Policy Statement and the National Budget.	To ensure that NEDLAC gets a chance to make inputs on the national budget before it is finalised and tabled in parliament by government.	Year on year engagements.
National Poverty Measures and National Poverty Line National Project to reduce Poverty and Inequality in South Africa	Engage in the process that seeks to establish the National Poverty Line and Poverty Measures in South Africa.	Build a national benchmark for the National Poverty Line in South Africa and conclude engagement on the National Project to reduce Poverty and Inequality in South Africa.	Constituencies have commenced engaging on this matter. Finalisation is earmarked for the 2011/12 reporting period.
Financial Sector Policy	Engage on proposals to improve the effectiveness of the financial regulatory system taking into account G20 recommendations.	Strengthened policy that supports and promotes financial stability.	Constituencies have commenced engaging on the matter and finalisation is targeted for the 2011/12 reporting period.
Development Finance Institutions (DFIs)	Align the function of the DFIs with national imperatives.	Find agreements on the scope of work of the DFIs and align its mandates.	Awaiting the tabling of the revised policy proposals on aligning the functions of DFIs with national imperatives, being dealt with under the auspices of the New Growth Path.

Programme Performance

Public Finance and Monetary Policy Chamber - continued

Key Focus Area	Key Performance Indicator	Measurement	Status
National Health Insurance Scheme (NHIS)	Engage and reach agreement on the NHIS policy framework.	To ensure a sustainable NHIS for South Africa.	Tabling of the policy proposals anticipated for the 2011/12 reporting period.
Implementing the Finance Protocol for Rural Development and Renewal Nodes	Facilitate engagement and reach agreement on the Finance Protocol for Rural Development.	Complete a NEDLAC agreement on the Finance Protocol for Rural Development.	Pending the tabling of the policy proposals in NEDLAC.
Tax Compliance	Examine and agree on steps to be taken to improve tax compliance.	Agree on concrete commitments to ensure improved tax compliance.	NEDLAC Social partners have commenced engagement on the matter and finalisation is targeted for the 2011/12 reporting period.
Prioritisation of Government Spending	Initiate engagement with government on prioritising of spending.	To ensure that government spending addresses key national priority areas.	NEDLAC Social partners have commenced engaging on the matter and finalisation is targeted for the 2011/12 reporting period.
Monetary Policy	Review SA experience in managing the relationship between macro-economic variables e.g. exchange rates, prices and interest rates.	Devise mechanisms to address the impact of monetary policy in the real economy.	Underway and earmarked for completion in the 2011/12 reporting period.
5% Investible Income	Review the Growth and Development agreements with a view to re-align some of the key interventions.	Complete the review of the GDS and recommendations.	Project incorporated in the discussion on the New Growth Path. Earmarked for completion in 2011/12 reporting period.

PROGRAMME PERFORMANCE

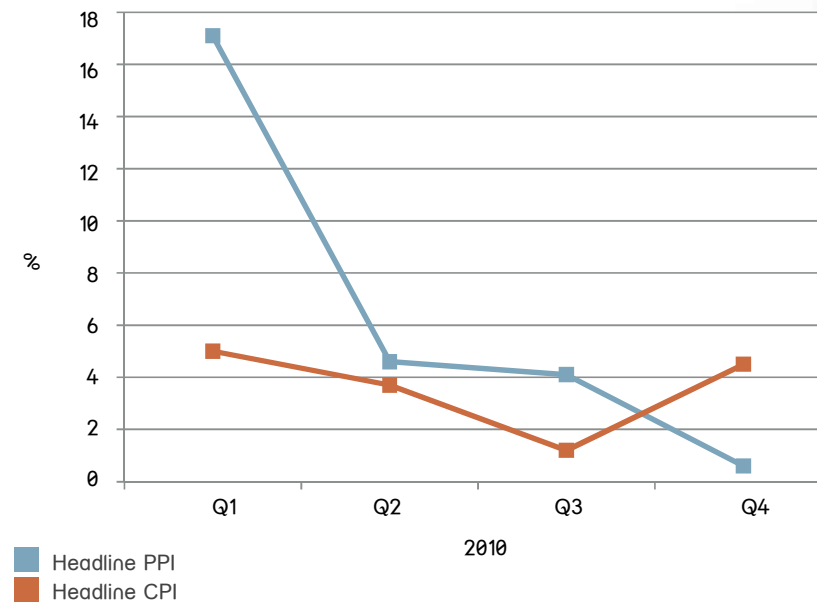
Members of the Public Finance and Monetary Policy Chamber

Business	Government	Labour	Community
E Masilela (Convenor)	I Goodspeed (Convenor)	RI Ramputa (Convenor)	I Frye (Convenor)
D Dykes	G Aboobaker	T Ntola	M Mbingo
T Skenjana	O Makhubela	E Mabyana	P Nguevela
P Drodskie	V Mamba	G Strauss	Ph Nkomo
S Siwisa	R Masoga	G Humphries	K Naidoo
C Bezuidenhout	J van den Heever	M Plaatjie	L Kganyago
K Kiewitz		D Macatha	R Hashe
		B Mngxekeza	
		T Gumani	
		C De Vos	
		M Burger	
		N Kgagudi	
		F Ndzimande	
		C Malikane	

Public Finance and Monetary Policy Landscape in Numbers

Consumer and Producer Prices

Quarter-to-quarter percentage changes at annual rates

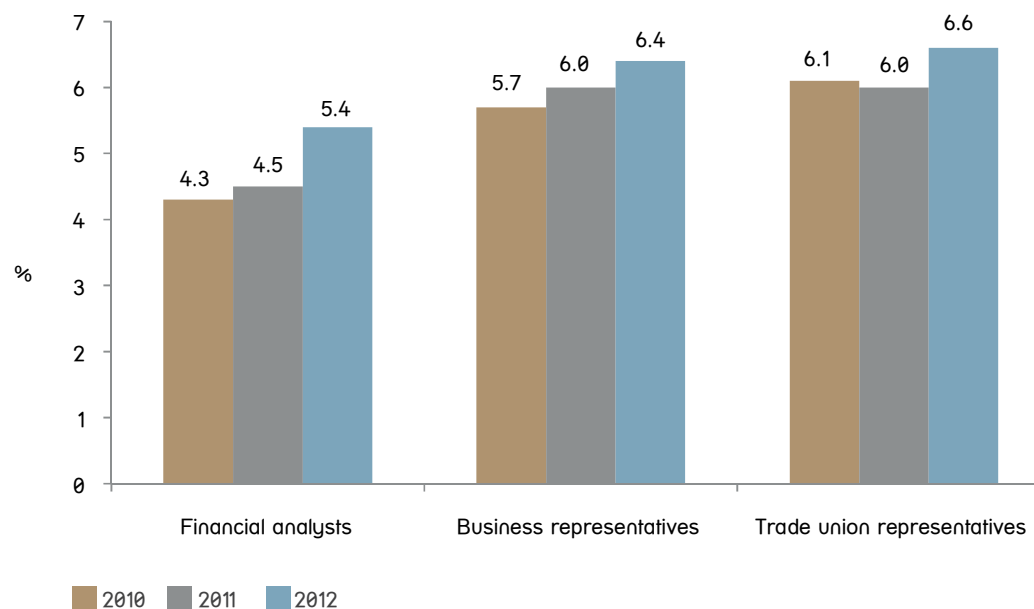


Source: South African Revenue Services, Quarterly Bulletin, March 2011

The short-term pace of increase in the producer price index for domestic output moderated notably from a seasonally adjusted and annualised rate of 17.1% in the first quarter of 2010 to 0.6% in the fourth quarter. Similarly, the headline consumer price index also decelerated over the first three quarters of 2010, but accelerated again in the fourth quarter of 2010 following pronounced petrol price increases and a pickup in consumer food price inflation.

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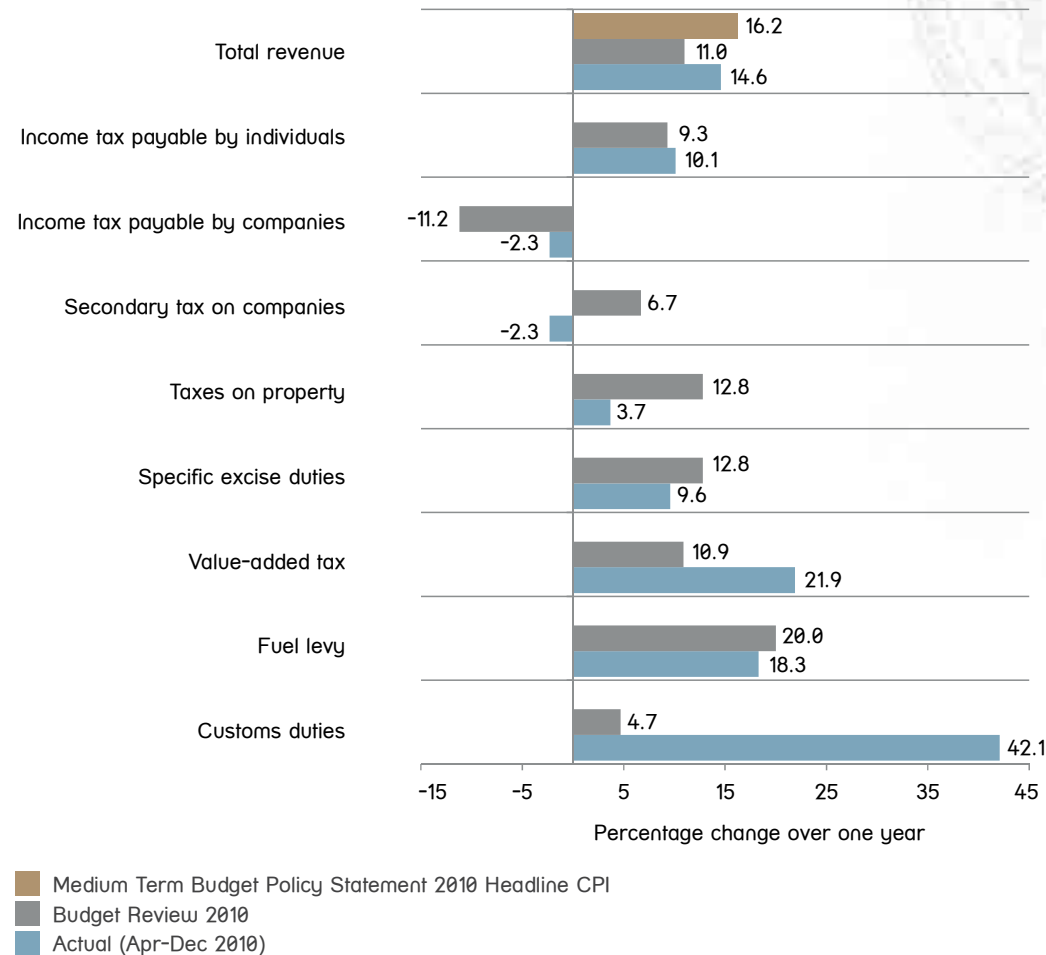
Headline consumer price inflation expectations



Source: South African Revenue Services, Quarterly Bulletin, March 2011

The Inflation Expectations Survey conducted by the Bureau for Economic Research (BER) in the fourth quarter of 2010 indicates that all surveyed participants expected inflation to accelerate from 2010 to 2012. Only the financial analysts' inflation expectations equalled actual headline inflation for 2010, while the expectations among business and labour representatives were significantly higher.

National Government Revenue in 2010/11

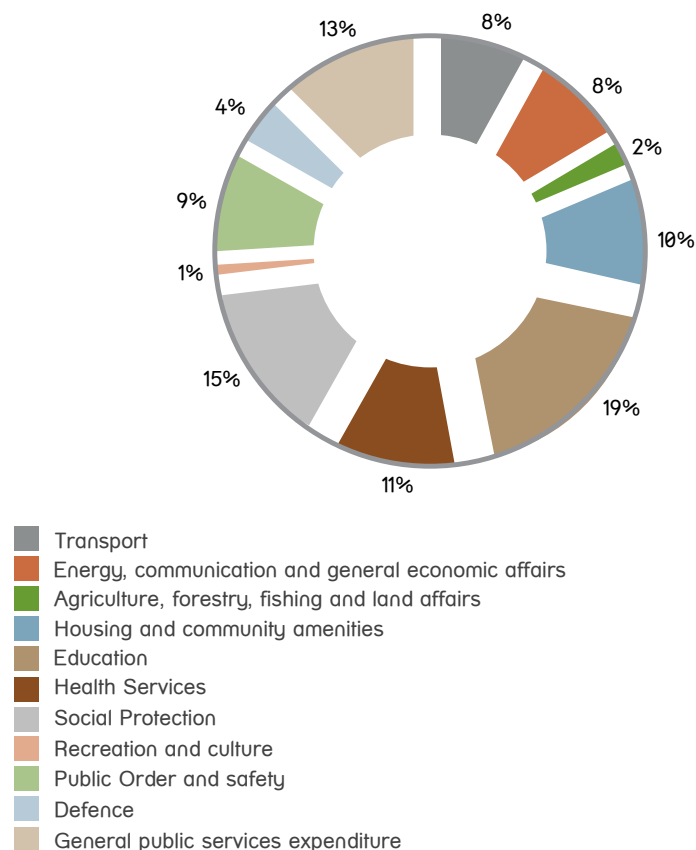


Source: South African Reserve Bank Quarterly Bulletin, March 2011

Receipts from taxes on property increased by 3.7% from April-December 2010, reflecting the slow recovery in real estate market activity. Taxes on goods and services recorded brisk growth, due to significantly higher collections of value-added tax (VAT) and the fuel levy. Firm growth in consumer spending and lower VAT refunds contributed to the buoyant VAT collections. Taxes on international trade and transactions increased significantly due to a substantial rise in customs duties. The robust growth in customs duties resulted from strong growth in vehicle imports on account of an upswing in household consumption expenditure.

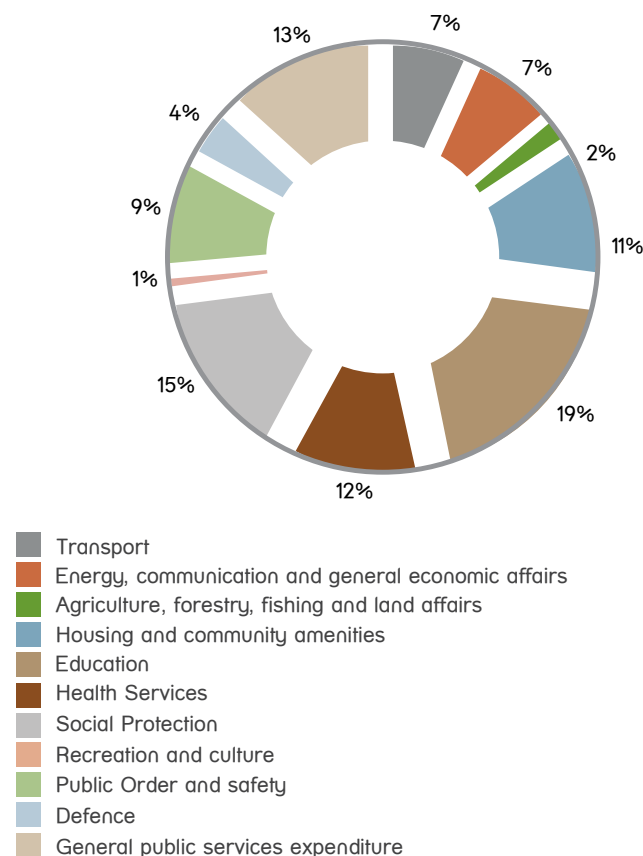
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Allocation of Government Expenditure 2009/10



Source: National Treasury, Budget Review 2011

Allocation of Government Expenditure 2010/11
Revised Estimate

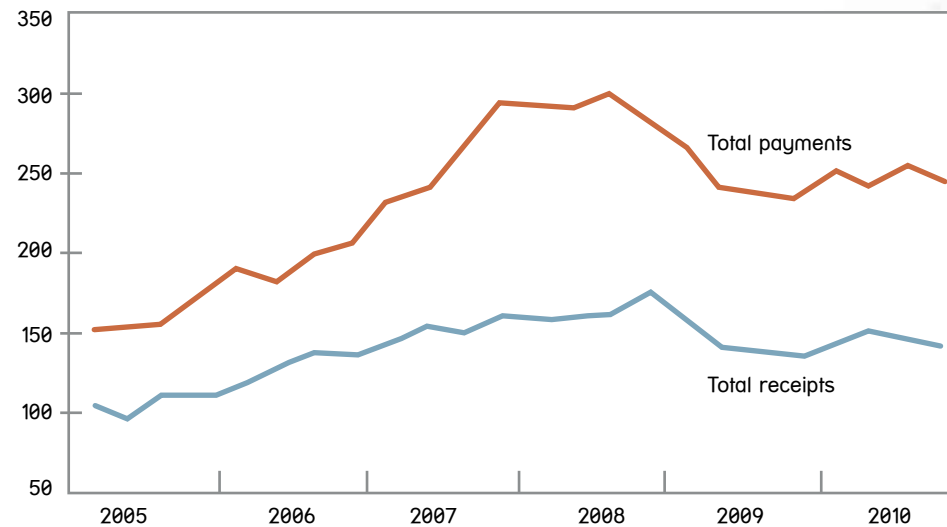


Source: National Treasury, Budget Review 2011

Consolidated government expenditure was projected to increase from R897.4 billion in 2010/11 to R1.2 trillion in 2013/14, largely financed through the national budget. The above figures indicate that education remains a priority with regards to government spending and it is expected that spending on education will increase from R172.7 billion in 2010/11 to R215.1 billion in 2013/14. Education is vital to sustaining long-term growth, increasing employment and reducing inequality. Challenges in this sector include backlogs in school infrastructure; low levels of achievement in literacy, mathematics and science; an insufficient number of qualified teachers; and low enrolment and high failure rates in universities and Further Education and Training (FET) colleges.

Services, Income and Current Transfer Account Seasonally adjusted annualised rates

R billions

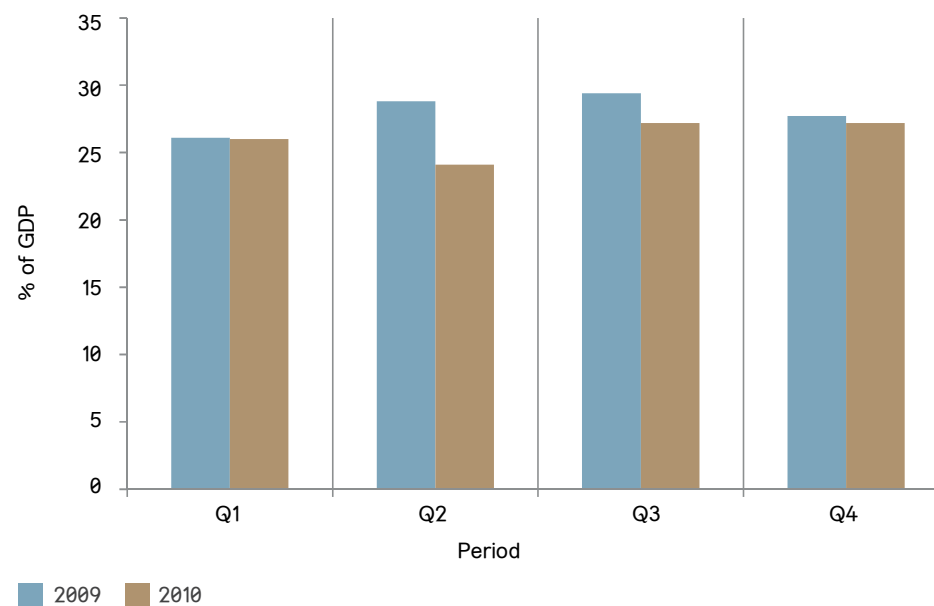


Source: South African Reserve Bank, Quarterly Bulletin, March 2011

The shortfall on the services, income and current transfer account of the balance of payments narrowed by about R10 billion to R103 billion in the fourth quarter of 2010 – a balance more or less equal to the average quarterly deficit registered for the year 2010 as a whole. The sharp contraction in the deficit in the second quarter of 2010 was largely attributable to increased tourism receipts during the hosting of the 2010 FIFA World Cup™ tournament in the middle quarters of 2010. Despite the hosting of the football tournament, the deficit of the services, income and current transfer account widened marginally from 2009 to 2010. As a percentage of gross domestic product, the deficit, however, remained relatively stable at around 4% over the period.

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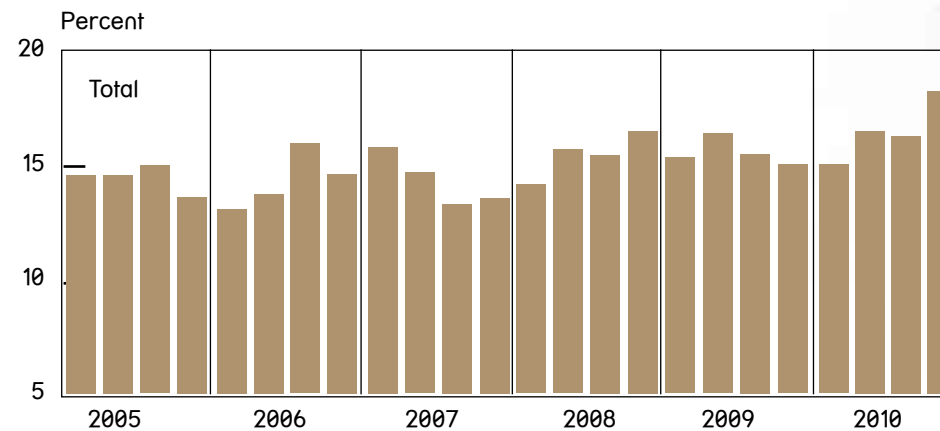
Total Foreign Debt as a percentage of GDP



Source: South African Reserve Bank, Quarterly Bulletin, March 2011

As a result of the appreciation in the external value of the rand against the US dollar, South Africa's foreign debt, measured in rand terms, increased marginally from R654 billion at the end of September 2010 to R656 billion at the end of December. The ratio of total external debt to gross domestic product increased marginally from 27.1% at the end of September 2010 to 27.2% at the end of December 2010.

Gross Savings as a Percentage of Gross Domestic Product



Source: South African Reserve Bank, Quarterly Bulletin, March 2011

Gross saving as a percentage of gross domestic product increased throughout 2010, rising from 16.2% in the third quarter to 18.3% in the fourth quarter. The improvement in the saving performance can be attributed to stronger growth in the gross saving of corporate business enterprises and 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% to total capital formation in 2009 to 14.4% in 2010

WORK STREAM 8

Section 77 Notices

Terms of Reference

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.

Applications filed during the period under review

Three (3) new Section 77 Notices were filed in the period under review and they are outlined in the table below:

Date Filed	Applicant	Issues	Status
01 April 2010	Organized Labour (Cosatu, Fedusa & Nactu)	The electricity tariff increases that affect workers and the poor in the country. NERSA approved the tariff hikes that would result in job losses and push workers and the poor even deeper into poverty.	A two-a-side committee has been established to undertake discussions on this matter. The matter is still been considered by the standing committee.
28 April 2010	SOLIDARITY	The inability of the South African Police Service (SAPS) to combat crime efficiently. The negative effects of high crime levels on the stability of the country.	The applicant has raised dissatisfaction on how the process has unfolded through bilateral engagement. The plenary will determine whether the matter should be deemed considered by NEDLAC. Earmarked for finalisation in the third quarter of the 2011/2012 reporting period.
25 August 2010	Organised Labour (Cosatu, Fedusa & Nactu)	The quality of water had deteriorated extensively and required positive measure for restoration and security.	Two working groups have been formed i.e. Waste Water Management and Acid Mine Drainage, to recommend possible solutions. Earmarked for finalisation in the 2011/2012 reporting period.

Members of the Section 77 Steering Committee

Government	Labour	Business	Community
T Mkalipi	M Mbongwe	K Moyane	S Mapaila
	L Grobler	I Jacobs	

WORK STREAM 9

Special Projects

SPECIAL PROJECT 1: NEDLAC REVIEW

Background

The Review has its origins in a request made by a Cabinet Lekgotla to the Minister of Labour Mr M Mladlana to undertake a review of social dialogue and the role of NEDLAC. In its tenth anniversary publication entitled *The NEDLAC Experience, 10 Years of Social Dialogue*, NEDLAC supported the call for a review and argued that 'one of NEDLAC's strengths is its ability, as an institution to have created a culture of self-examination.

NEDLAC commissioned Professor Eddie Webster to conduct an independent review of the Institution. The Review identified a number of challenges facing both NEDLAC as an institution and the broader social dialogue. The Review also provides a number of recommendations which are intended to fortify NEDLAC's role in promoting social dialogue.

Status

The NEDLAC Review Steering Committee has considered the Webster Report together with recommendations provided by Social partners on how to strengthen NEDLAC as a social dialogue institution. The Steering Committee prepared a NEDLAC report on the process, which has been endorsed by NEDLAC Principals.

The NEDLAC report sets out the overall recommendations endorsed by NEDLAC Principals and these include, amongst others:

- When legislation on which a NEDLAC report has been finalised is tabled in Parliament, a NEDLAC delegation should introduce the report prior to public hearings.
- Commission an Organizational Development (OD) specialist in social dialogue institutions to work with the Executive Director in setting in place systems to overcome organizational blockages.
- NEDLAC to develop a communications and public relations strategy to deal with its public image: The communications and public relations strategy should distinguish communicating between its stakeholders - including Parliament and the Executive - and broader public education.
- Increase the NEDLAC Budget to meet specific needs: Increase investment in NEDLAC through an increase in its budget. Draft motivation for the revised NEDLAC budget to take into account the new agreed recommendation of the review process.
- Review of the Protocol Guidelines on what should be tabled in NEDLAC and time frames.
- Building capacity in the Secretariat: Build skills that ranges from writing minutes, report writing, social skills required to interact with a range of social partners as well as specialist knowledge in the area of the Chambers.
- Implementation of recommendations emanating from the NEDLAC Review is underway.

SPECIAL PROJECT 2: DECENT WORK COUNTRY PROGRAMME (DWCP)

Background

NEDLAC Social partners working with the ILO have engaged to develop a DWCP for South Africa and through this work, NEDLAC identified key priority areas, which are premised on the ILO Decent Work Agenda pillars, notably: strengthening fundamental principles and rights at work; promotion of employment creation; strengthening and broadening social protection coverage; and strengthening tripartism-plus and social dialogue.

Status

NEDLAC Social partners, together with the ILO, have commenced work on the implementation of the DWCP through the NEDLAC DWCP Technical Team. The projects and implementation thereof are categorised according to the four key priority areas. Highlights of the implementation process are captured below:

Priority 1: Strengthening fundamental principles and rights at work

The ILO at the request of the Department of Labour undertook an audit of the Labour Administration System and Inspection Services in South Africa in November 2009. The audit report made a strong recommendation for the strengthening of the Labour Administration and Inspection Systems in the country and for

PROGRAMME PERFORMANCE

Government to consider ratifying ILO Conventions 81 and 129. A national conference on Labour Inspection Policy was held on 27-28 September 2010 where the labour inspection Conventions were discussed and considered for ratification. One of the key outcomes of the conference included consensus by the conference delegates on the need for South Africa to ratify ILO Convention 81 at least.

A national workshop on Standards Reporting was organised for Government officials and representatives of Social Partners on 11-13 August 2010. The purpose of the training workshop was to strengthen the capacity of Government and Social Partners to report more effectively on ratified Conventions and to respond adequately to the comments of the ILO supervisory bodies.

Priority 2: Promotion of employment creation

A high-level ILO mission was undertaken in South Africa on 19-21 May 2010 to explore how the ILO could add value to the tripartite-plus Framework for South Africa's Response to the International Economic Crisis. The mission met with Social partners to identify how the ILO could add value to the Framework and its implementation. A number of areas had been highlighted for possible ILO engagement including maximising the employment impact of public investment, green jobs, strengthening the employment content of the industrial policy and sectoral strategies, and enhancing the dissemination, monitoring and evaluation of the Framework.

The Department of Economic Development in partnership with the ILO, United Nations Environment Pro-

gramme, the CSIR, and the CIDB organised a 1-day workshop on promoting green and decent jobs in the South African building and construction sector. The first objective of the workshop was how to maximize the creation of decent jobs in the sector. The second objective of the workshop was to discuss concrete proposals for driving the agenda of green jobs and decent work in the building and construction sector in South Africa. Follow-up consultations will ensue with key stakeholders to discuss concrete programmatic interventions for promoting green and decent jobs in the construction sector.

Priority 3: Strengthening and broadening social protection coverage

The ILO facilitated a capacity-building workshop for NACTU on 21-24 July 2010 that was organised to develop policies on HIV/AIDS, Child Labour and Gender. The ILO provided technical support in developing policy guidelines on HIV/AIDS, Child Labour and Gender. During the workshop, the ILO sought to sensitise members of NACTU about fair labour practices and international labour standards contained in ILO Conventions C100, C101, and C182. ILO consultations with COSATU are underway for the review of the COSATU HIV/AIDS policy and programme.

The ILO provided technical support to the HIV/AIDS Tripartite Committee for the Mining Sector, linked to the Mines Health and Safety Council, in the development of draft guidelines on HIV/AIDS for the Mining Sector. These guidelines had been drawn up and agreed jointly by employers' and workers'

representatives in the mining sector through a process of social dialogue.

ILO technical support has also been directed towards the development of the Transport Sector HIV/AIDS Strategic Plan 2007-2011 and the development of a monitoring and evaluation plan and its associated tools. The project also directed technical assistance towards the development and implementation of workplace programmes through training peer educators and HIV/AIDS focal persons. The project also directed technical assistance towards the development and implementation of workplace programmes through training peer educators and HIV/AIDS focal persons.

Priority 4: Strengthening tripartism-plus and social dialogue

The ILO facilitated various meetings at NEDLAC in May and October 2010 involving Organised Labour, to orient Labour on the ILO Global Jobs Pact (GJP) Scan for South Africa with a view to assist Labour to identify priority areas for support to influence the implementation of the National Framework on the Crisis.

The ILO, in cooperation with FES-Germany, provided funding and technical support to a seminar on placing the decent work agenda at the centre of trade policies. The seminar was held on 21-23 July 2010 and involved Organised Labour focal persons in NEDLAC. The discussions were on the implications of current trade policies on South Africa's decent work agenda.

SPECIAL PROJECT 3: ELECTRICITY CRISIS

Due to the shortage in supply of electricity, South Africa experienced bouts of load shedding in 2008. This prompted interventions such as the Electricity Summit of 2008, the NEDLAC Accord, which emanated from the Summit, the National Stakeholder Advisory Council on Electricity and the NEDLAC Energy/ Electricity Task Team. The objective of these interventions was to develop strategies to remedy the crisis.

NEDLAC Social partners focused their energies on developing approaches towards cushioning the poor against electricity tariff increases; this endeavour was triggered by the 2009 Eskom Multi Year Price Determination (MYPD 2) Application. Social partners also directed their efforts towards negotiations on the Integrated Resource Plan 2010.

Cushioning the Poor against Electricity Tariff Increases

The 2009 Eskom Multi Year Price Determination (MYPD 2) application to the National Energy Regulator of South Africa (NERSA) raised concerns among Social partners on the impact of the proposed tariff increase on the welfare of poor households. To that end, Nedlac through the Fund for Research into Industrial Development, Growth and Equity (FRIDGE) mechanisms commissioned a study into approaches to minimise the impact of electricity tariff increases on the poor.

Social partners considered the FRIDGE report and provided a number of recommendations on minimising the impact of future electricity tariff increases on the poor.

Integrated Resource Plan

In October 2010 Government, through the Department of Energy released the Draft Integrated Resource Plan 2010 (IRP2010), which included the Medium Term Risk Mitigation Programme (MTRMP). The IRP2010 is a long-term national electricity plan that considers requirements for electricity supply, the appropriate technology mix to meet South Africa's objectives, and linkages with other resources, such as water, transmission infrastructure, primary energy resources, skills, land.

While the MTRMP focused on identifying and engaging all supply and demand options to address the short-term risk of the lack of capacity to meet demand of the 2011-2016 period. It is a medium- to long-term plan that will help direct the expansion of electricity supply, including private and own generation and power purchase from regional projects, and demand initiatives in South Africa over the given horizon, typically 20 years. The IRP2010 determines the timing and mix of the above projects and will form the basis by which NERSA will license such projects.

Social partners welcomed the release of the IRP2010 and subsequent engagement thereon, as lack of security of supply, particularly in the short to medium-term, was an ongoing crisis. The agreements reached in NEDLAC on the matter were submitted to the Executive Authority.

SPECIAL PROJECT 4: NEW GROWTH PATH (NGP)

The issues of unemployment, poverty and inequality have long been among the core challenges faced by South Africa. With this in mind, Government, through the Economic Development Department released the New Growth Path in November 2010.

The New Growth Path Framework states that:

"The main indicators of success [of the NGP] will be jobs (the number and quality of jobs created), growth (the rate, labour intensity and composition of economic growth), equity (lower income inequality and poverty) and environmental outcomes."

NEDLAC Social partners have commenced engagement on the NGP and a progress report will be provided in the 2011/12 reporting period.

SPECIAL PROJECT 5: NATIONAL PROJECT TO REDUCE POVERTY AND INEQUALITY IN SOUTH AFRICA

The National Project to Reduce Poverty and Inequality in South Africa, formerly known as the Anti-Poverty Strategy, is a collective endeavour to address the scourge of poverty and inequality in South Africa. The reason for the name change is to signify the importance of approaching the issues of poverty and inequality as a national project. The name change also signifies the

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recognition by Social partners of the need to address inequality in South Africa.

In reviewing the previous proposition, the Anti-Poverty Strategy, Social partners recognised that it fell short on certain perspectives:

- Social partners acknowledged that it was vital to shift from the conceptual or framework discourse of the Anti-Poverty Strategy towards developing concrete action plans to direct initiatives and implementation.
- Social partners recognised the importance of analysing the problem of poverty and inequality as well as the importance of concluding work on defining poverty and developing poverty measures.

The discussion on the National Project to Reduce Poverty and Inequality in South Africa has gained momentum as Social partners appreciate the urgent need for concrete remedies. A progress report will be provided in the 2011/12 reporting period.