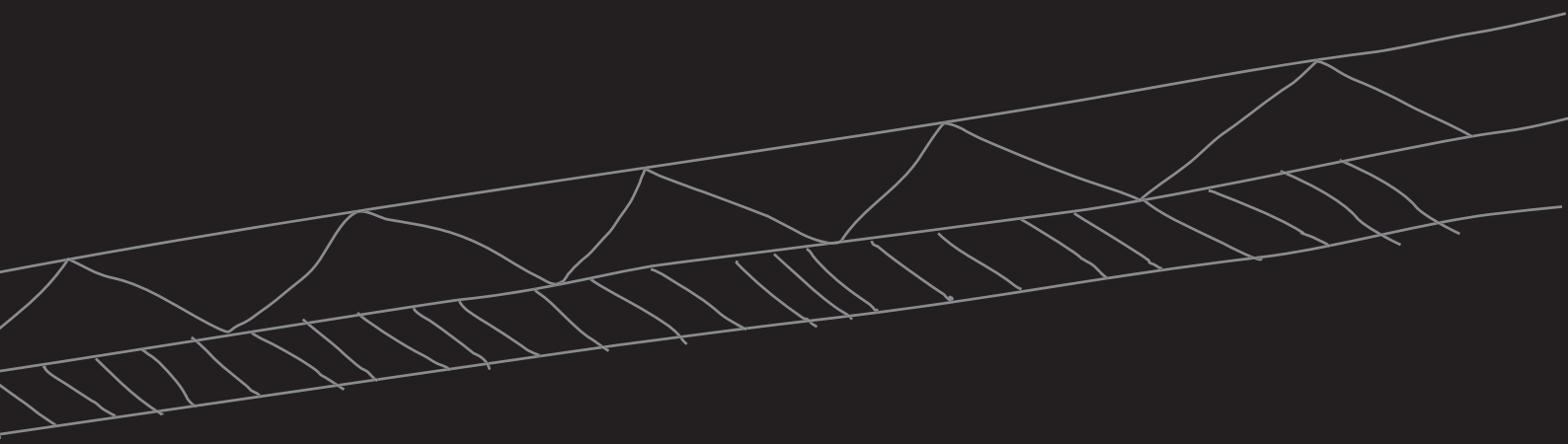


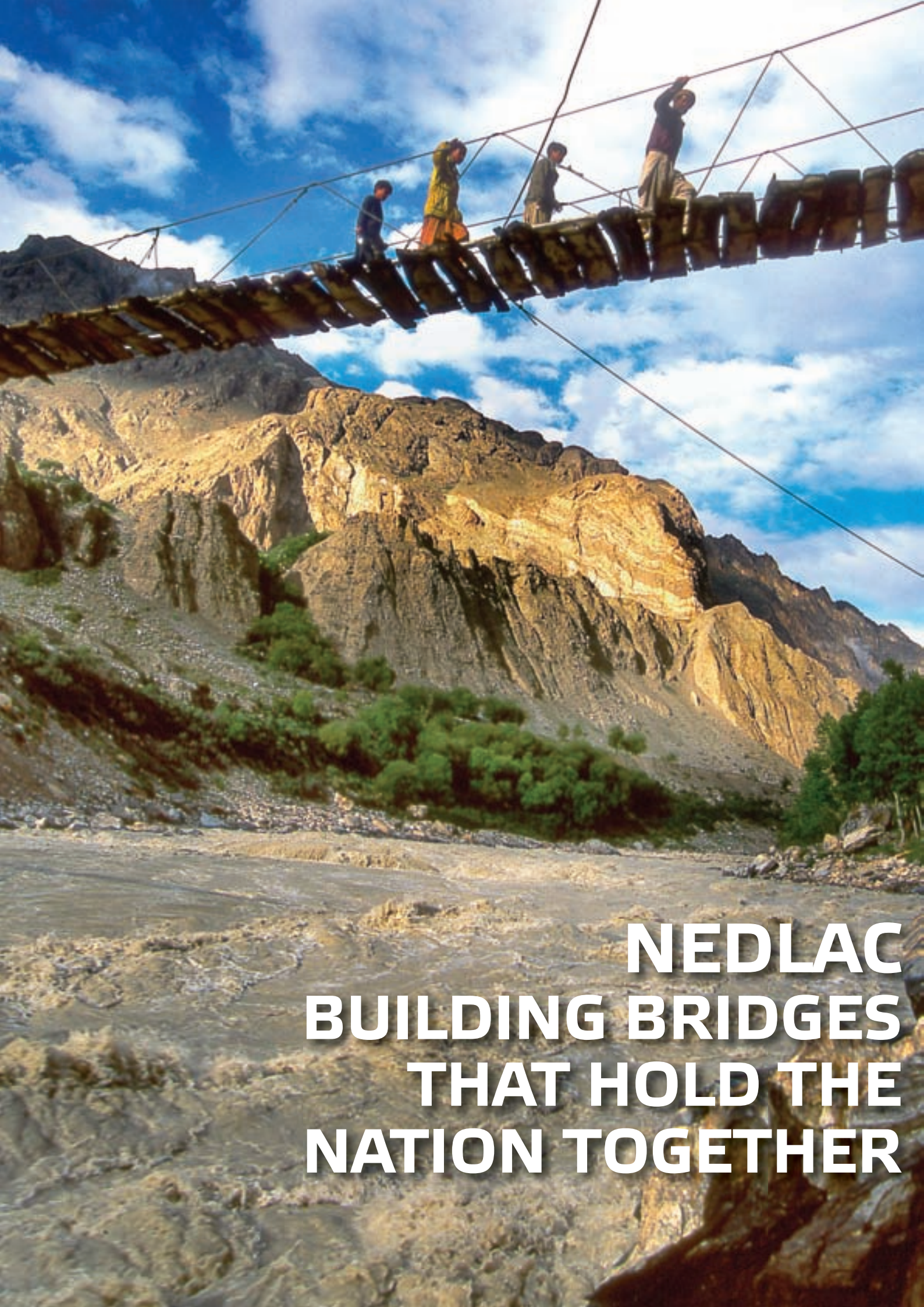


SOCIAL DIALOGUE

**A CATALYST FOR SOCIAL AND
ECONOMIC DEVELOPMENT**







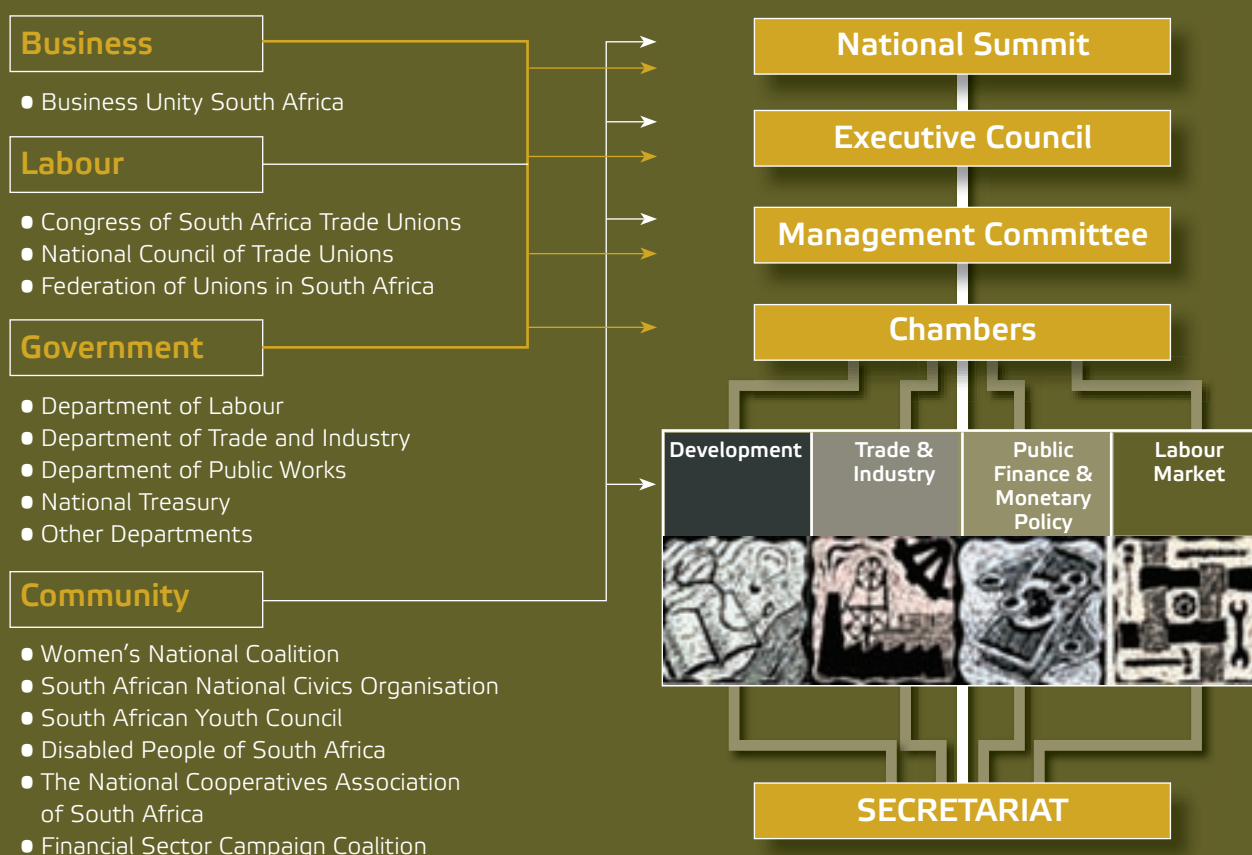
**NEDLAC
BUILDING BRIDGES
THAT HOLD THE
NATION TOGETHER**

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Structure at a glance

Constituencies



About Social Dialogue

“Over the years Nedlac has succeeded in establishing social dialogue as an accepted and invaluable part of the country’s policy making and national decision-making system. One of the most important features of our system of governance is to ensure consultation and dialogue, in order to build not only a shared national vision, but also in actual practice to attain unity of purpose and action.”

The negotiation of national policies between representatives of government, labour and business organisations sometimes end with an explicit social pact. Other times it is more informal, involving continuous processes of political, social and economic policy exchanges among social partners.

‘There is a growing consensus among leading economists that for globalization to be fair and deliver its promise for prosperity it needs to be governed differently; in particular there is a need for more participation by stakeholders at international and domestic levels.’ (Stieglitz: 2003) This was also the main conclusion reached by the World Commission on the Social Dimension of Globalization convened by the ILO in 2002 which included prominent leaders from politics, academia, business, and civil society from across the world. The benefits of robust social dialogue are numerous and they include;

- Firstly, consultation leads to the accommodation of the interests of key social partners which is likely to improve the quality of decisions.
- Secondly, negotiation may build bases of support for the proposed policies. Representatives who act on the basis of proper mandates reach agreements that makes the reforms more sustainable.
- Thirdly, when broad consensus exists over particular reforms, policymakers have more leverage with international financial institutions whose influence might lead to reform packages that prioritise speed and efficiency over safety nets and equity considerations.
- Finally, social dialogue helps consolidate democracy in deeply divided societies by channelling discontent through institutions.
- Social dialogue is the only tried and tested medium to enhance broader participation in policy formulation and decision – making

Nedlac is established in law through the National Economic Development and Labour Council Act, Act

35 of 1994. It was launched in February 1995 by the first democratically elected President of the Republic of South Africa, Dr Rolihlahla Nelson Mandela. The Act requires Nedlac to:

- Promote the goals of economic growth, participation in economic decision-making, and social equity.
- Seek to reach consensus and conclude agreements pertaining to social and economic policy.
- Consider all labour legislation relating to labour market policy before it is introduced in Parliament.
- Consider all significant changes to social and economic policy before they are implemented or introduced in Parliament.
- Encourage and promote the formulation of co-ordinated policy on social and economic matters.
- Consider Socio Economic Disputes in terms of Section 77 of the Labour Relations Act.

Nedlac respects and recognises the sovereignty of Parliament as the ultimate decision maker in the law-making processes in South Africa. Nedlac’s role is clearly that of seeking to reach consensus on policy matters before such matters are tabled in Parliament.

The challenge and the concerns on Draft Bills that are tabled in Parliament before being considered in Nedlac is no fault of Parliament and its structures, but the flaw in the sequencing of policy processes by the Executive Authority.

If the Policy/Bill is tabled in Parliament before being tabled in Nedlac for consideration or, the Policy/Bill is tabled simultaneously in Nedlac and Parliament, it becomes virtually difficult to factor-in agreed changes without the consent of Parliament.

Nedlac's founding declaration

Growth, Equity and Participation

1. The democratic election of 1994 opened a new era for South Africa. It was the decisive step in the transition to democracy. Now our country must meet the challenges of social development and economic growth.
2. South Africa is a land rich in resources, with a strong and diversified economy. It has a people eager to make the democracy work. It has a well-developed physical and financial infrastructure, such as transport, telecommunications and the banking system.
3. South Africa is also characterised by severe inequality in incomes, skills, economic power, ownership, and a skewed pattern of social development. This, together with large-scale unemployment and inadequate economic performance, has created major problems in our society.
4. Government, organised labour, organised business and community-based organisations need to develop and strengthen cooperative mechanisms to address the challenges facing our new democracy. Our three defining challenges are:
 - 4.1. Sustainable economic growth - to facilitate wealth creation; as a means of financing social programmes; as a spur to attracting investment; and as the key way of absorbing many more people into well-paying jobs.
 - 4.2. Greater social equity - both at the workplace and in the communities - to ensure that the large-scale inequalities are adequately addressed, and that society provides, at least, for all the basic needs of its people.
 - 4.3. Increased participation - by all major stakeholders, in economic decision-making, at national, company and shop floor level - to foster cooperation in the production of wealth, and its equitable distribution.



(a) Meeting these challenges is critical to the success of the Reconstruction and Development Programme.

(b) The National Economic Development and Labour Council (Nedlac) is the vehicle by which government, labour, business and community organisations will seek to cooperate, through problem-solving and negotiation, on economic, labour and development issues, and related challenges facing the country.

(c) Nedlac will conduct its work in four broad areas, covering:

- (i) Public finance and monetary policy.
- (ii) Labour market policy.
- (iii) Trade and industrial policy.
- (iv) Development policy.

5. Nedlac is established in law through the National Economic Development and Labour Council Act, Act 35 of 1994, and will operate in terms of its own constitution.

Signed by;

Minister Tito Mboweni
For and on behalf of
Government

Mr John Gomomo
For and on behalf of
organised Labour

Mr David Brink
For and on behalf of
organised Business

Signed on Saturday, 18 February 1995 in Midrand, Gauteng.

Nedlac Principals

GOVERNMENT



Mr Geoff Doidge
Minister of Public Works
With effect from May 2009



Mr Pravin Gordhan
Minister of Finance
With effect from May 2009



Mr MMS Mdladlana
Minister of Labour



Mr Rob Davies
Minister of Trade and Industry
With effect from May 2009

BUSINESS



Bobby Godsell
Chairperson of BUSA



Brian Molefe
President of Busa

LABOUR



Dennis George
General Secretary of FEDUSA



Manene Samela
General Secretary of NACTU



Zwelinzima Vavi
General Secretary of COSATU

COMMUNITY



Ruth Bhengu
Deputy President of SANCO



Laura Kganyago
General Secretary of WNC



Mike Mzolisi Ka Toni
General Secretary of DPSA

OVERALL CONVENORS



Les Kettledas
Overall Government Convenor



Bheki Ntshalintshali
Overall Labour Convenor



Prof Raymond Parsons
Overall Business Convenor



Lulama Nare
Overall Community Convenor

Message from the Overall Government Convenor - Les Kettledas



The National Economic Development and Labour Council (NEDLAC) is a hub for social dialogue which allows for the expression of different needs and viewpoints by the social partners with the ultimate goal of reaching consensus about social and economic policies. For Government, social dialogue is the most effective mechanism for addressing challenges facing our democratic society. Social dialogue has contributed immensely in reducing adversarial relations which existed prior to our new democratic dispensation, and in reaching joint solutions to internal and external challenges such as the local electricity crisis and global financial crisis. Social dialogue has also cushioned South Africa to a great extent against the adverse effect of global events. For example, due to policies negotiated at NEDLAC in prior years and efficiently implemented by Government, the South African financial institutions stood firm against the global financial crisis which paralysed financial institutions across the world since mid-2008. Furthermore, NEDLAC social partners quickly reacted to the global financial crisis by adopting a framework document and action plan to deal with the economic crisis. Government will continue to play a leading role in the implementation of this framework, but realise that neither the framework nor its implementation

would be possible without the full participation and commitment by all social partners.

Government participation in all NEDLAC structures improved substantially during the past year. Apart from the normal meetings, special meetings were held such as the Ministerial Roundtable on Public Transport, briefings on the Expanded Public Works Programme Phase 2 and the National Youth Development Policy (for the National Youth Development Agency), the Human Resources Development Strategy for South Africa, Industrial Policy strategic sessions, the Competition Commission presented and engaged at length about its findings on the Banking Enquiry, and a workshop to debate the recommendations of the International Growth Panel on various key macroeconomic policy issues. Government also facilitated NEDLAC inputs on the International Labour Organisation (ILO) Conference discussions on HIV and AIDS in the workplace, and held Employment Equity Road shows which were wholeheartedly supported by the social partners. Government played a pivotal role during the Electricity Crisis which led to the Electricity Summit in May 2008 and the establishment of the National Stakeholder Council on Electricity that is convened by the Presidency through the Department of Energy.

While we take note of these achievements, there were some frustrations. The development and success of any policy is dependent on Government completing thorough internal consultative processes before a policy can be tabled at NEDLAC for social dialogue. The complicated cross-cutting nature of some policies,

which first had to go through the inter-governmental processes, delayed progress on pressing issues such as Social Security and Retirement Fund Reform, Poverty Measures, National Health Insurance, a Single Public Service, and dealing with the xenophobic attacks. These will remain prominent issues to be addressed in the coming year through NEDLAC consultations.

There are enormous socio-economic and labour challenges that must be addressed. We need a concerted effort by all stakeholders to ensure targeted interventions to alleviate poverty, and drastically reduce unemployment through the creation of sustainable and productive jobs within the principle of decent work for all. The Expanded Public Works Programme Phase 1 concluded on 31 March 2009 created unprecedented work opportunities, and the target for Phase 2 (which started on 1 April 2009) is to create 500 000 work opportunities in the first year alone.

These challenges highlighted by the current economic crisis, present us with difficult choices, but also opportunities to drive debates around key policy issues that confront us. The strength of South Africa's capacity to engage in meaningful dialogue has already been successfully tested, but these challenges are an indictment on the social partners under the umbrella of NEDLAC to work together towards workable solutions based on consensus. In line with the broader objective of Government to respond to development challenges, we will continue to engage in social dialogue for realisation of our vision of a better life for all.

Message from the Overall Business Convenor - Raymond Parsons



2009 must be seen as a political and economic watershed for South Africa. The new government elected on 22 April 2009 also marks an important transition for the country on a national, regional and global level. A convergence of political and economic factors has generated both expectations and uncertainty among several stakeholders. The balance between continuity and change in South Africa over the next five years is important to decision-makers in both the public and private sectors. In this process Nedlac not only continues to remain highly relevant but may also require a new strategic positioning. Expectations of Nedlac have risen.

A perusal of the latest Nedlac Annual Report therefore again highlights the range of activities and the work programme to which Nedlac has been connected over the past year. Of the many socio-economic issues which Nedlac addressed in the recent past – and which will serve as a good example of successful social dialogue – was the contribution of Nedlac processes to the handling of the global economic crisis and its implications for South Africa as 2008 drew to a close. Other successful examples of Nedlac at work have been its involvement with the ILO's Decent Work

Country Programme as well as Nedlac's engagement in the formulation of appropriate industrial and trade policies.

Nevertheless, several converging events carry Nedlac into a new era beyond 2009. One such factor is the outcome of the elections – as well as a restructured cabinet – and another is a strong view among many businesspeople that the new government will find Nedlac even more necessary than ever before. Also relevant is the recent recognition that there needs to be far better coordination and consultation between the executive, parliament and Nedlac for the future processing of legislation requiring consideration by Nedlac. Nedlac must be an active driver of social dialogue, not just its passive custodian, especially at a time when there is such great emphasis on the need for better coordination and delivery.

Business reiterates that one important sphere in which social dialogue, partnership and capacity building should be strengthened is at the tier of local government. It is the level of government closest to the people and at which about 60% of social delivery takes place. The recent confrontations and disturbances in several local areas about a lack of service delivery require on-going attention. An immediate challenge to Nedlac and its stakeholders is to see whether the social dialogue 'culture' can be replicated to a greater extent at

municipal level in ways which will lead to enhanced capacity and better delivery. This, in turn, will underpin our collaborative efforts at national level.

The economic outlook poses challenges which will make a 'team effort' even more necessary in the period ahead. The global financial meltdown and a rapidly slowing world economy have been superimposed on a South African economy which had already in 2008 come to the end of its longest business cycle upswing since September 1999. South Africa's first recession since 1992 has had serious implications for growth, employment and poverty-alleviation. Unemployment, instead of falling, has been rising along with company liquidations and insolvencies. We must begin to position the economy for the next upswing and maximise the number of jobs created at any given growth rate.

In the years ahead South Africa needs to build on its achievements to date, learn from its mistakes and seize the new opportunities that accelerated and shared growth can offer. If we make a collective effort a 6% growth rate – and the benefits it can bring in terms of jobs and opportunities – is still possible by 2014 despite current economic setbacks. Social dialogue in general and Nedlac in particular, must add value to the achievement of the ambitious social-economic goals we have set for South Africa.

Message from the Overall Labour Convenor - Bheki Ntshalintshali



During the year under review, the Social partners have negotiated and finalised a framework agreement on South Africa's response to the Global Economic Crisis, in a forum convened by Nedlac, in partnership with the Presidency.

We recognized that low-income workers, the unemployed and the vulnerable groups can lose much through even a relatively brief economic shock. Reports affirm that, mainly due to the global economic crisis, tens of thousands of jobs are being lost in a number of sectors, including services, mining, manufacturing, retail, clothing and textiles. Our collective responsibility is to work together to minimise the impact of the economic crisis on the marginalised groups.

Nedlac also tackled tough policy issues:

- Guidelines to promote the competitiveness of the South African economy have been completed;
- The national technical regulatory framework has been finalized; it will put in place measures to strengthen domestic industrial capacity in South Africa.

Attention during the past year had also been placed on the electricity crisis, where social partners

re-affirmed their commitment to work together to address the current electricity crisis, through high-level engagements at the National Stakeholder Advisory Council on Electricity. A framework has been formulated to address the disruption in energy supply.

Currently Nedlac is investigating how the various forms of work in South Africa could be changed in line with the Decent Work Country Programme Project. Work is also being done on devising a new fisheries policy that takes into account the balance between commercial and subsistence fishing in South Africa.

As we enter the next term of democratic government, we are faced with the expectations of jointly implementing the many policies which are now firmly in place, to reach out to our provinces and local levels. Our policies will be tested against the phenomenon of the global economic crisis, which require a move from social dialogue to social partnership. This requires a great level of coordination at national level in order to optimize resources.

Since adopting the Framework Agreement on the Global Economic Crisis, the country has formally moved into recession for the first

time in 17 years. This means that realising our commitments to providing decent work, healthcare, education and promoting rural development will be a greater challenge. We need to ensure that that the economy is ready to take advantage of the next economic upswing, and that the benefits of such growth are shared by all our people, including the poor and the vulnerable.

Message from the Overall Community Convenor - Lulama Nare



Social Dialogue requires independent social actors and an articulate system for consultation and negotiations. The South African Social Dialogue dimension could be said to be two staged: consultation and social governance because social partners are given a say on socio-economic policy area. Achieving this requires an overall strategy aimed at investing in people and combating social exclusion. Therefore, Community Constituency (CC) at Nedlac is happy that the new government administration has signaled that it will reach out to social partners.

The CC participation in social dialogue always proposed initiatives for the promulgation of measures aimed at preserving or creating jobs by changing employment practices and training. Through CC proposals, Nedlac had a Finance Sector Summit in 2002, which led to the agreement to form Financial Sector Charter. Since then, there have been bilateral meetings outside Nedlac over the Finance Charter.

In the year under review, the global financial crisis struck us. The global financial crisis led to company closures, down-sizing and job losses. The CC hopes that the job losses will not turn into a job loss

crisis, and like any crisis, means major changes which require adaption and acceptance. These in turn require consensus building social dialogue and negotiation to secure trade-offs for the acceptance of the adjustments that are required from and for the workforce. Within the prism of the financial crisis, consensus building among social partners should be about balancing business needs and social security of which Nedlac social partners strove to achieve when dealing with the global financial crisis matter.

Social dialogue and consensus building has been conducive to achieving a balance between social partners who hold divergent views on how to achieve one goal. As a response to the global financial crisis, social dialogue became even more important in the South African (S.A) setting. Namely, in order to strengthen the efforts to mitigate the expected negative effects of the current crisis; Nedlac worked hand in hand with the Presidency. Social partners have an indispensable role in achieving measures for alleviating the impacts of financial crisis on S.A's key economic sectors. Through consultations the S.A government rolled out R2.4 Billion for training the jobless.

In this time of Economic Crisis and job losses, social dialogue motivates the workforce, alleviates the concerns of wage earners about future job uncertainties and thus creates a positive climate of industrial peace, necessary for an improved economic performance; where job and social protection is guaranteed.

In conclusion, it could be stated that South Africa has a quite developed social dialogue system but the much needed 100% influence of social partners on policy making process is still a pipe dream.

PART 1



NEDLAC IS ABOUT SECURING THE COMMITMENT AND ACTIVE PARTICIPATION OF ALL SOCIAL PARTNERS IN THOSE AREAS IDENTIFIED FOR PRIORITISED ACTION IN WAYS THAT BUILD ON LESSONS LEARNT FROM DEVELOPMENT PROGRAMMES.



Introduction by the Executive Director



Herbert Mkhize

The 2008/9 period was very unique in many respects and extremely challenging for Nedlac. Large numbers of Draft Bills were either en-route or already in Parliament; the energy supply crisis resulting in black-outs never seen before in South Africa, the WTO Doha round was on the verge of collapsing; escalating food prices, job shedding in the informal sectors; growing current account deficit; the global economic crisis and political parties gearing themselves up for the 2009 general elections.

Factoring these issues on the work programme required social partners to shift focus - a detour that impacted negatively on the original work programme. 2008/9 was indeed business unusual in Nedlac.

Economic Trends at a Glance

Global economic activity deteriorated sharply in the fourth quarter of 2008 as the international economic crisis intensified following the bankruptcy of Lehman Brothers in the United States of America (USA) in mid- September 2008. According to statistics published in January 2009 by the IMF

World Economic Outlook Update, global output growth was expected to slow further from 3.4% in 2008 to 0.5% in 2009, before rebounding to 3.0% in 2010. In several advanced economies real output was projected to contract in 2009, while economic growth was expected to moderate significantly in emerging-markets and developing countries. Deteriorating consumer and business confidence, declining global demand, and a relatively tight domestic monetary policy were reflected in a contraction in real gross domestic product in the final quarter of 2008 – the first such contraction in ten years. The manufacturing sector, in particular, recorded a dismal performance in the fourth quarter of 2008, predominantly in the subsectors that are more sensitive to the business cycle.

For the 2008 calendar year, growth in real gross domestic product decelerated to 3.1% – a disappointing outcome following four successive years in which annual growth had remained around 5%. Furthermore in the first quarter of 2009 the GDP contracted at an annualised rate of 6.4%, these declines indicated that the South African economy was in a recession, the first of its kind in 18 years.

The secondary sector's contraction worsened from an annualised rate of 4.6% in the third quarter of 2008 to 15.0% in the fourth. These declines were attributed to the deterioration in the manufacturing output in the second half of 2008. The manufacturing sector, which is the second largest in the economy, gained downward momentum contracting at an annualised rate of 21.8% in the fourth quarter of 2008, from a decline of 9.4% in the third quarter. The substantial decline in the fourth quarter was mainly evident in the subsectors which manufacture petroleum products, chemicals, rubber and plastic products, basic iron and steel products; and motor vehicles, parts and accessories. These developments were a reflection of the severely strained export market for manufactured goods and the concurrent impact of household's weaker demand of durable goods. This sector recorded its weakest annual growth rate recorded in five years to only 1.2%.

The acceleration in inflation in the producer prices of manufactured food products translated into significant food price increases at the retail level. Consequently CPIX consumer food price inflation accelerated significantly to 19.2% in August 2008 with pronounced increases in processed food prices, which at that stage rose to a year-on-year rate of 23.3%.

Although agricultural producer food price inflation started to moderate as early as April 2008 and the twelve month inflation actually turned negative in the five months to December 2008, higher transport costs and mounting nominal wages resulted in unprocessed consumer food price inflation accelerating to a twelve month rate of 14.5% in August 2008. Between August and December 2008, CPIX consumer food price inflation remained fairly elevated, amounting according to the Reserve Bank of South Africa to a twelve month rate of 16.8% in December 2008. In January 2009 headline CPI food price inflation amounted to 16.1%.

For the 2008 calendar year real value added by the mining sector declined by 6.5%, when compared with virtually no growth recorded in the 2007 calendar year.

Annual average inflation in the prices of two categories, namely clothing and footwear, and furniture and equipment, actually reverted from deflation at rates of 8.1% and 0.2% in 2007, to inflation at rates of 11.9% and 0.3% in 2008 respectively. Only alcoholic beverages and tobacco price inflation decelerated from 2007 to 2008, whereas prices in all other categories increased at higher rates in 2008 compared with 2007. The total CPIX for weights was 100.0%, 6.5% for 2007 and 11.3% for 2008.

On balance, the trade deficit narrowed from R36.7 billion in the third quarter to R19.6 billion in the fourth quarter of the same year and as a whole, the deficit on the trade account amounted to R35.6 billion in 2008, compared with a shortfall of R40.5 billion recorded in 2007.

The external value of the rand declined, on balance by 4.2% in January 2009, but increased by a roughly similar level in February 2009.

As may be expected, the SARB reports that both the household sector and corporate sector were affected by the economic slowdown and tightening of credit standards. Bank loans and advances to both sectors decelerated notably in 2008.

The unemployment rate increased across population groups between the fourth quarter of 2008 and the first quarter of 2009. The year-on-year comparisons indicated that unemployment remained unchanged among Black Africans; increased among Coloureds and Indians and decreased among Whites. Between all 4 quarters for 2008 the national average of unemployment increased in Q4 of 2008 by 2.0%. Provinces who recorded increases in unemployment in Q4 compared with Q3 of 2008 were the Eastern Cape Province, Northern Cape Province, and the Free State Province, by 1.5%, 3.0% and 0.2% respectively. The unemployment rates of the other provinces decreased, notably in Limpopo Province the percentage was 7.9%, when compared with Q3 of 2008.

The informal sector shed a number of jobs, especially in the Trade (51 000), Construction (26 000) and Manufacturing (12 000) industries. In the informal sector there was an annual decrease of 169 000 jobs.

There was a decrease of 88,000 formal sector jobs between Q4:2008 and Q1:2009 with the most affected industries being Trade (93 000), Manufacturing (49,000) and Construction (38,000). The year-on-year comparisons according to Stats SA indicated a net gain of 107 000 jobs in the formal sector, although some industries such as trade and manufacturing experienced job losses.

The Key Highlights for the period under Review include;

Nedlac held a record 178 meetings, excluding the Annual Summit, Executive Council, Management Committee, Decent Work Country Programme Strategic session; National Electricity Summit; National stakeholder Consultative session on the WTO, Trade Policy sessions with Deputy Minister Davies in the period under review.



The Trade and Industry Chamber remains the busiest of all the Nedlac chambers put together. The output of the Chamber accounts for over 70% of the total work of Nedlac.

The Labour Market Policy Chamber is the second busiest chamber accounting for 15% of the total output. In the first 4 years of Nedlac the Labour Market Chamber was the busiest of all the Chambers. The decline in volume of work can be

attributed to the fact that most, if not all, Labour Market Policies are in place.

The Development Chamber and the Public Finance and Monetary Policy Chamber account for 10% of the total output with the remaining 5% by Manco task teams.

Some of the key issues that occupied the centre stage in the period under review include;

Item	Output
Electricity Crisis	Nedlac Accord
Leadership on how to deal with the energy crisis	National Stakeholder Advisory Council on Electricity
Decent Work Country Programme for South Africa (DWCP)	Framework Agreement
Consumer Protection	Nedlac Agreement on the Consumer Protection Bill
Common South African Technical Regulatory Framework	National Technical Regulatory Framework (NTRF)
Benefits of BEE to be Broad based and to curb fronting	B-BBEE Review completed
SACU - EFTA	SACU – EFTA MoU signed off
SACU Mercosur	SACU Mercosur signed off
Companies Bill	Signed Off
Competition Amendment Bill	Submissions made in Parliament
Bills Before Parliament	A number of Bills were either shelved by Parliament or withdrawn by the Executive.
Global Economic Crisis	Framework for South Africa's Response to the Global Economic Crisis
Unintended Consequences of the Cooperatives Act on labour standards	Agreement to review the Act
Superior Courts Bill	Agreement on how to address Nedlac concerns on the Bill

Tabling of Bills in Nedlac

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

In some cases, some of those Bills were tabled at Nedlac giving less than four working days to finalise the Nedlac due process and a number of these Bills had clear social and economic implications. It is needless to say that the Nedlac's constituencies' ability to discharge their responsibility was severely limited by the tight deadlines.

Some of the Bills were found to be generally poorly drafted and riddled with provisions that would result in the problem of overlapping mandates. Other problems in those Bills included poorly defined terms, lack of clarity in the object of the Act, no provisions for consultation in the exercise of certain powers by the relevant Ministers, establishment of institutions that would be financially onerous to society, etc.

The impact of inadequate consultation at Nedlac would among others result in; lack of societal support for promulgated legislation, court challenges and opposition from other agencies of State (e.g., Competition Commission opposing certain aspects in the Competition Amendment Bill or NERSA opposing some aspects of the National Energy Bill).

Bills such as the Energy Bill, Water Resources Infrastructure Agency Bill; Companies Bill, Single Public Service Bill, the Competition Amendment Bill among others, were very complex Bills therefore expecting proper consideration of these Bills within short timeframes would have been unreasonable.

On 08 August 2008, the Leaders of Nedlac social partners met the Leader of Government Business and his team to discuss how to address the problem of Bills that were tabled in Parliament before being tabled in Nedlac and those Bills that were in the process of being considered in Nedlac but with short timeframes to allow the Nedlac due

process to run its course. The intervention by the Leader of Government Business, the chief whip of the ruling party, the Chair of the House, and the Minister of Labour succeeded in negotiating the extension of time on some of the Bills and created opportunities for Nedlac social partners to address the various Portfolio Committees.

Measures were agreed on how to address this problem in the medium to long term.

These included taking steps such as:

- securing a buy-in from Government Departments
- to adhere to the agreed protocol on tabling and consideration of issues in Nedlac
- improving the relationship between Nedlac and Parliament.

A handwritten signature in blue ink, appearing to be 'J. G. M.', enclosed within a large, loopy circular flourish.



The workings of Nedlac

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

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

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

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

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

Our Vision

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

Our Mission

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

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

Lending a hand – Securing the commitment and active participation of all constituencies in those areas identified for prioritized action in ways that

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

The Nedlac act requires the institution to:

- Strive to promote the goals of economic growth, participation in economic decision-making and social equity;
- Seek to reach consensus and conclude agreements on matters pertaining to social and economic policy;
- Consider all proposed labour legislation relating to labour market policy before it is introduced in Parliament;
- Encourage and promote the formulation of coordinated policy on social and economic matters; and
- Consider all significant changes to social and economic policy before it is implemented or introduced in Parliament.
- Consider Socio Economic Disputes in terms of Section 77 of the Labour Relations Act.

Composition

Nedlac is made up of representatives from:

Organised Business

Business Unity SA (BUSA) represents this sector. The Overall Convenor of the Business Constituency is Raymond Parsons.

Organised Labour

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

Government

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

Community Constituency

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

Nedlac World Of Work

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

Annual Summit

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

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

Executive Council

The Executive Council is Nedlac's highest decision-making body. It consists of no more than 18 members of each of the four Nedlac Constituencies- Government, Business, Labour and Community.

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

Management Committee

Nedlac's Management Committee consists of 18 members made up as follows:

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

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

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

Labour Market Chamber

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



Trade And Industry Chamber

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

Development Chamber

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

Public Finance and Monetary Policy Chamber

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

Protocol for tabling and considering issues at Nedlac

1. Background

- 1.1 The National Economic Development and Labour Council Nedlac was established by statute in 1995.
- 1.2 The Council is governed by an Executive Council, a Management Committee, and consists of four chambers namely;
 - Public Finance and Monetary Policy Chamber;
 - Trade and Industry Chamber;
 - Labour Market Chamber; and
 - Development Chamber.
- 1.3 The objects, powers and functions of Nedlac as set out in the Act, are to:
 - 1.3.1. Strive to promote the goals of economic growth, participation in economic decision-making and social equity;
 - 1.3.2. Seek to reach consensus and conclude agreements on matters pertaining to social and economic policy;
 - 1.3.3. Consider all proposed labour legislation relating to labour market policy before it is introduced in Parliament;
 - 1.3.4. Consider all significant changes to social and economic policy before it is implemented or introduced in Parliament;
 - 1.3.5. Encourage and promote the formulation of co-ordinated policy on social and economic matters.
 - 1.3.6. Consider Socio Economic Disputes in terms of Section 77 of the Labour Relations Act

2. Purpose

- 2.1 As is clear from the objects and functions set out above, Nedlac is obliged to consider all significant changes to social and economic policy. Clearly this could lead to delays if Nedlac does not operate in an efficient and effective manner.
- 2.2 The purpose of this document is to inform all prospective participants in Nedlac of the

processes, which cover the consideration of matters in Nedlac.

3. Consideration Of Issues In Nedlac

Consideration of issues in Nedlac comprises three main phases, namely tabling of the issue for consideration, production of a Nedlac report, submission of reports to the Minister and Parliament. The role of the Executive Director, the Overall Convenors, the chamber convenors and the Management Committee and Executive Councils will be dependent on which issues are being tabled, and at what level they are taken up.

3.1 Tabling the Issue

- 3.1.1 Government should table plans for upcoming policy and legislation in the chamber on a regular basis, and anticipated time-frames within which such issues would need to be discussed.
- 3.1.2 An issue generally in the form of draft policy strategy or legislation should be tabled by any government department through the office of the Executive Director and the Chamber Convenors.
- 3.1.3 Proper sequencing should be observed in the tabling of matters. In particular, relevant policy documents should be tabled and signed off, before engagement on proposed legislation proceeds in Nedlac.
- 3.1.4 Consideration of issues in Nedlac needs to precede finalisation of such matters in Parliament, and there therefore needs to be proper synchronisation of Nedlac and Parliamentary processes.
- 3.1.5 All constituencies in Nedlac have the right to table any issue for discussion.
- 3.1.6 Constituencies may request that an issue be tabled at Nedlac.
- 3.1.7 The Executive Director needs to inform the Overall Convenors, and chamber



- convenors, of such matters on a routine basis. The Overall Convenors should construct an overall schedule, with time-frames; to deal with these tabled matters, as well as classifying them according to the categories specified below. If the overall convenors in a particular instance are unable to revert within agreed timeframes, the Executive Director and the Nedlac Secretariat may recommend an approach for dealing with a matter, in consultation with chamber convenors. In such an instance, the Overall Convenors must finalise an approach.
- 3.1.8 Timeous notice must be given to conclude discussions on issues. Issues should normally be tabled at least three months before sign-off is required, unless it is agreed by the convenors that a special process should be followed in line with the two categories outlined below.
- 3.1.9 Two categories in terms of which a different process could be followed would be
- a) Urgent Issues
 - b) A Special Category, in terms of which a longer or shorter time frame should be stipulated.
- 3.1.10 Urgent issues are unforeseen issues which have to be processed urgently as a result of a national political development. These issues can be tabled at least 6 weeks before sign off is required.
- 3.1.11 Special issues are issues of national political importance, which are either of extreme urgency, requiring even more rapid processing, or because of their importance and complexity, require much longer time periods to adequately process. Where it is determined that an issue falls into this category, it may be expedited in an agreed timeframe which is shorter than six weeks, or an agreed minimum period longer than three months may be stipulated, to ensure adequate time for consideration. The Overall Convenors will determine from time to time which issues fall into the categories in 3.1.10 and 3.1.11.
- 3.1.12 The chamber must agree at the outset whether the issue is being tabled only for consultation, or negotiations or both. The Chamber Convenors must clarify what kind of work is needed on each issue.
- 3.1.13 The chamber then agrees on a process and timeframes to expedite the matter. For example a specific negotiating committee may be established or the chamber may consider the matter itself.
- 3.1.14 In cases where the issue falls within the terms of reference of more than one chamber, a joint negotiation committee or task team may be established.
- 3.1.15 There may be circumstances where an issue is escalated to the level of a senior task team (such as Chamber Convenors or Overall Convenors). In this case, the issue will not be referred back to the chamber for sign-off, but will be signed off by the senior parties involved
- 3.2 There may also be instances where the intervention of the relevant Minister/s may be required. In this case the government Convenor will take the responsibility to facilitate the Minister's attendance.
- 3.2.1 The purpose of engaging on issues is to reach agreement, and to arrive at a report which minimises, or preferably eliminates areas of disagreement. All engagements must be geared towards this objective, including ensuring the necessary timeframes and procedures to allow completion of a meaningful negotiation.
- 3.2.2 The chamber or task team may require technical assistance on issues. In this case the constituency will be able to bring experts into the negotiating team processes.
- 3.2.3 Once the process of engagement on the policy has been finalised, a Nedlac report will be prepared for consideration and ratification by the relevant Nedlac structures, namely the

- Chamber, Manco and EXCO.
- 3.2.4 In the event that government indicates that giving effect to the policy require legislation, government will table the draft Bill at Nedlac for consideration. Once the engagement on the draft Bill has been finalised a Nedlac report will be prepared for sign-off by the relevant structures. The Nedlac report, after sign-off by the relevant Nedlac structures, will be sent to the relevant Minister who will in turn table it in Parliament.

Role of Convenors

- 3.2.5 The Chamber Convenors must agree on the timeframes required to consider the matter and ensure strict adherence thereto.
- 3.2.6 The Chamber Convenors must be properly mandated.
- 3.2.7 The Convenors must be responsible for overseeing the work of the task teams.
- 3.2.8 The Chamber Convenors should strive to maximise areas of agreements – they must be prepared to engage on issues beyond positional stances.

3.3 Chamber process

- 3.3.1 The chamber, where the issue has been tabled agrees on a process and timeframes to consider the matter. For example a specific negotiating committee may be established or the chamber may consider the matter itself.
- 3.3.2 The chamber must agree at the outset whether the issue is being tabled only for consultation, or negotiations or both. The Chamber Convenors must clarify what kind of work is needed on each issue.
- 3.3.3 In cases where the issue falls within the terms of reference of more than one chamber, a joint negotiation committee or task team may be established.
- 3.3.4 There may be circumstances (for example when an issue has a bearing on a package deal such as exemptions

for SMMEs and the relation to the LRA) where an issue is escalated to the level of a senior task team (such as Chamber Convenors or Overall Convenors). In this case, the issue will not be referred back to the chamber for sign-off, but will be signed off by the senior parties involved. The Overall Convenors will determine when an issue has to be dealt with in this matter.

- 3.3.5 There may also be instances where the intervention of the relevant Minister/s may be required. In this case the government overall Convenor will take the responsibility to facilitate the Minister's attendance.
- 3.3.6 The chamber or task team may require technical assistance on issues. In this case the constituency will be able to bring experts into the negotiating team processes.
- 3.3.7 Once the process of engagement on the policy has been finalised, a Nedlac report will be prepared for ratification by the relevant Nedlac structures.
- 3.3.8 In the event that government indicates that giving effect to the policy requires legislation, government will table the draft Bill at Nedlac for consideration. Once the engagement on the draft Bill has been finalised a Nedlac report will be prepared for sign-off by the relevant structures.
- 3.3.9 The Nedlac report, after sign-off by the relevant Nedlac structures, will be sent to the Minister of Labour and the relevant Minister who will in turn table it in Parliament.

3.4 Role of Secretariat

- 3.4.1 Immediately on receipt of an issue for tabling from any constituency the chamber co-ordinator will determine the timeframe within which sign-off is preferred and alert Chamber Convenors that an issue has been received.
- 3.4.2 The chamber co-ordinator, will in consultation with convenors agree on how to handle the matter; for example wait for a chamber meeting or agree to



- a process to be followed without waiting for a chamber meeting.
- 3.4.3 The chamber co-ordinator will call for nominations to participate in the consideration of the matter by sending a request for nominations to the chamber convenor and the constituency office. In the case where a joint negotiating committee is established the call for nominations will go to both convenors from both chambers.
- 3.4.4 The chamber co-ordinator will prepare a programme of meeting dates for consideration by the first meeting of the negotiating committee, taking into account the timeframes determined in 3.3.1.
- 3.4.5 In the case where a joint negotiating committee is established, the Programmes Director will assign responsibility for the negotiating committee to one of the chamber co-ordinators.
- 3.4.6 The chamber co-ordinators will prepare agendas for the meetings and prepare draft reports from the discussions of each meeting. Copies of all correspondence to the representatives on the negotiating committee will be copied to the chamber convenor.
- 3.4.7 The chamber co-ordinator must ensure that once the report has been approved by the chamber it serves before the next MANCO. In the event of insufficient time being available reports must be submitted to the Overall Convenors. The Programmes Director, and in their absence, the Executive Director, together with the Chamber Convenors are responsible for monitoring this.
- 3.4.8 Chamber co-ordinators must specify timeframes within which responses are to be received in all correspondence.

3.5 Role of Representatives

- 3.5.1. Representatives must have a mandate to participate in the discussions with a view to making progress at each meeting.

- 3.5.2. Representatives must ensure that they respond to correspondence from the secretariat within the specified timeframes.
- 3.5.3. Representatives must attend meetings of the negotiating committee.
- 3.5.4. Representatives must be prepared to engage on issues beyond positional stances.
- 3.5.5. Representatives must respond to requests from chamber co-ordinators within the timeframes specified in the correspondence.

3.6 Role of Chamber Convenors

- 3.6.1 The Chamber Convenors must ensure that their constituency representatives participate in the negotiation committee and that the work of the negotiating committee is completed within the agreed timeframes.
- 3.6.2 The convenors must strive to maximise areas of agreement and intervene if deadlock is reached in the negotiating committee.
- 3.6.3 The convenors should appoint convenors for the task teams who would be responsible for facilitating the work of the task teams.
- 3.6.4. The convenors must ensure that on conclusion a draft report is considered by the chamber.
- 3.6.5. The convenors must respond to requests from chamber co-ordinators within the timeframes specified in the correspondence.

3.7 Time Schedules for Action

- 3.7.1 Agendas for meetings must be distributed to all members at least 2 days before a negotiating committee meeting and 5 working days before a chamber meeting.
- 3.7.2 Draft agendas of chamber meetings must be confirmed with chamber convenors prior to distribution.
- 3.7.3 Action lists flowing from decisions taken at any meeting must be distributed within 1 working day of meeting.

- 3.7.4 Minutes of any meeting must be distributed within 5 working days of any meeting. If on the deadline date, all constituencies have not responded a second request with a shorter deadline should be sent.
- 3.7.5 If no response has been received by the second deadline a letter must be sent to the relevant overall or chamber convenor for action.

4. Production Of The Nedlac Report

- 4.1 The Nedlac report is the official, formal and public report on the consideration of a matter by Nedlac. It is therefore essential that this report be of the highest standard. Where appropriate, agreements should be captured in legal form. The report comprises of the following sections:
 - 4.1.1. Background (a brief description of what the issues are and how it arrived at Nedlac).
 - 4.1.2. The Nedlac Process (step-by-step account of the process, including the terms of reference of the negotiating committee, its meeting times, the members)
 - a) The agreement
 - b) Any disagreements
 - c) Any reservations
 - d) Legal drafting
 - e) Conclusion
- 4.2. The negotiating committee must approve the draft report which is then submitted to the Manco and then the EXCO for ratification. The report is only officially a Nedlac report once it is ratified by EXCO.
- 4.3. If, because of time or other constraints, the ratification process cannot be followed, the report may be signed off by Manco, or if the next Manco meeting is too far away, by the Overall Convenors.
- 4.4. The chamber coordinators must alert the Executive Director as early as possible that a special process may be required. The Overall Convenors may only sign off if Manco has delegated this responsibility; or if the matter is so urgent in the view of constituencies or the Executive Directive, and they have referred the report to the Overall Convenors for sign-off.

- 4.5. If in the opinion of one of the constituencies, the report is unlikely to be accepted at Manco, it may recommend that a further attempt is made to resolve the matter by the Overall Convenors.
Once ratified, the Nedlac report is sent, with a covering letter signed by the Executive Director, to the Minister of Labour and the Minister responsible for, or associated with, the issue that was considered by Nedlac.

5. Submission Of Reports

- 5.1. Protocol for Tabling Report in Parliament (agreement reached at Nedlac in 1998).
 - 5.1.1. All Nedlac reports are submitted to the Minister of Labour and the Minister responsible for, or associated with the issue.
 - 5.1.2. It is the Minister concerned who is responsible for tabling the Nedlac report in Parliament.
 - 5.1.3. However, there may be cases where it is important for the social partners to jointly present the contents of the Nedlac report during the public hearings held by the relevant Portfolio or Select Committee at Parliament. These cases will tend to be issues where the social partners have reached consensus on substantive issues.
 - 5.1.4. There will be a consideration by the convenors, on a case-by-case basis, of whether or not a joint presentation of the report by the social partners to Parliament is necessary. This consideration will take place at the time that the Nedlac report is being finalised.
 - 5.1.5. Generally, where the Nedlac report deals with an issue that is technical in nature, the report will be submitted to the Minister and presented by the Minister in Parliament.

5.2. Raising Reservations about an Issue in Parliament;

- 5.2.1 Parties are bound not to re-open discussion in Parliament on any area where agreement was reached in Nedlac.



- 5.2.2 Parties have the right to raise issues in Parliament on which there has been no agreement, or on which a Nedlac agreement was silent.
- 5.2.3 However if parties raise issues during the Parliamentary process on which the Nedlac agreement was silent, or new issues, which go beyond the reservations captured in the Nedlac report, they should inform both Nedlac and the other parties for the record.

5.3. Monitoring the Passage of an Issue through Parliament

- 5.3.1. The Programmes Director will liaise with the committee clerks and chairpersons of the portfolio and select committees in order to monitor the passage of an issue through Parliament.
- 5.3.2. This liaison will include obtaining information about the dates and agendas of portfolio or select committee meetings.
- 5.3.3. The Programmes Director will also obtain copies of a bill before it is tabled in Parliament and forward copies thereof to the convenors in order that the convenors may check the bill's consistency with the agreements concluded in Nedlac.
- 5.4. Government departments are bound, as one of the parties, to accurately reflect the agreements that were reached at Nedlac in the drafts that they put before Parliament. Where detailed legal drafting was agreed, this must be submitted as agreed. Where specific legal drafting was not negotiated, the substance and spirit of the Nedlac agreement must be reflected in the legal drafting put before Parliament.
- 5.5. If the Bill is not consistent with the agreements reached in Nedlac, then a process must be triggered on an urgent basis to address the problem, and Parliament, as well as the Leader of Government Business, should be officially notified by the Executive Director while the mistake is rectified.

6. Monitoring implementation of this protocol

- 6.1 The Leader of Government Business should be requested to nominate someone in his office to co-ordinate with Nedlac in ensuring that the commitments in this protocol are effectively co-ordinated within government. This person should both assist in the tracking of relevant processes within government, and addressing any bottlenecks in this regard. The responsibility to put forward government's views within Nedlac remains, however, with the Government Department responsible for co-ordinating the work of Government with Nedlac.
- 6.2 A mechanism needs to be agreed in Nedlac to monitor and ensure implementation of the commitments contained in this protocol. As a transitional mechanism, the task team responsible for drafting this protocol could act as an advisory committee to assist the Executive Director in this regard.

PART 2



NEDLAC REMAINS A CONTESTED TERRAIN OF IDEAS AND
RECOGNISES THAT NO SOCIAL PARTNER HAS THE MONOPOLY
OF SOLUTIONS.



Work Stream 1 Annual Summit

National 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.

It should not involve more than 300 persons. 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 13th Annual Summit was held at the CSIR Convention Centre, Pretoria on the 2nd of December 2008. The theme of the Summit was *“Globalisation, Growth and Social Justice: The role of Social Dialogue”*.

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

Input by the representative of the labour constituency: Zwelinzima Vavi, General Secretary of COSATU

In his opening, the General Secretary of Cosatu stated that the Nedlac 13th Annual Summit came at a critical time whereby the country was faced with serious economic and social challenges. The following were certain key economic and social challenges highlighted:

- The global economic crisis, which threatened to worsen the lives of workers and the poor;
- Eskom – energy crisis;
- The state of healthcare, worsened by the HIV epidemic;

- Discussion by Nedlac around the crisis of food price increases which had been rising much faster than overall inflation;
- High interest rates, other countries were slashing their interest rates to try to offset the looming recession, and South Africa’s interest rates remained stubbornly high, making the rate of job losses very high;
- CPIX inflation rose by 10.1% in March 2008, while inflation for very low income earners was at 13.5%, mainly because of food prices, which account for 51% of their expenditure.
- The unemployment rate had already started to creep upwards, from 23,1% in the second quarter of 2008 up to 23,2% in the third quarter, together with a 0,4% fall in the total number of people employed to 13.655,000, which left 4,122,000 officially unemployed. The said figures excluded those deemed to have given up looking for jobs, and underestimated the real levels of joblessness and poverty;
- The global financial meltdown, which threatened to plunge the world economy into a deep recession, which would threaten million of jobs;
- It obscured a huge problem of the rapid decline in the quality of work, as more permanent jobs had been casualised and/or outsourced to labour brokers, so that more workers fall into low-paid, insecure and temporary forms of employment;

As a result of the above, food price increases were fuelling economic and social inequality, at a faster pace than the State social security system could keep up with.

The General Secretary pointed out that on 1 July 2008, electricity tariffs shot up by 27.5%, more than double the overall level of inflation. Whilst NERSA had agreed to a further high tariff hike of 20% - 25%, Eskom was looking at even higher tariffs hikes for 2009. He accordingly requested Government to intervene, by making available the costs of recapitalising Eskom, as a grant, and not a loan, that would end up being unfairly repaid by the consumers.

In conclusion, The General Secretary emphasized

that Nedlac and all its stakeholders should continue to find the maximum unity and solutions around the economic policies that would be in the best interest of all South Africans.

Input by the Representative of the Community Constituency:

Elroy Paulus

In his opening, Mr Paulus emphasized that social dialogue remained a critical instrument to bring about participatory policy changes, to address the plethora of inherited and emerging challenges in South Africa's young democracy.

Mr Paulus emphasised the relevance of Nedlac in addressing the following social challenges facing the country:

- Access to health, water, sanitation, housing and food which remained huge challenges that required the social partners to utilise Nedlac more effectively in the fight to eradicate poverty and create decent jobs;
- Nedlac social partners to deliberate on the strategy on poverty dimensions that would cover all sections of society;
- South Africa's social security system should demonstrate greater social solidarity, and in so doing, it would be providing protection for everyone, by allowing cross (redistribution) from the rich to the poor, the healthy to the ill, the employed to the unemployed and so forth. In addition, all economic policies, administration should be transparent and accountable to democratic structures, in which organs of civil society fully participated; and
- Government to ensure better coordination in line with service delivery whilst gearing towards the 4th Democratic elections.

Finally, he stated that at the Community Constituency's workshop held a week prior to the Nedlac Summit, it was proposed that the National Co-operatives Association of South Africa (NCASA) should work closely with Government in promoting cooperatives as a mechanism to help bring about socio-economic development. Both production and consumer cooperatives must be part of the national strategy to weather the global financial storm.

Input by the Representative of the Business Constituency:

Brian Molefe, President of BUSA

In his opening, Mr Molefe advocated for Globalisation and economic growth that would ensure social justice, it should not only advance material values, but other important values, such as a concern for the environment, for life itself and for morally correct conduct.

The implications of globalisation to the South African economy could result in:

- Slower global growth led to a fall in commodity prices. As a commodity exporting country South African exports were heavily impacted upon by this fall in prices.
- South African trading partners in the Euro area (35%) U.S. (15%) Japan (10%) and U.K. (15%). If growth is faltering in these economies as already mentioned by implication, 75% of our trade will be affected –not a rosy picture at all. Export sales will slow, import demand will remain strong resulting from infrastructure spending towards the 2010 World Cup and the already wide current account deficit will just balloon.
- Tighter global financial conditions lead to declining portfolio inflows, consequently affecting our current account deficit financing stance, which may ultimately push us to use borrowing facilities.
- The domestic manufacturing sector underperformed in the third quarter and the picture going forward was looking gloomy.

It was good that South Africa has Nedlac as an organ that brings together different social partners. The question though, is whether Nedlac itself has the necessary wherewithal to discharge fully its mandate.

Further, we have to ask ourselves whether there is no distance between Nedlac and the mass of our people. In other words, whether the type of social dialogue, which we demand at global, continental and national levels, happens as it should in Nedlac.



Input By The President of the Republic Of South Africa:

Hon Mr Kgalema Motlanthe

The President of the Republic of South Africa in his opening speech, acknowledged the fact that it had been another busy and challenging year for Social dialogue. During the past year, South Africa had experienced many of the challenges and complications that had come to be associated with globalisation.

The President cautioned that ignoring unemployment and job insecurity will compound the country's social problems and retard the economic growth which is already slowing because of the global financial meltdown.

The President stated that a combination of global and domestic circumstances, including the soaring food and fuel prices and increased interest rates provided a real test for the country's economic policies.

The President stated that while he saw nothing inherently destructive in globalisation; it had consequences that had put increased pressure on the economy and especially on the poor. While the economy had maintained a growth rate of close to 3% a year in capita terms between and early 2008, recent results indicated that the country had entered different times. The last quarter has registered a growth of 0.26 %, which indicated that the economic growth prospect was taking a dive.

The President mentioned that the biggest challenges the country faced were; how to ensure greater equality, improved human development and social justice in the country, adequate supply of skills to the economy, both in private and public sectors in the current phase of globalisation. The President further stated that scourges of HIV/ Aids and crime affected everyone including the economy, as these challenges highlighted very sharply the connection between social problems and economic development.

The President highlighted that only through an effective social dialogue system could South Africa find the best solutions to deliver economic and social development at National, Regional and Global levels.

Key achievement by Nedlac

The President proudly mentioned the successful way in which Nedlac facilitated the National Stakeholder Summit on electricity, which was held May 16, 2008, in Sandton.

Key challenges for social dialogue

- The need to engage on the final recommendations of the International Panel on Growth;
- The Social Security and Retirement Reform initiative;
- The Anti-Poverty Strategy, as well as the finalisation of a poverty measure.

Conclusion

The Nedlac constituencies to take into account the issues raised at the Summit when deliberating on their key issues going forward.

Work Stream 2 Executive Council

The Executive Council shall meet at least quarterly with a view of receiving reports from the various Chambers, review progress, reach consensus and conclude agreements between the parties.

Meeting target for 2008/9

The Executive Council planned to hold four (4) meetings in the year under review. The Executive Council work is anchored largely on focus sessions that are driven and lead by Cabinet Ministers. The work load and diaries of various Ministers that were earmarked to lead focus sessions in this period did not allow the necessary space to accommodate the Executive Council programme. As a result only one out of four meetings that were planned materialised.

The majority of the Nedlac Executive Council members are also senior members of various political parties in South Africa. As the build up to the 2009 General Elections gained momentum it

became virtually impossible to get into the diaries of key Nedlac principals that serve on the Council. The changes in Government during the third quarter of 2008/9 forced Nedlac to change dates of meetings that were confirmed based on the availability of relevant Ministers. When some of those Ministers left government it became extremely difficult to secure mutually agreeable dates forcing some of the planned meetings to be cancelled.

The Executive Council meetings that were scheduled for May, August and November 2008 had to be cancelled owing to diary constraints of members as the bulk of the time was taken up in managing the unusually large numbers of Bills that were either en-route or already before Parliament. The Management Committee has since recommended that not all meetings of the Council should be dependent on focus sessions and the availability of Ministers to lead focus sessions.

Members of the Executive Council

BUSINESS	COMMUNITY	GOVERNMENT	LABOUR	EXECUTIVE DIRECTOR -Nedlac
R Parsons – Overall Convenor	L Nare – Overall Convenor	Minister Mdladlana	E Patel – Overall Convenor (replaced by B Ntshalintshali)	H Mkhize
B Molefe	S Shezi	Minister Mpahlwa	J Maqhekeni	
B Godsell	P Horn	Minister Didiza replaced by Minister Doidge	Z Vavi	
D Penfold	D Masondo	Minister Manuel	D George	
C Coovadia	M Naidoo	L KettleDas (Overall Convenor)	K Bezuidenhout	
F Barker	L Kganyago	N Mashiya	S Zokwana	
P Maduna	B Mokgothu	L Kganyago	T Ehrenreich	
J Vilakazi	E Makue	Mr. K Naidoo	C Gina	
V van Vuuren	A Johnson	Ms. M Nyalunga	V Seboni	
A Maistry	J Malqueeny	R Naidoo	M Samela	
E Strydom	R Bhengu	I Momoniat	D Carstens	



BUSINESS	COMMUNITY	GOVERNMENT	LABOUR	EXECUTIVE DIRECTOR -Nedlac
F Mtoba	T Mara	D Pillay	L Grobler	
J Manyi	A Madella	F Adams	S Sithole	
A Ramikosi	D Mthlane	Ms Jezile	I Ramputa	
L Lotter	H Marais	I Kotsoane	J Mosia	
M Mthunzi	I Hassan	T Gazi	Z Cele	
V Harbhajan	T Moja	M Mbongwa	A Benjamin	
S Siwisa	M Nkosi	P Molefe	H Mushonga	
L Khoza	Z Matsela	C van Kerken	I Jim	
C Grant	Sifiso Gwala	D Jarvis	M Kepadisa	
E Masilela	C Matlakala	NM Goba	S Moshoeshoe	
M Jackson	N Mqhayi	L Mcwabeni	T Steele	
M Mdwaba	A Nkabinde	DG: DEAT Ms. Ngcaba	E Watkinson	
	R Tshweu	DG: DOE: D Hindle	J Mahlangu	
	E Paulus	DG: Health: T Mseleku	N Mayende - Sibiya	
	M Toni	DG: DME: S Noqxina	S Dlamini	
	I Isaacs	DG: DPE: P Molefe	S Gumede	
	Z Ndaba	DG: DST: P Mjwara	P Govender	
	A Tshitangano	DST: I Patel	M Mbongwe	
		DDG: NT: A Donaldson	T Gwagwa	
		DTI: F Adams	R Howard	
		Mr. S. G Padayachee	S Gangca	
		Mr. T Mkalipi	T Ntola	
		Mr. L Magwentshu	P Zenzile	
		Mr. L Mcwabeni	M Burger	
		Mr. M Moroka		
		Mr. T Mchunu		
		Mr. A Mthombeni		
		Mr. Z Dangor		
		Mr. S Jehoma		
		Ms. E Buis		
		Ms. M Mabitje-Thompson		

Work Stream 3 Management Committee

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 Social partners as well as the 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.

Meeting Target For 2008/9

The Management Committee planned to hold seven (7) meetings in the year under review. The Management Committee met five (5) times during this period. One meeting had to be cancelled in order for members of the Committee to focus on their involvement in addressing the Bills that were before Parliament. Issues dealt with included inter alia:

- National Summit on the Electricity Crisis
- Social Compact on the Electricity Crisis
- National Stakeholder Advisory Council

- Cooperatives Bill
- Decent Work Country Programme Phase One
- List of Ten Products to be ring-fenced for SMME procurement
- 2010 FIFA LOC Framework
- National Poverty Line policy proposals
- Labour Market Policy Review
- Expanded Public Works Programme Review
- Preferential Procurement Regulations
- Bills that were before Parliament
- Superior Courts Bill
- Unintended consequences of the Cooperatives Act on Labour Standards
- HIV and AIDS action Plan and the World Aids Day
- Two Presidential Joint Working Group Meetings
- WTO Doha Round
- Ministerial Round Table on Public Transport
- Ministerial Trade and Industrial Policy sessions
- National Consultative conference on the WTO processes.
- Competition amendment Bill
- SETA Review
- Xenophobic Attacks
- Insolvency

Members Of The Management Committee 2008/9

BUSINESS	GOVERNMENT	COMMUNITY	LABOUR	EXECUTIVE DIRECTOR Nedlac
R Parsons – Overall Convenor	L Kettledas – Overall Convenor	L Nare – Overall Convenor	E Patel – Overall Convenor (replaced by B Ntshalintshali)	H Mkhize
A Maistry	D Pillay	S Shezi	N Mayende-Sibiya	
L Lotter	N Mashiya	L Kganyago	J Mahlangu	
V van Vuuren	D Jarvis	L Ngaka	M Mbongwe	
P Maluleke	C van Kerken	L Nzimande	R Howard	
E Strydom	F Adams	D Mthlane	D George	
J Vilakazi	M Mabitje- Thompson	I Isaacs	M Samela	
K Moyane	T Mkalipi	S Mapaila	T Ehrenreich	
	R Masoga	B Mokgothu	P Govender	
		Z Matsela	S Gangca	



BUSINESS	GOVERNMENT	COMMUNITY	LABOUR	EXECUTIVE DIRECTOR Nedlac
		S Thomo	J Mosia	
		T Nkwe	L Grobler	
		L Ngomezulu	S Gumede	
		I Isaacs	S Moshoeshoe	
			J Steyn	
			S Sithole	
			P Zenzile	

Work Stream 4 Labour Market Chamber 2008/9

Scope

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

Chambers 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 2008/9

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 a total of thirteen (13) meetings in the period under review.

Programme Performance

Labour Market Chamber

KEY FOCUS AREA	KEY PERFORMANCE INDICATOR	MEASUREMENT	STATUS
Demarcations	Make recommendations on demarcation issues tabled before the Demarcation Committee.	Consider applications as and when forwarded by the CCMA to the Secretariat.	The Committee considered and finalised ten (10) applications in the 2008/09 period.
National Key Points and Strategic Installations Bill	Submit a Nedlac Report with maximum areas of agreement.	Discuss amendments to the 1980 Act to add provisions in relation to strategic installations.	The Bill withdrawn.
Changing Nature of Work and Atypical Forms of Employment	Complete a Nedlac report with maximum areas of agreement to ensure that the outcomes of the Nedlac engagements are in line with the Decent Work Country Programme (DWCP).	Facilitate an integrated approach to the work of the Task Team in order to ensure that the outcomes are synchronised with the DWCP.	Consideration of the matter has been undertaken with a renewed sense of urgency. Envisaged for completion in the 2009/10 reporting period.



KEY FOCUS AREA	KEY PERFORMANCE INDICATOR	MEASUREMENT	STATUS
Decent Work Country Programme	Finalise the Country Programme for South Africa.	Develop a framework that will form the basis for engagements among the Nedlac Social partners.	Phase 1 Completed and Phase II to commence in the 2009/10 reporting period.
Social Plan Review	Complete a Nedlac report with maximum areas of agreement.	Review the existing social plan in accordance with the Report compiled by Cheadle Thompson & Haysom.	Consideration of the matter is completed. The Task Team has begun the process of drafting a Nedlac report.
Insolvency Bill	Complete a Nedlac report with maximum areas of agreement	Consider the Bill presented by the Department of Justice with the focus on insolvency of individuals, partnerships and trusts.	Deliberations on the matter are completed. The drafting of the Nedlac report is underway.
Human Resource Development Strategy in South Africa (HRDS-SA)	To finalise consultations on the Strategy Document	Finalise inputs of the Nedlac social partners into the final document before it being tabled in Cabinet.	Task completed.
GDS Agreement relating to Employment Equity and Skills Development	Agree on concrete steps to ensure compliance with the Employment Equity Act; Code of Good Practice on employment of People with Disabilities. Code of Good Practice on key aspects of HIV/AIDS at the workplace.	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.	Ongoing.
Single Public Service Bill	Complete a Nedlac report with maximum areas of agreement.	Completion of the Engagements in Nedlac	The Bill withdrawn

Part 2

Programme performance

KEY FOCUS AREA	KEY PERFORMANCE INDICATOR	MEASUREMENT	STATUS
Superior Courts Bill	Get an 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.	Bill withdrawn, however further discussions were held with the leadership in the Department of Justice and convergence was emerging. The matter to be pursued in the 2009/10 reporting period.
Medical Aid Bill	Produce a Nedlac report on the Bill.	Social partners to engage with a view to reach consensus on the key principles underpinning the Bill.	The Bill withdrawn.
Labour Market Policy Review	Complete engagements within the agreed timeframes and produce a Nedlac report.	Develop an agenda that will form the basis for engagements in Nedlac.	Concrete proposals on the Labour Market review to be dealt with in the 2009/10 reporting period.
SETA Review	Commission an investigation into the functioning of SETAs with a view to surface the key challenges and recommend remedies.	Finalise a set of recommendations to be proposed to SETA boards via constituency representatives.	Task Completed
Skills Development Amendment Bill, NQF Bill and Regulations	Discuss the proposed amendments to ensure that the Bills include: Promotion and development of artisans. Transfer of provisions in existing sections of the Manpower Act of 1981 in line with apprenticeships to the Skills Development Act.	Integration of the various Skills Development dispensations in order to ensure quality and coordination.	Task Completed
Improvement of the relationship between CCMA and the Labour Court	Finalise a guideline for the two entities that will promote the speedy delivery of justice.	The Social partners' representatives on the CCMA's Governing Body will develop a guideline to promote service delivery between the 2 entities.	Nedlac process completed. CCMA and the Labour Court engaging.



Labour Market Chamber Members

GOVERNMENT	BUSINESS	LABOUR
T Mkalipi (Convenor)	K Moyane (Convenor)	M Mbongwe (Convenor)
C Rossouw	C Gardner	D Elbrecht
D Khumalo	G Wildchutt	D Marais
N Mamashela	J Manyi	E Mutileni
I Macun	A Ranchod	J Simon
S Rathai	D Carson	J Wilimiec
	G Bezuidenhout	K van Rensburg
	J Botha	L Grobler
	N Moodley	M Fafuli
	V Harbhajan	N Craven
	K Kleynhans	P Gqoba
	T Cohen	P Govender
		S Moshoeshoe
		S Madini
		S Gangca

Social Plan Review Task Team Members

GOVERNMENT	BUSINESS	LABOUR
M Ratshivhanda	N Smythe	B Ngcobo
M Malapile	V Harbhajan	M Mbongwe
		S Gangca

Insolvency Technical Task Team Members

GOVERNMENT	BUSINESS	LABOUR
T Cronje	V Harbhajan	P Govender

Human Resource Development Strategy in South Africa (HRDS-SA)

Task Team Members

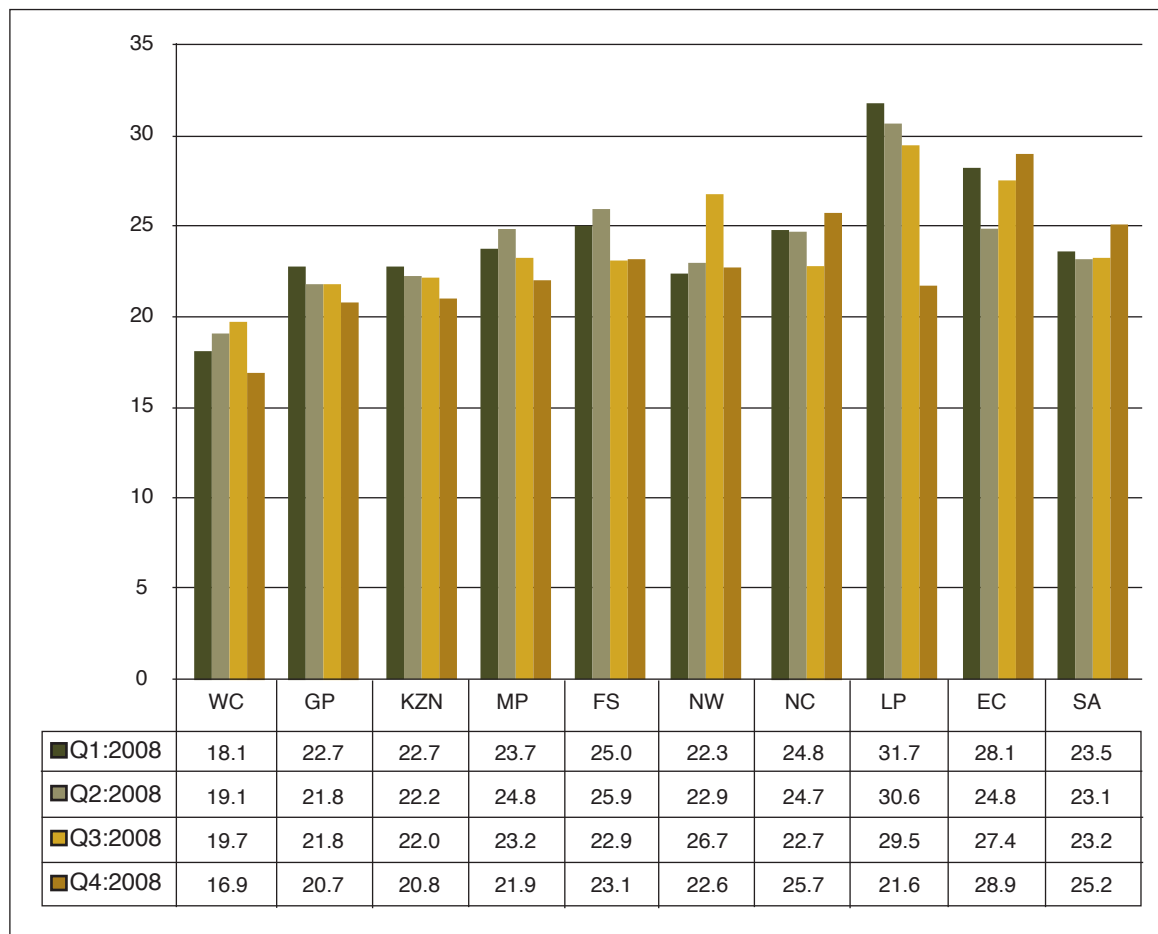
GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
A Bartlett	A Zeelie	D Bomela	L Nare
E Sello	B Jack	S Gumede	N Ramoloto
C Rossouw	E Monage	K van Rensburg	T Nkwe
G Malambulu	D J. van Rooyen	J Dikobo	
L Thobejane	G Wildchutt	S Booï	
Cl van Zyl	J Lopes	S Moshoeshoe	
F Y. Patel	R Sickle	S Kgara	
J Malunga	V Mabena	S Gangca	
R Manyike	T d Almeida		
S Rowney	V Harbhajan		
S Morotoba			

GDS agreement relating to Employment Equity and Skills Development

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
B Mogadime	B Jack	I Masita	B Modise
B Mahlobo	J Botha	J Dikobo	L Kganyago
D Ngobeni	L Barends	K Jan Rensburg	L Nare
C Rossouw	M Majola	S Moshoeshoe	K Mbongo
D Hindle	T Makgatho	S Gangca	M Toni
F Prinsloo	T Skenjana	J van Niekerk	
F Velaphi	V Mabena		
S Morotoba	V Harbhajan		
S Masela			
S I M Nawa			
Z Sigabi			
Z Mapazi			

Labour Markets landscape in numbers

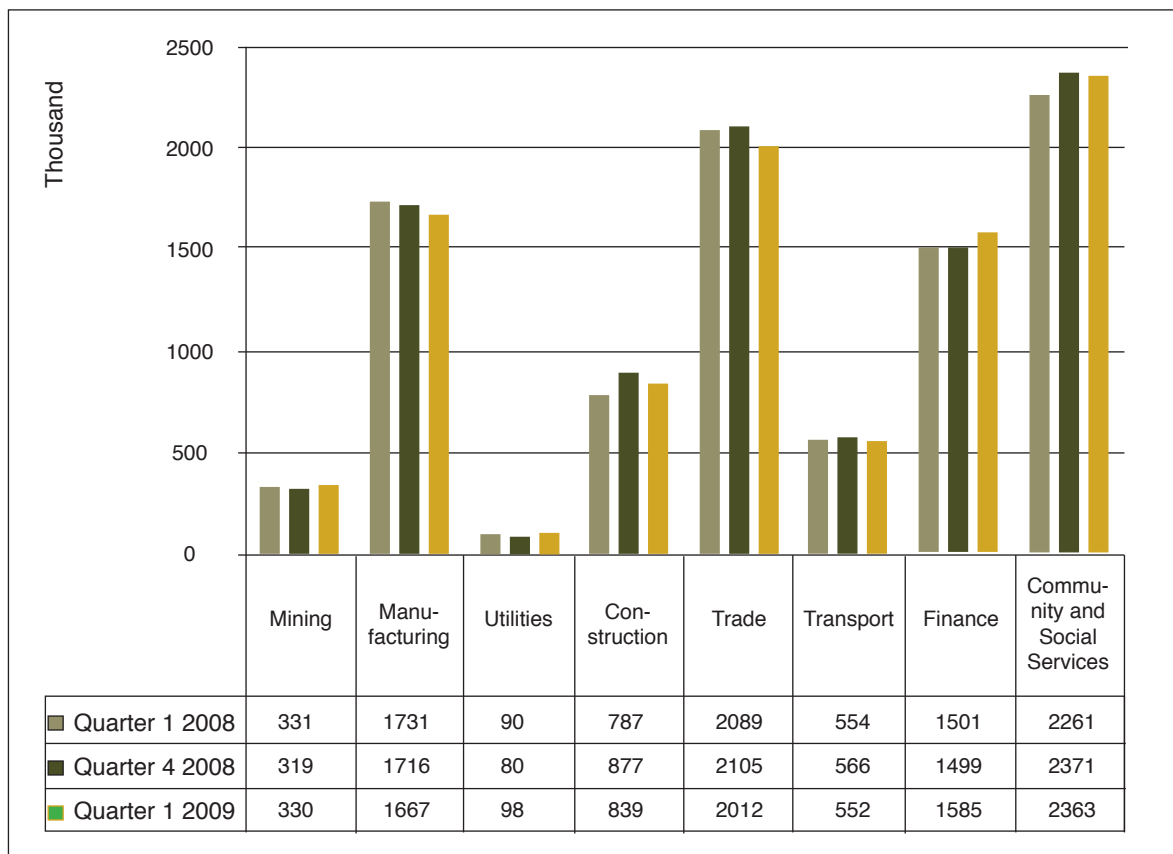
Unemployment by Province



The above figure shows the comparison between all 4 quarters for 2008 on the unemployment rate in South Africa. The national average increased in Q4 of 2008 by 2.0%. Provinces who recorded increases in unemployment in Q4 compared with Q3 of 2008 were the Eastern Cape Province, Northern Cape Province, and the Free State Province, by 1.5%, 3.0% and 0.2% respectively. The unemployment rates of the other provinces decreased, notably in Limpopo Province the percentage was 7.9%, when compared with Q3 of 2008.

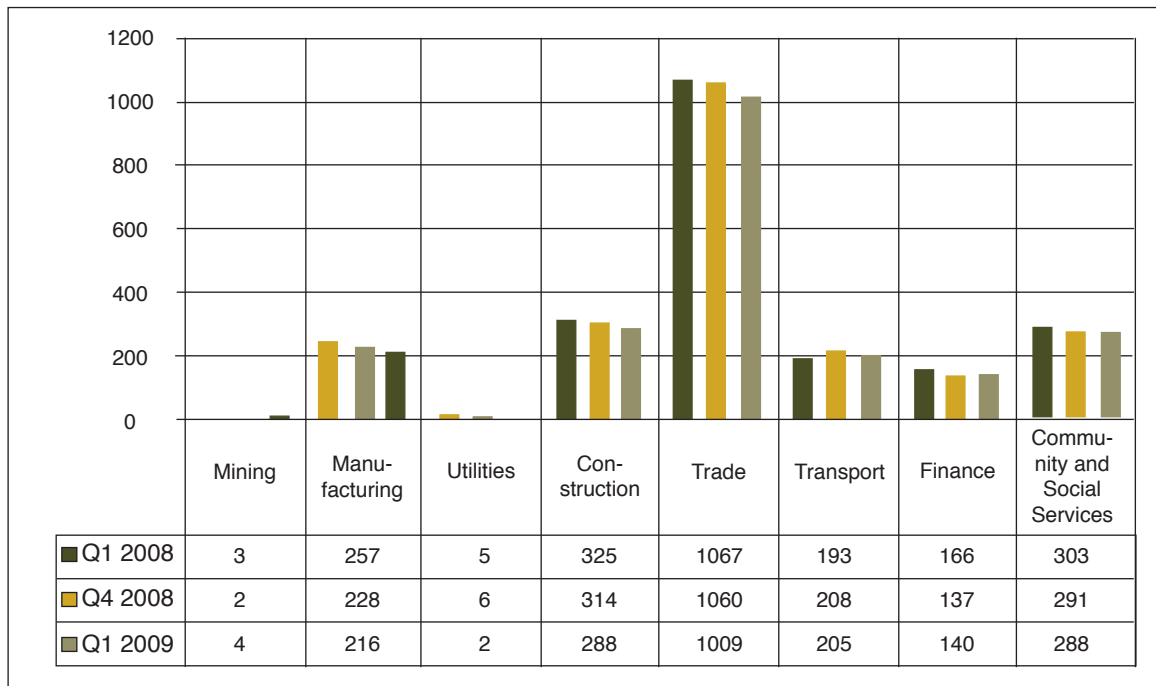
Employment by Industry

Formal Sector Employment by Industry



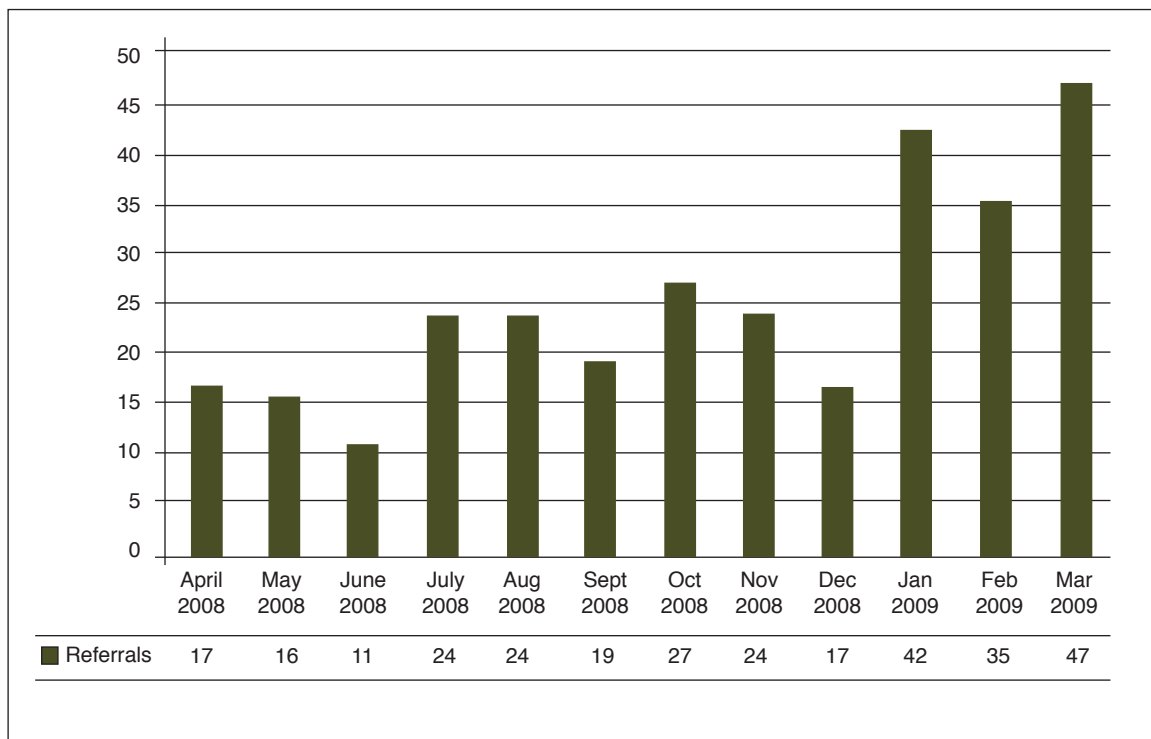
The above figure shows that there was a decrease of 88,000 formal sector jobs between Q4:2008 and Q1:2009 with the most affected industries being Trade (93 000), Manufacturing (49,000) and Construction (38,000). The year-on-year comparisons according to Stats SA indicated a net gain of 107 000 jobs in the formal sector, although some industries such as trade and manufacturing experienced job losses.

Informal Sector Employment by Industry



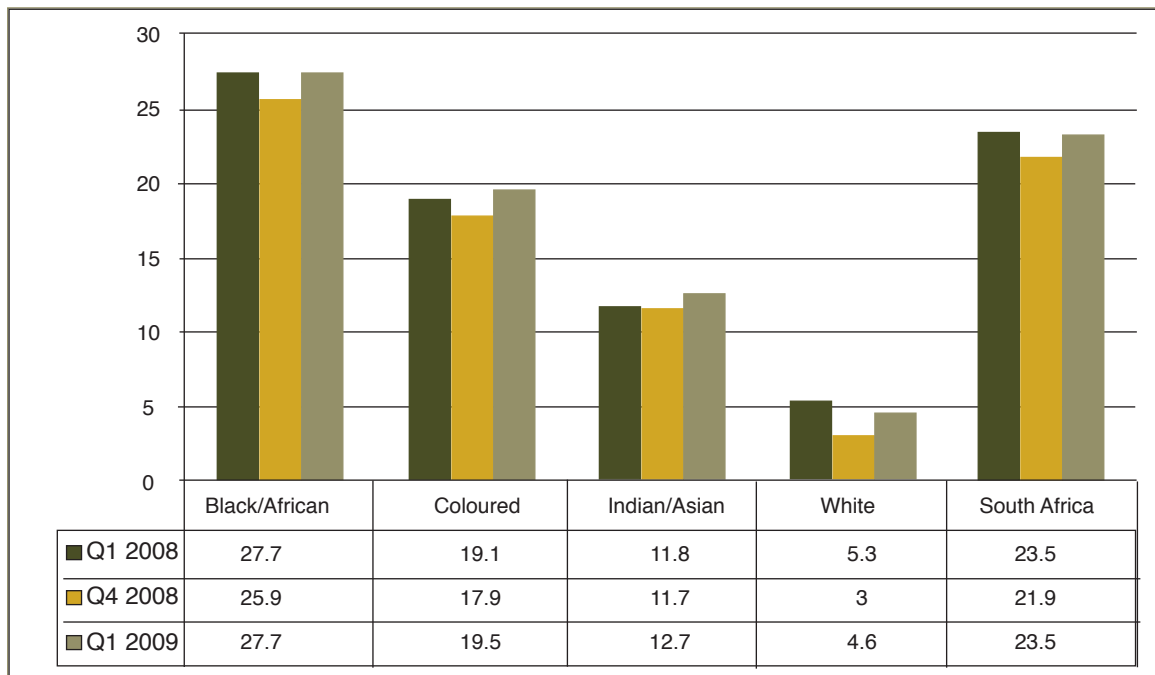
The informal sector shed a number of jobs, especially in the Trade (51 000), Construction (26 000) and Manufacturing (12 000) industries. In the informal sector there was an annual decrease of 169 000 jobs.

Section 189a referrals of employers with more than 50 employees



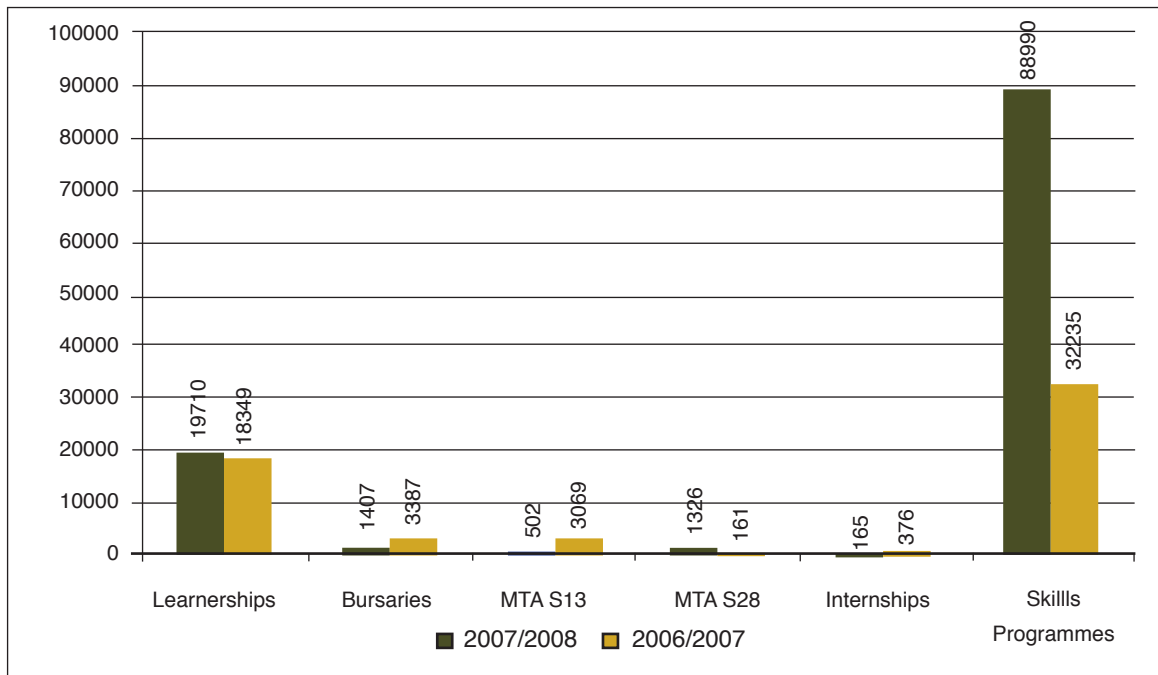
Section 189A referrals were reasonably higher in the first quarter of 2009, amounting to 124, 68 in the previous quarter, 67 and 44 in the other preceding two quarters. This high volume of referrals might be attributed to the global economic crisis, which caused many companies to close their doors and in employees losing their jobs in the process.

Unemployment Rate by Population



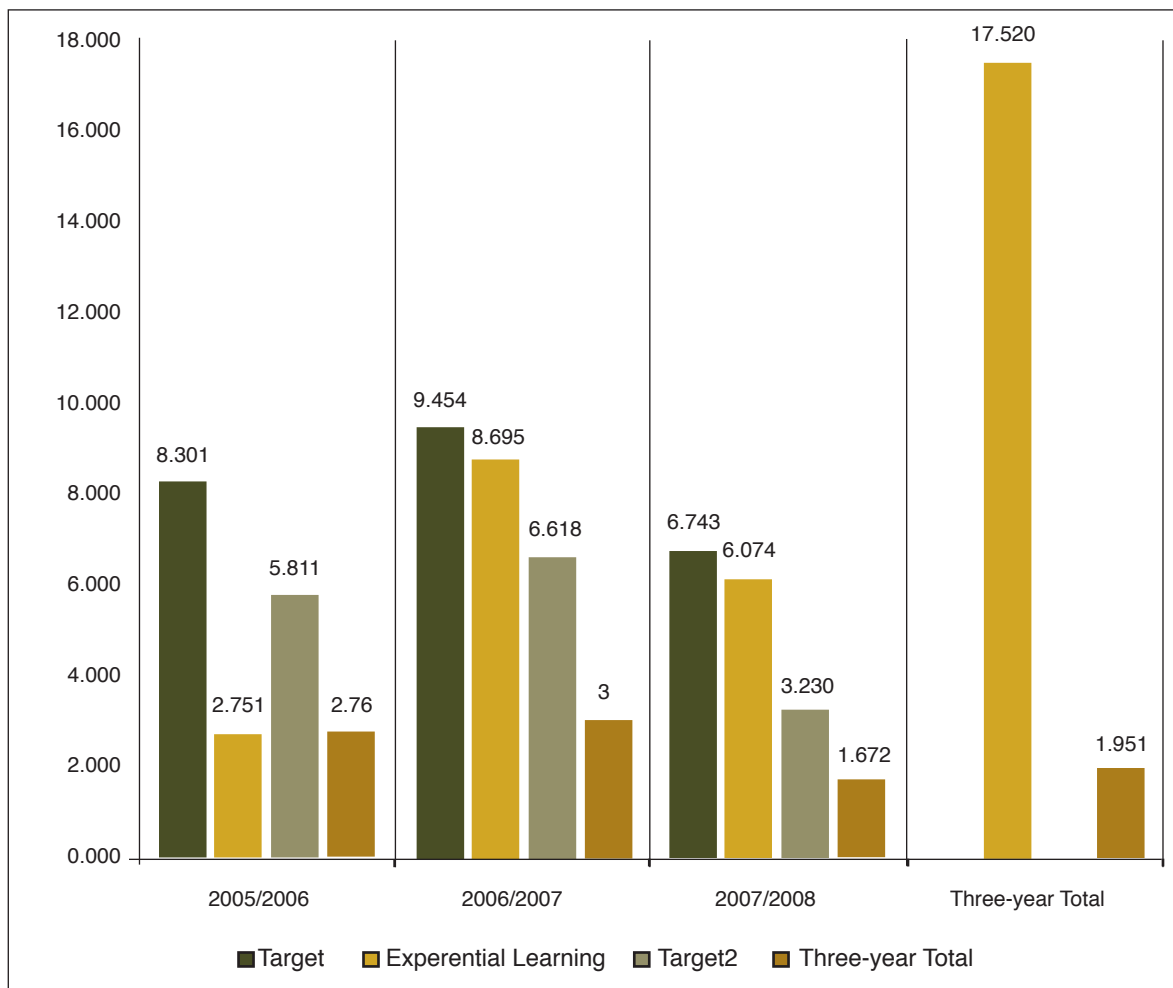
The unemployment rate increased across population groups between the fourth quarter of 2008 and the first quarter of 2009. The year-on-year comparisons indicated that unemployment remained unchanged among Black Africans; increased among Coloureds and Indians and decreased among Whites.

Skills Development Workers Entering Various Learning Programmes



According to the NSDSI reported that during the period of 2007/2008, there were a large number of learners entering skills programmes and learnerships. The number of learners entering skills programmes increased by more than 100% in 2007/2008 as compared with 2006/2007, whilst the number of those entering internships was increasing gradually. A decrease was noticeable in the number of learners receiving bursaries, apprenticeships under MTA S13 and internships.

Total Number of Learners in Critical Skills Programmes in Experiential Training and Placement



The success indicator targeted for 2007/8 was that 6,743 learners in critical skills programmes should be covered by sector agreements from FET and HET institutions, assisted to gain work experience and at least 70% find placement. By March 2008 6,074 learners were assisted to enter the workplace, a performance rate of 90%. A total of 1,672 learners were placed. From the total number of learners entering workplaces 83% were Black, 45% Women, 6% People with disabilities and 74% Youth.

Empowerment Top 10 Empowerment Companies 2009

RANK 2009	TOTAL BEE SCORE	COMPANY	SECTOR
1	88.71%	Adcorp Holdings Ltd	Support Services
2	84.63%	Hosken Consolidated Investments Ltd	Financial Services
3	82.45%	Nedbank Group Ltd	Financial Services
4	82.28%	Kelly Group Ltd	Support Services
5	80.92%	GIJIMA AST GROUP Ltd	ICT
6	79.06%	Glenrand MIB Ltd	Financial Services
7	77.76%	Adapt IT Holdings Ltd	ICT
8	76.17%	Tongaat Hulett Ltd	Food & Beverages
9	75.74%	Faritec Holdings Ltd	ICT
10	75.57%	FirstRand Ltd	Financial Services

Source: Financial Mail / Empowerdex 2009

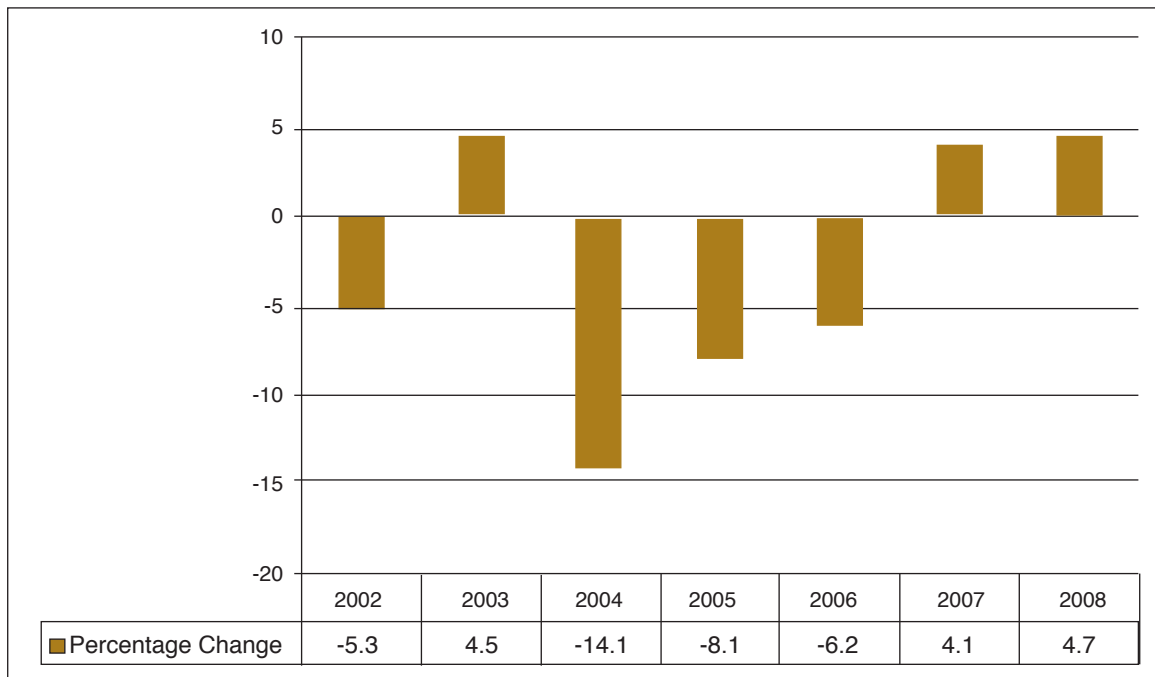
According to Empowerdex the results were compiled after collecting data from companies listed on the main board of the JSE, for the annual Top Empowerment Companies Survey, which was published in the Financial Mail in March 2009. The survey is aimed at providing the public with a snapshot of the empowerment status of JSE-listed companies in order to raise awareness of Broad-Based Black Economic Empowerment (B-BBEE) and stimulate the use of B-BBEE as a competitive advantage.

The Top Empowerment Companies Survey is a mechanism to measure and monitor the empowerment achievements of the listed companies and rank the top 200 listed companies according to their scores. The scores presented here are not verified by Empowerdex and, thus, do not constitute a valid basis for determining the procurement recognition level of each company. It remains, however, that many scores were derived from B-BBEE rating certificates submitted by participants in the survey.



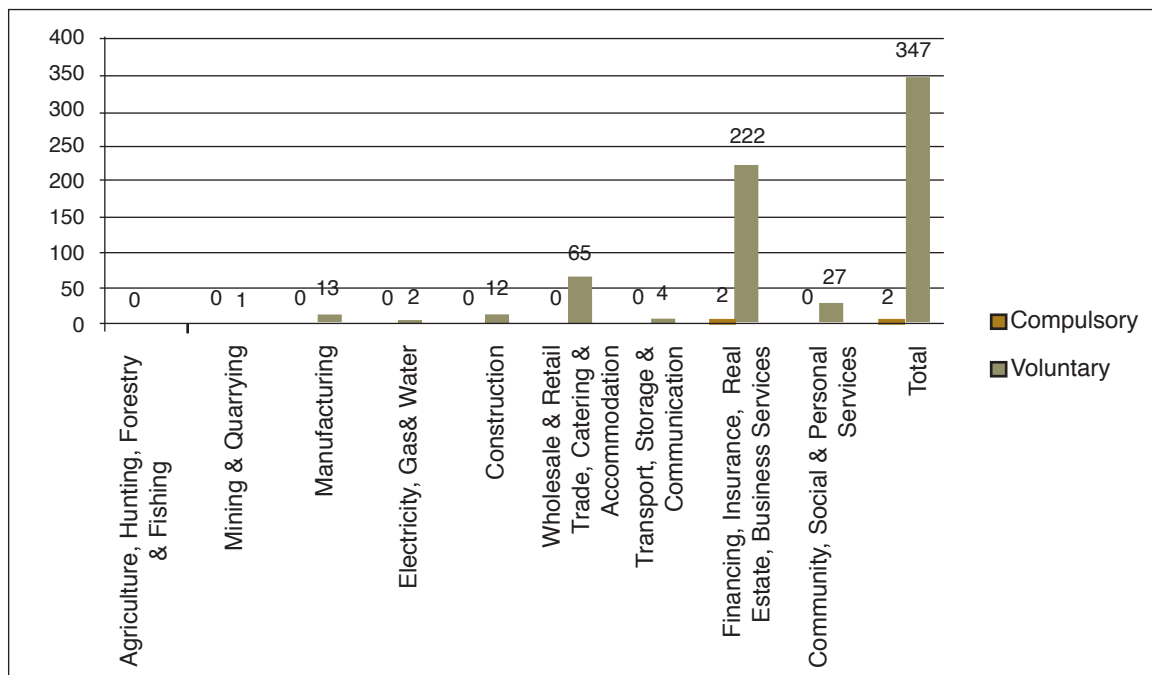
Liquidations

Annual percentage change in the number of liquidations for the years 2002-2008



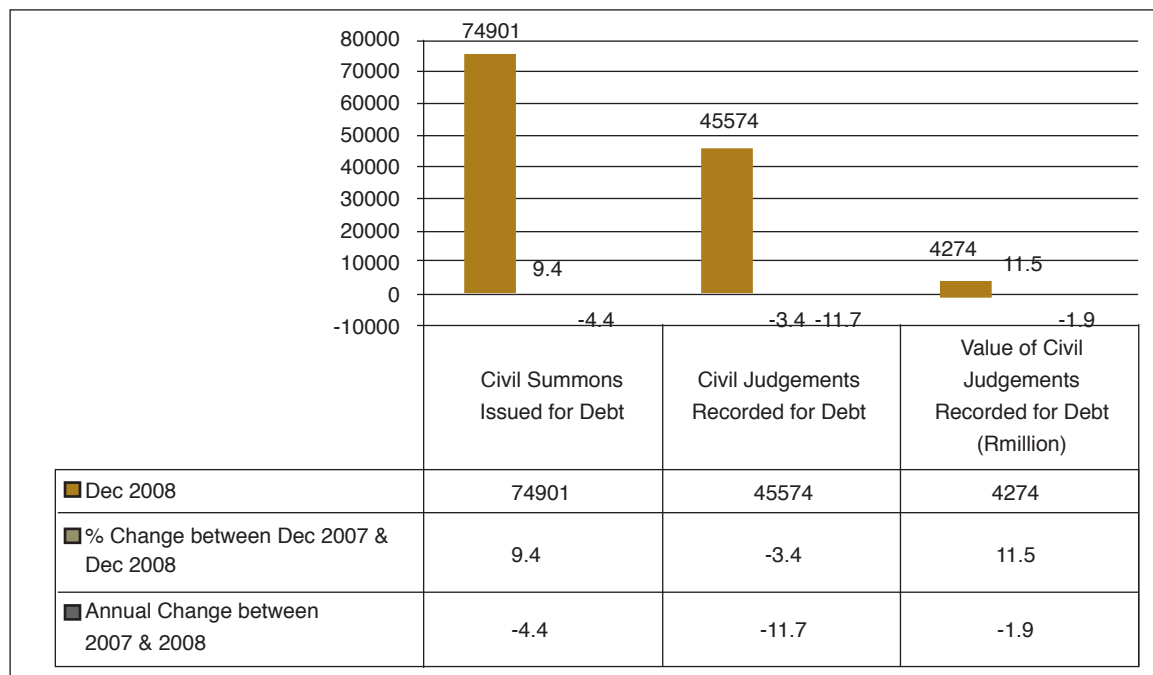
The annual percentage in the number of liquidations increased by 4.7% for the year 2008, this increase was following an increase of 4.1% the previous year.

Total number of liquidations according to industry in December 2008



The total number of compulsory liquidations in December 2008 was 2 and voluntary liquidations were 347 which resulted in the grand total of 349 for the month, higher by 21 when compared with the month of September of the same year. The highest number of liquidations was from the financing, insurance, real estate and business services at an overall number of 224 and 222 of liquidations were voluntary. The lowest number of liquidations came from the agriculture, hunting, forestry and fishing industry and Mining and quarrying, with an overall number of 2 respectively.

Civil cases for debt December 2008



The total number of civil summonses issued for debt in 2008 decreased by 4.4% compared with 2007 after a 9.9% decrease in 2007 compared with 2006. However, there was an increase of 2.6% in the fourth quarter of 2008 compared with the fourth quarter of 2007. The major contributors to the decrease in civil summonses issued for debt in 2008 compared with 2007 were civil summonses issued in respect of money lent (-5,5 percentage points), other services (-0,8 of a percentage point) and promissory notes and other acknowledgements of debt (-0,5 of a percentage point).

The number of civil judgements recorded for debt continued to decrease. The total number of civil judgements recorded for debt in 2008 decreased by 11.7% compared with 2007 after an 11.3% decrease in 2007 compared with 2006. There was also a decrease of 12.5% in the fourth quarter of 2008 compared with the fourth quarter of 2007. Civil judgements in respect of money lent (-8, 3 percentage points), promissory notes and other acknowledgements of debt (-4, 2 percentage points) and goods sold on an open account (-0, 7 of a percentage point) were the main drivers behind the 11, 7% decrease in the number of civil judgements recorded for debt. The value of civil judgements recorded for debt decreased, the total value of civil judgements recorded for debt in 2008 decreased by 1.9% compared with 2007 after a 6,8% decrease in 2007 compared with 2006.

Work Stream 5

Trade and Industry Chamber - Annual Report 2008/9

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.

Chambers 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 2008/9

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.

Work Programme

Highlights of the issues on the Chamber Work Programme for the period 1 April 2008 - 31 March 2009

POLICIES AND STRATEGIES	REGULATIONS	MONITORING AND EVALUATION
Industrial Policy and Action Plan	B-BBEE Codes of Good Practice	BEE Impact Review
Labour Intensive Sectors	Consumer Protection	Review of Customised Sector Programmes
Industrial Financing	Companies Bill	
Cooperatives Strategy	Preferential Procurement Amendment Bill and Regulations	
	Regulatory Impact Assessment	
	Small Scale and Subsistence Fisheries	
	Anti-Dumping	
SECTOR SUMMITS	SECTOR STRATEGIES	TRADE AND TRADE NEGOTIATIONS
Chemicals	Fisheries	Trade and Industrial Policy
Metals and Engineering	Retail	Regional Investment and Development
Construction		Trade Monitoring
Information and Communication Technologies (ICT)		Export Strategy
		Memoranda of Understanding
RESEARCH		



Summary of the Trade and Industry Chamber meetings and key themes

Besides its two Strategic Sessions, the Chamber met twelve (12) times in the period under review. Where the number of meetings indicated is one or less, the matter was either dealt with at Chamber Convenor level or electronically.

SUBJECT	NUMBER OF MEETINGS
Strategic Sessions	2
Chamber	12
Consumer Protection Bill	0
BBBEE Codes of Good Practice	2
Cooperatives Strategy	6
National Technical Regulatory Framework	0
Preferential Procurement	0
Sector Skills Plans	2
Industrial Policy	2
Trade Negotiations	29
Trade Monitoring	2
MOUs	0
Sector Summits	11
Fridge	12
Fisheries Policy	3
Energy Bill	4
Competition Amendment Bill	9
National electricity emergency response	5
Water resource infrastructure agency Bill	1
Companies Bill	
Radioactive waste management Bill	1
National road traffic amendment Bill	3
National land transport Bill	6
TOTAL	112

Programme Performance: Trade and Industry

KEY FOCUS AREA	KEY PERFORMANCE INDICATOR	MEASUREMENT	STATUS
Consumer Protection Bill	To examine whether the policy principles which were agreed to in Nedlac on Consumer Protection are incorporated in the draft Bill.	To ensure that consumers are protected against unethical practices and to strengthen the consumer rights aspects of the Law.	Task Completed.
Cooperatives Strategy	To engage with a view to agreeing on the strategy to promote emerging cooperatives enterprises in all sectors of the economy.	To develop a framework to promote Cooperatives.	Reported under Workstream 6.
National Technical Regulatory Framework (NTRF)	To engage with a view to agreeing on how to improve and establish a common South African approach in terms of its technical regulatory responsibilities.	To improve and establish a common South African approach to technical regulatory responsibilities, and to ensure that South Africa's technical regulations comply with international requirements and that they are responsive to the changing needs of the economy.	Task Completed.
B-BBEE Codes of Good Practice	To ensure correlation between the Codes and the Nedlac report on B-BBEE Codes of Good Practice.	To ensure that the benefits of Black Economic Empowerment are broad-based and curb fronting.	Task Completed.
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.
National Industrial Policy Framework (NIPF)	To engage and agree on the National Industrial Policy Framework.	To put in place policy instruments to build the domestic industrial capacity in South Africa.	Task Completed.
Energy Bill	To develop a National Response Plan to cope with the crisis. The National response Plan is intended to introduce an electricity conservation programme, focusing on energy efficiency, as well as explore and implement long-term solutions.	To put in place a strategy that will ensure that the energy crisis has minimal negative effect.	Task Completed.



KEY FOCUS AREA	KEY PERFORMANCE INDICATOR	MEASUREMENT	STATUS
National electricity emergency response	To have a common Nedlac position on the socio-economic impact of load-shedding.	To act as liaison between Nedlac and the NERT. To analyse the National Electricity Response Plan and identify issues that might have an impact on industrial policy and develop a work plan.	Task Completed.
National Land Transport Bill	To engage and agree on the process of transformation and restructuring the national land transport system.	To develop a Nedlac report on the process of transformation and restructuring of the national land transport system initiated by the National Land Transport Transition Act No. 22 of 200	Task Completed.
National Road Traffic Amendment Bill	To engage and agree on how to Implement the strategic interventions highlighted in the Strategy.	To give effect of the short term objectives of the principle strategies contained in the Road Safety Strategy 2001-2005; and to implement the strategic interventions highlighted in the Strategy.	Task Completed.
Radio Active Waste Management Bill	To produce a report on a common Nedlac position on radioactive waste management agency.	To provide for the establishment the National Radioactive Waste Management Agency, and to manage Radioactive Waste Disposal on a national basis.	Task Completed.
Water Resource Infrastructure Agency Bill	To reach agreement in Nedlac.	To ensure that the water resources infrastructure are developed in order to be available to distributors and users thus alleviating the burden of the State & providing utilisation of private sector funds.	Bill withdrawn
Labour-intensive sectors	Identification of priority sectors and interventions.	Recommendations and way forward from Research Session.	Research report and findings pending.
Industrial Development Financing	Policy discussion at Strategic Session (with Deputy Minister of Trade and Industry).	Recommendations and way forward from Strategic Session.	Two strategy sessions were held with Deputy Minister Davies.

KEY FOCUS AREA	KEY PERFORMANCE INDICATOR	MEASUREMENT	STATUS
Role of SA in the integration of African trade and industry	Research into the role of SA Companies in the African development.	Develop a Framework to facilitate the role of South African Companies in the development of Africa.	Ongoing.
Regulatory Impact Assessment	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.	Ongoing.
Targeted Procurement for Small enterprises	Impact assessment after six months of implementation.	Ongoing evaluation and impact assessments.	Ongoing.
Trade Monitoring - Illegal imports	Input into the Review of Customs legislation.	Agree on the necessary amendments to curb illegal imports, under-invoicing etc.	Process commenced with a pilot in the clothing, textile footwear and Leather Industry on customs fraud. A more comprehensive overhaul of the legislation is pending.
Nedlac role in MoUs	Define the role of Nedlac in the MoUs.	An agreed Framework for the Nedlac role in the MoUs.	Process of engagements commenced. The Framework to be finalised in the 2009/10 reporting period.
EPA Workshop	Strategic Session with Deputy Minister Davies.	Clarity and positions on EPA negotiations.	Task completed.
Link between Industrial and Trade Policy	Standing item on Strategic Session Agenda.	Fridge Study report for June 2008 Strategic Session .	Task Completed, but continue to be one of the key agenda items in the Ministerial policy sessions.
Companies Bill	To consider the proposed Amendments to the Companies Act on how to align the Act so that it takes into account the current realities in South Africa.	Reach agreements on the key principles in the proposed Bill.	Task Completed.



KEY FOCUS AREA	KEY PERFORMANCE INDICATOR	MEASUREMENT	STATUS
Competition Policy Amendments Bill	To conclude a Nedlac agreement on the Bill.	Nedlac Report on how to strengthen provisions of the Competition Act & empower competition authorities to deal with anti-competitive conduct.	Task Completed.
Preferential Procurement Regulations	Engage with a view to reach agreement on the preferential Procurement Regulations.	To conclude the regulatory framework on Preferential Procurement.	Pending.
ITAC Act	To examine the administrative aspects of the ITAC Act.	Enhance administrative processes and improve functioning of core units in line with objectives provided by the Act.	Pending.
Medicines and Related Substances Bill	Complete the Nedlac process on the policy imperatives that inform the Bill.	Produce the Nedlac Report on the Bill.	Pending.
Electricity Distribution Industry Restructuring Bill	Address the technical difficulties that have been identified on the Bill.	Produce a Nedlac Report on the Bill.	Pending.
Intellectual Property Laws Amendment Bill	To provide for protection and commercialization of indigenous knowledge systems.	Complete the Nedlac process on the Bill.	Engagements commenced. Finalisation in the 2009/10 reporting period.
Civil Aviation Offences Amendment Bill	Amend Act to update offences & provide more stringent penalties.	Facilitate the engagement in Nedlac on the Bill.	Pending.
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.
Merchant Shipping: International Oil Pollution Compensation Fund Bill	To implement 1992 protocol of the International Convention on the "Establishment of Oil Pollution Fund". Deals with liability/compensation from oil tanker spillage.	Facilitate Nedlac engagements on the Bill with a view to produce an Agreement.	Pending.

KEY FOCUS AREA	KEY PERFORMANCE INDICATOR	MEASUREMENT	STATUS
Merchant Shipping: Safe Containers Convention Bill	To give effect to ILO Convention on Safe containers & related matters; maintaining high level safety regulations for humans when handling containers.	Facilitate Nedlac engagements on the Bill with a view to produce an Agreement.	Pending.
Merchant Shipping: Ship Registration Amendment Bill	To introduce compulsory accident insurance to seafarers promoted by the International Labour Organisation.	Facilitate Nedlac engagements on the Bill with a view to produce an Agreement.	Pending.
Promotion of SMME's	Investigate obstacles to SMMEs development and examine ways to address them.	Finalisation of new measures to remove the obstacles.	Pending.
Prioritised sectors; (BPO, tourism, metals and engineering, construction, Clothing and Textile, Chemical, Agri-Business, regulatory impact assessments, pre-impact assessment of BBBEE, employment strategy, livelihoods,)	Identify strategies to unlock and maximise growth and development in the prioritised sectors.	Completion of sector summit agreements for construction, metals and engineering and initiation of sector summit processes for BPO, tourism, clothing and textile and agri-business. Continued input into CSPs Continued monitoring and evaluation of CSP processes.	A process to identify strategies to unlock the value on the prioritised sectors commenced.



TECHNICAL SECTORAL LIAISON SUB-COMMITTEE (TESELICO)			
KEY FOCUS AREA	PERFORMANCE INDICATOR	MEASUREMENT	STATUS
WTO (NAMA Formulas)	To reach agreement in Nedlac on the WTO trade negotiations.	Nedlac agreement on the WTO trade negotiations relating to Agriculture; Industrial products; Services and Trade and Environmental, as well as Goods and Services.	The Fridge study on NAMA Modalities has been undertaken to concretise SA's position with regard on the anti-concentration clause, coefficient, flexibilities and sectorals proposals. The study is due to be completed end July 2009. Efforts to convene a meeting with the new NAMA chair are being explored.
SACU-USA- TIDCA	To reach agreement in Nedlac on the position and approach to be adopted in the SACU-USA trade negotiations.	Nedlac agreement on the position and approach to be adopted in the SACU-USA trade negotiations.	Task Completed.
SACU-EFTA	To reach agreement in Nedlac on the position and approach to be adopted in SACU-EFTA trade negotiations.	Nedlac agreement on the position and approach to be adopted in the SACU-EFTA trade negotiations.	Task Completed.
SACU-MERCOSUR	To reach agreement in Nedlac on the position and approach to be adopted in the SACU- MERCOSUR trade negotiations.	Nedlac agreement on the position and approach to be adopted in the SACU- MERCOSUR trade negotiations.	Task Completed.
SACU – INDIA	To reach agreement in Nedlac on the position and approach to be adopted in any trade negotiations with India.	Nedlac agreement on the position and approach to be adopted in any trade negotiations with India.	South Africa has signed the Memoranda of understanding (MOU) with India. The SA internal technical team to do more work on the offensive/ defensive list of interest before being exchanged with India.

TECHNICAL SECTORAL LIAISON SUB-COMMITTEE (TESELICO)			
KEY FOCUS AREA	PERFORMANCE INDICATOR	MEASUREMENT	STATUS
SACU – CHINA	Sub-committee engages on the merits and demerits of formalising trade arrangements with China. To reach agreement in Nedlac on the position and approach to be adopted in any trade negotiations with China.	Nedlac agreement on the position and approach to be adopted in any trade negotiations with China.	Pending.
SADC Trade Protocol	To reach agreement in Nedlac on the position and approach to be adopted in the trade negotiations in SADC.	Nedlac agreement on the position and approach to be adopted in the trade negotiations within the region.	Pending.
SADC EPA/TDCA REVIEW	To reach agreement in Nedlac on the position and approach to be adopted in the SADC EU TDCA Review trade negotiations, as well as on an EPA.	Nedlac agreement on the position and approach to be adopted in the SADC negotiations with the EU.	Task Completed.
Services	The task team to lead with services negotiations and the multilateral (WTO) and bilateral trade negotiations is set in motion examine the implications of the collapse of the Doha Round.	A Nedlac agreement is produced for consideration by the Chamber and Manco respectively. Come up with an agreed country's approach to multi-lateral trade system in the light of the challenges within WTO.	Phase 1 completed – Initial offer tabled. Phase II being planned for the 2009/10 reporting period.
SA-EU-TDCA	Fast track the process to develop the Country's approach to SA-EU-TDCA review.	An agreed position is finalised for consideration by MANCO.	Pending.



Sector Summits

Terms of Reference

The Constituencies of Nedlac, at the Presidential Growth and Development Summit held on 7 June 2003, agreed that effective use of sectoral strategies was needed to restructure the economy towards equitable, employment-creating growth.

The Trade and Industry Chamber of Nedlac identified the following sectors as those priority areas in which sector partnerships and strategies could be developed; to enhance economic growth, investment, job creation and retention.

KEY FOCUS AREA	PERFORMANCE INDICATOR	MEASUREMENT	STATUS
Chemical Sector Summit	Convene a conference to officially launch the Chemical Sector partnership strategy.	Public announcement on the agreement.	Task completed.
Pharmaceutical Sub-Sector Strategy	Constituencies engage to agree on policies governing the sector.	<p>To promote increased levels of growth, investment, job creation, decent work and people-centred development.</p> <p>To initiate discussion toward a Key Action Plan (KAP) for pharmaceuticals</p>	Task completed.
CONSTRUCTION SECTOR SUMMIT	Constituencies engage to agree on policies governing the sector.	<p>To reaffirm constituencies' commitment to social dialogue and working together to address the economic and development challenges facing the construction sector.</p> <p>The constituencies commit themselves to a common vision for promoting rising levels of growth, investment, job creation, skills development and people-centered development.</p>	Pending.

Fridge Studies Commissioned and Pending

TITLE	PURPOSE OF ACTIVITY
CURRENT STUDIES	
Import Parity Pricing – Chemical sector	A study to determine the impact of Upstream pricing practices in the Chemical Sector on the Development of South African Chemical Sector as a whole.
GDS Indicators	A research report that complies with the agreed TOR (Terms of Reference) to contribute to the broad principles of the fund (Fridge)
Retail Sector Study	A research report that complies with the agreed TOR (Terms of Reference) to contribute to the broad principles of the fund (Fridge)
Regional Investment & Development: The role of SA investors in the rest of Africa	A study to determine the role of South African Investors in the rest of Africa.
Labour Intensive Sectors	A small study into the Labour Intensive Sectors.
Water Infrastructure	A study to look into the water infrastructure including conservation and quality
Overview of the Economic Instruments to support Climate Change mitigation	A study to look into the Economic Instruments which support climate change
Electricity Tariffs	Study into approaches to minimise the impact of electricity tariffs on the poor.
NAMA Study	A research report that complies with the agreed TOR (Terms of Reference) to contribute to the broad principles of the fund (Fridge)
Trade Monitoring Study	A research report that complies with the agreed TOR (Terms of Reference) to contribute to the broad principles of the fund (Fridge)
Essential Oils Study	A research report that complies with the agreed TOR (Terms of Reference) to contribute to the broad principles of the fund (Fridge)



Members on the Trade and Industry Chamber and Task Teams

Chamber Members

BUSINESS	GOVERNMENT	LABOUR
L. Lotter (Convenor)	D Jarvis (Convenor)	T Ehrenreich (Convenor)
M McDonald	F Sibanda	B. Ndebele
H van der Merwe	M Mabitje - Thompson	J Nkosi
N Vermeulen	F Adams	A Benjamin
R Parsons	S Roro	K Masemola
V van Vuuren	T Chauke	T Mahlangu
C Grant	C van Kerken	E Watkinson
C Mtshali	M Netshitendze	T Tengela
S Maruatona		T Franks
S Siwisa		K J van Rensburg
B Lacey		J Rudin
D Jordaan		N Newman
A Dicks		M Lepaku
J Myburgh		M Tsela
Z Faqui Dawoo		B Mashego
E Basson		P Govender
M Faku		J Mahlangu
Y Moosajee		M Kepadisa
		E Mutileni
		J Mosia
		W Aroun

Members on the Customs Fraud Task Team

GOVERNMENT	BUSINESS	LABOUR
R Theart	H Claasens	T Tengela
M Skenjana	R Lichkus	E Watkinson
T Ntombela	J Kipling	E Vlok
R Brits	P Theron	
P Mtsweni	B Brink	
P Snyman	D Jordaan	
N Kruger		
J Hayward		
Z Ncapayi		
J.A. Van der Walt		
E Smith		
P Bologo		
L Millar		
D Koekemoer		
P Moitse		
F Adams		
S Mello		
T Mahosi		
Y Els		

Members on the Intellectual Property and Protection of Indigenous Knowledge Task Team

GOVERNMENT	BUSINESS	LABOUR
S Ncwana	G Robinson	V Ninzi
M Netshitenzhe	I van Tonder	O Lebogo
F Adams	A Leroux	
	S Mthenjana	
	L Lotter	
	F Dowie	
	J Boloji	
	J Lennox	



Administered Pricing Task Team

GOVERNMENT	BUSINESS	LABOUR
Y Smit	S Siwisa	B Mtyingizana
F Adams	A Tshifularo	M Kepadisa
F Tshazibana		J Barrett
T Phele		T Tengela
		A Benjamin
		N Craven

Co-Operatives Task Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
C Rossouw	S Siwisa	M Tsela	T Nkwe
F Adams	T Skenjana	N Newman	Z Matsela
P Gidongo	J Purchase	S Gumede	S Moreo
J Ndumo	C Mtshali	E Watkinson	L Mngomezulu
R Rapoo	B Harms		N Ncapai
			A Dludlu
			T Mabuza
			R Bhengu
			J Moji
			L Chauke
			D Moreotsenye
			W Sebolai
			P Ngwevela

Fisheries Subcommittee Task Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
F Adams	D Grant	G Simpson	A Johnson
I Mothebe	W Croome	G Benjamin	N Jaffer
N Bacela	N Brink		
	C Pierides		

Teselico Members Teselico Sub-Committee

BUSINESS	LABOUR	GOVERNMENT
B Brink	E Watkinson	W Smalberger
N Vermeulen	A Benjamin	T Chauke
M McDonald	T Tengela	F Adams
L Lotter	B Ndebele	A Adams
J Pienaar	J Nkosi	P Gasela
D Jordaan	H Mushonga	P Mahosi
P Corbin	T Modise	S Pule
P Theron	E Vlok	
C Chikura	J Mosia	
G Herris	J Rudin	
H van der Merwe	M Lepaku	
H Claasens	N Newman	
C Kavanagh	P Magane	
C Grant	M Kepadisa	
A Dick	T Franks	
D van der Berg		
K Maphisa		

Non Tarrif Barriers Task Team

BUSINESS	LABOUR	GOVERNMENT
C Chikura	E Watkinson	E Steyn
C Grant	J Mosia	R Brits
	M Lepaku	P Mahosi
	J Nkosi	T Nkuna
	T Tengela	A Marie-Lotter
	B Ndebele	W Smalberger
	M Kepadisa	T Nkuna
	A Benjamin	N Ntshebethu
	E Vlok	



Nama Task Team

BUSINESS	LABOUR	GOVERNMENT
B Brink	E Watkinson	E Steyn
P Theron	J Mosia	R Brits
D Jordaan	M Lepaku	P Mahosi
M McDonald	B Ndebele	T Nkuna
C Chikura	M Kepadisa	A Marie-Lotter
W Smalberger	E Vlok	W Smalberger
T Nkuna	J Nkosi	H Erusmus
	T Tengela	
	A Benjamin	

Services Task Team

BUSINESS	LABOUR	GOVERNMENT
Z Jwili	J Rudin	W Mene
C Grant	J.J van Rensburg	M Pillay
C Chikura	I Ramputa	N Kutta
	N Newman	K du Plooy
	Me Lepaku	
	J Barrett	
	S Gangca	

Trade and Environment Task Team

BUSINESS	LABOUR	GOVERNMENT
C Grant	M Lepaku	S Crompton
C Chikura	M Kepadisa	V Pillay
	H Mushonga	Z Mdlalose
	J Nkosi	E Steyn
	J Mosia	K du Plooy
	P Magane	K Kampel
	E Watkinson	M Visagie
	J Rudin	D Buthelezi

Members on the New Electricity Connection Protocol Task Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
M Thompson	D Forbes	D Forbes	T Taylar
G Heinrich	D de Villers	D de Villers	T Nkwe
N Makgetla	B Ndebele	B Ndebele	
C Visagie		M Fafuli	
J Crous		M Kepadisa	
C Forlee		P Govender	
N Zalk		J Mahlangu	
O Aphane		S Gangca	
M Mncube			
T Phele			
F Adams			
M Mabuza			

Members on the Preferential Procurement Task Team

GOVERNMENT	BUSINESS	LABOUR
M Seate	T Mazwai	J Motau
RI Sethaiso	N Bagosi	M Fafuli
C Rossouw	M McDonald	S Gangca
	G Harris	P Govender
	C Mtshali	W Aroun
	G Pirie	J Mosia
		F Abrahams
		B Mngxekeza

Radioactive Waste Management Bill Task Team

GOVERNMENT	BUSINESS	LABOUR
D kgomo	M Ginster	N Nqaba
F Adams	L Lotter	P Sneewe
S Dewaal		



Water Resources Infrastructure Agency Bill Task Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
C Ruiters	L Lotter	P Govender	T Nkwe
F Adams	S Siwisa	R Ronnie	
M Mabitje - Thompson	M Ginster	N Newman	

National Road Amendment Bill Task Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
S Shalang	V Vuuren	M Kepadisa	T Nkwe
G Negota	S. Siwisa	P Govender	
L Moshokoa	A Reddy	N Newman	
J Patel	B Letsoela	G Slingsby	
F Adams		K Ndungu	
		W Arouns	
		J Barrett	
		M Tsela	

MOU Virtual Task Team

GOVERNMENT	BUSINESS	LABOUR
C Grant	T Chauke	M Tsela
	W van der Spuy	E Vlok

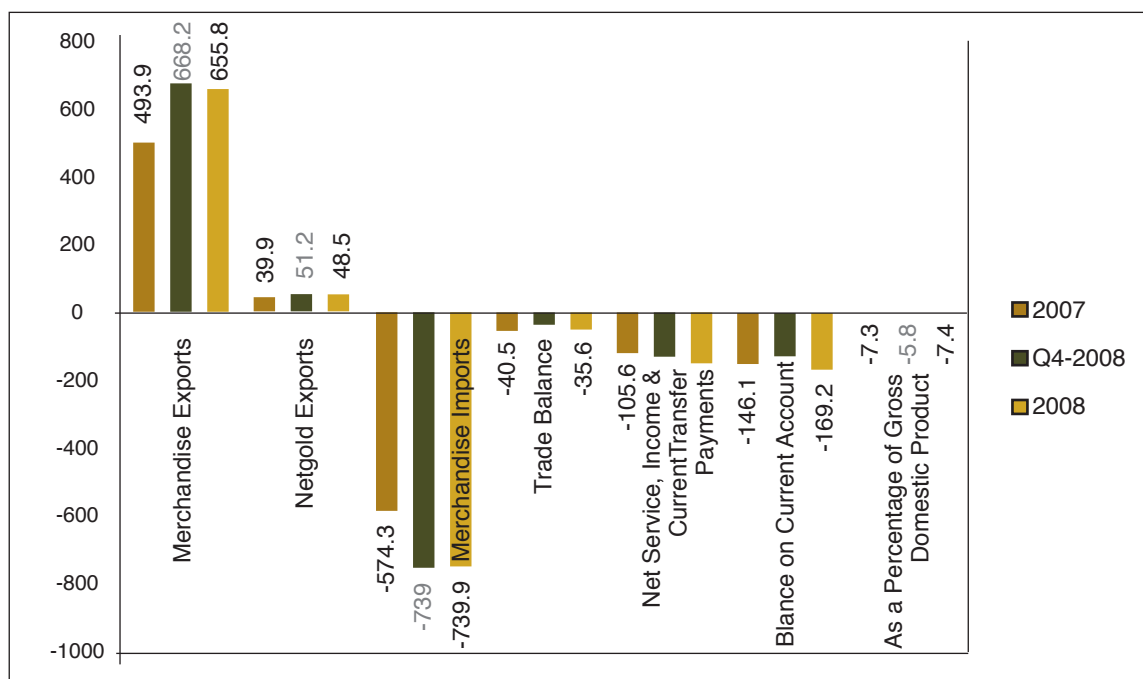
Competition Bill Task Team

GOVERNMENT	BUSINESS	LABOUR
F Adams	L Lotter	P Govender
S Monnye	S Siwisa	N Craven
F Sibanda	N Vermeulen	E Watkinson
N Maseti	R Parsons	T Tengela
	N Hlatshwayo	
	F Hoosain	

Trade and Industry Trends

Trade and Industry Landscape in Numbers

Current Account - Balance Of Payments On Current Account

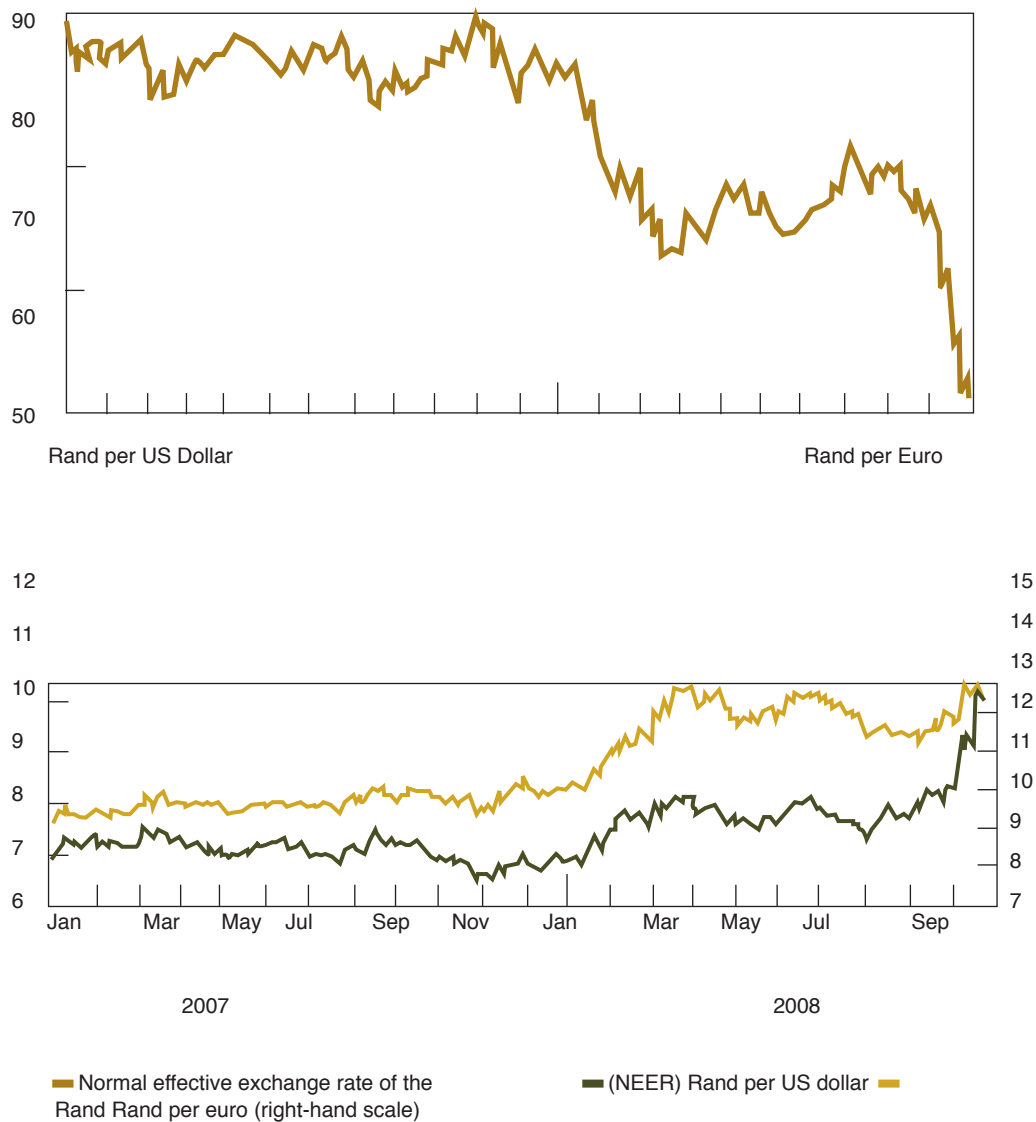


South Africa's balance of payments was strongly influenced by the developments in the global economy in the second half of 2008. As a consequence of the sharp deterioration in real output growth of South Africa's major trading partners during the latter part of 2008, the volume of merchandise exports contracted noticeably in the fourth quarter of the year, notwithstanding the depreciation in the external value of the rand. The weakening of export performance was however more than countered by a contraction in the value of imports due to a substantial drop in the international crude oil and a moderation in domestic demand for imported manufactured goods. On balance, the trade deficit narrowed from R36.7 billion in the third quarter to R19.6 billion in the fourth quarter of the same year. For the year as a whole, the deficit on the trade account amounted to R35.6 billion in 2008, compared with a shortfall of R40.5 billion recorded in 2007.

The shortfall on the services, income and current transfer account with the rest of the world also narrowed in the fourth quarter of 2008, mainly as a result of lower dividend payments to non-resident investors in South African equity securities. The simultaneous improvement in the trade deficit and in the negative imbalance on the services account resulted in a narrowing of the deficit on the current account of the balance of payments from R180.6 billion in the third quarter of 2008 to R137.3 billion in the fourth quarter of the same year. Expressed as a ratio of gross domestic product, the current account deficit shrank from 7.8% to 5.8% over the period, notwithstanding this improvement, the ratio for 2008 as whole edged slightly higher to 7.4% compared with 7.3% recorded in 2007.

The value of *merchandise exports* receded by 5.4% to R668.2 billion in the fourth quarter of 2008, though it had increased for four consecutive quarters. According to the South African reserve bank, this was caused by the decline in international commodity prices, coupled with weaker global demand, compressed the export earnings of South African producers in the fourth quarter of 2008.

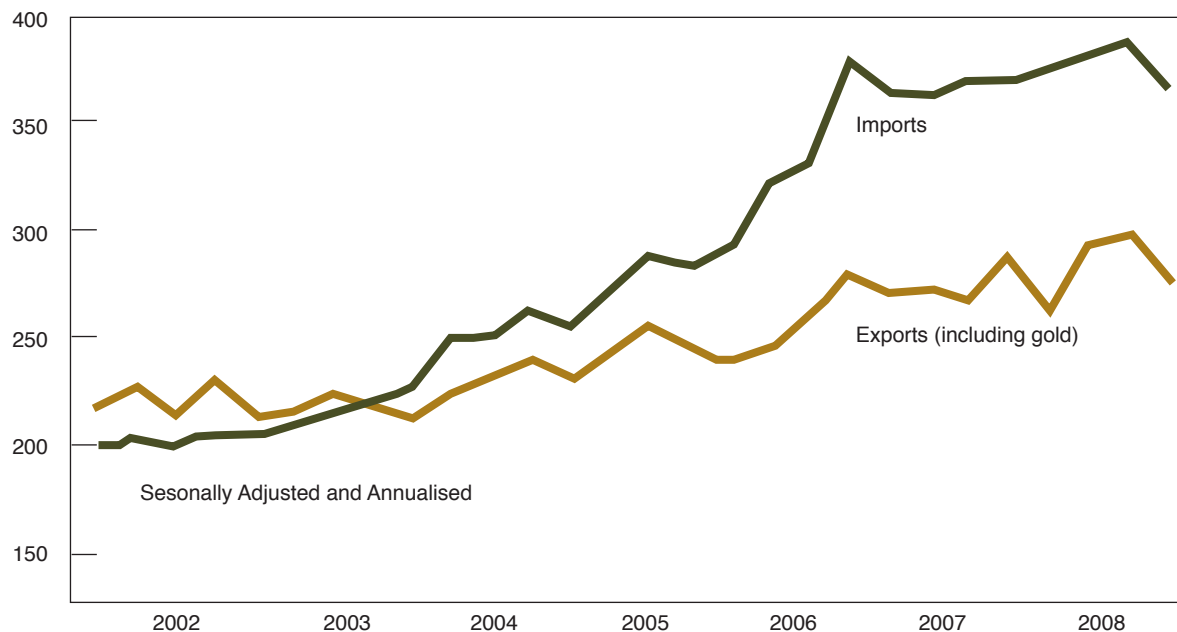
Exchange rates of the Rand- Index: 2000=100 (foreign currency per rand)



The exchange rate movements during the period under review were largely due to increased volatility in the global financial markets. The exchange rate of the rand depreciated against the US \$ by approximately 49%, from R7, 60 at the beginning of May 2008 to R11, 31 on 27 October 2008. Over the same period the rand depreciated by around 19% against the euro.

When measured against a basket of 13 currencies, that is, in terms of the nominal effective exchange rate of the rand (NEER), the currency depreciated by 22%; from 68 index points on 5 May 2008 to 53 index points on 27 October 2008.

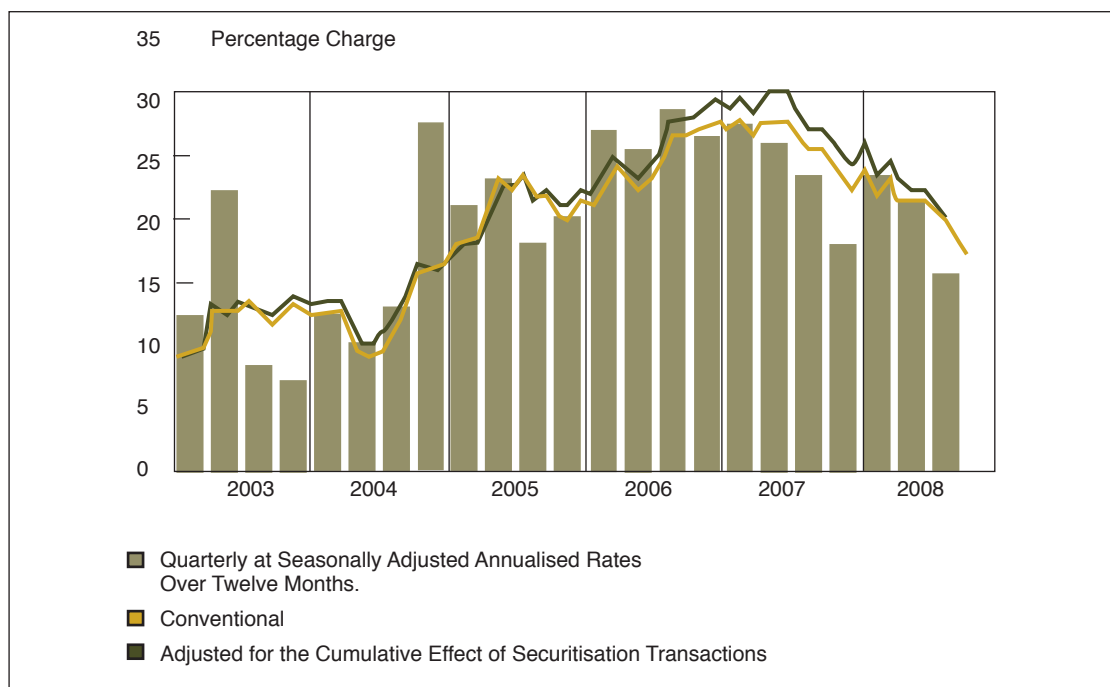
Real imports and exports of goods R billions, constant 2000 prices



The average US dollar price of South African produced commodities decreased by 24.1% from the third quarter of 2008 to the fourth quarter according to the Reserve Bank. The average price of gold on the London market declined by 8.5% from US\$869 per fine ounce in the third quarter of 2008 to US\$796 per fine ounce in the fourth quarter.

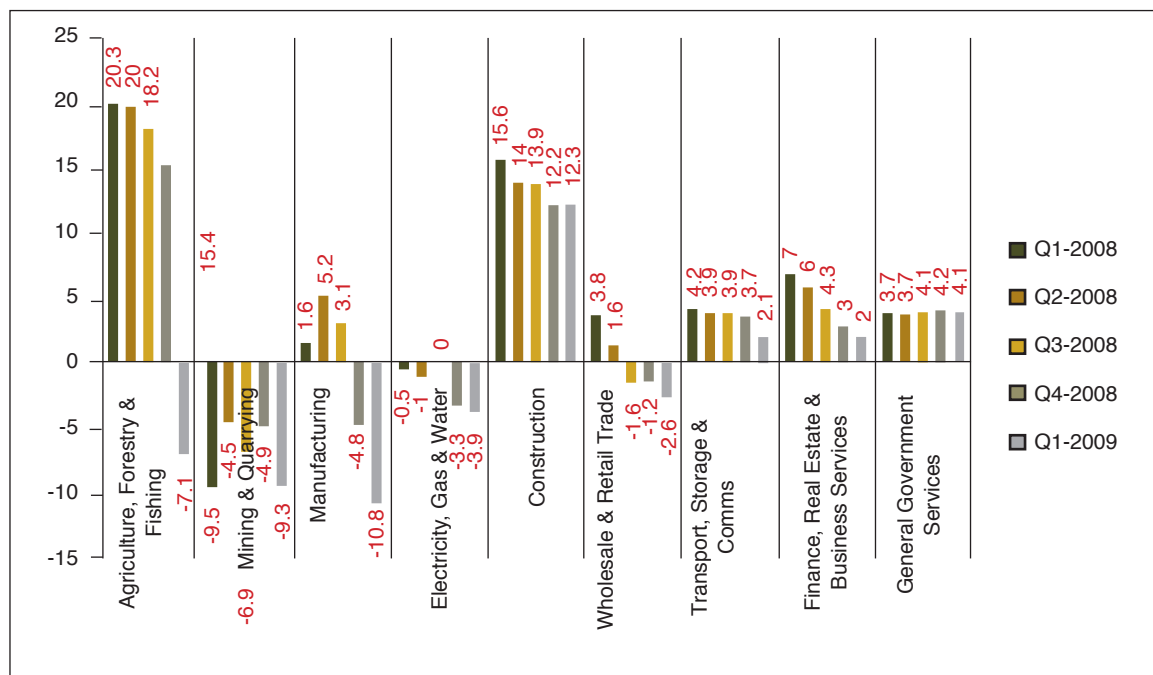
By contrast, the average realised rand price of gold increased by 19.4% in the fourth quarter of 2008 as the depreciation in the exchange value of the rand and hedging behaviour fully offset the decrease in the price of gold on the London market. Furthermore, the higher realised rand price of gold more than fully countered the contraction in the physical quantity of gold sold internationally, thereby raising the value of net gold export proceeds by 3.6% in the fourth quarter of 2008. The increased value of net gold exports during the ongoing turmoil in world financial markets confirmed the precious metal's status as a safe haven and long-term store of value.

Total loans and advances to the Private sector



The twelve-month growth in total loans and advances, adjusted for securitisation transactions, decelerated from a record high of 30.2% in June 2007 to 17.1% in October 2008. Strong growth in the securitisation of banks' assets in 2007 was followed by marginal growth in the first ten months of 2008. Financial market turbulence and investors' heightened risk aversion following losses on sub-prime-related securitised assets had a pronounced dampening effect on issuing activity in the international asset securitisation market, which also spilt over to South Africa.

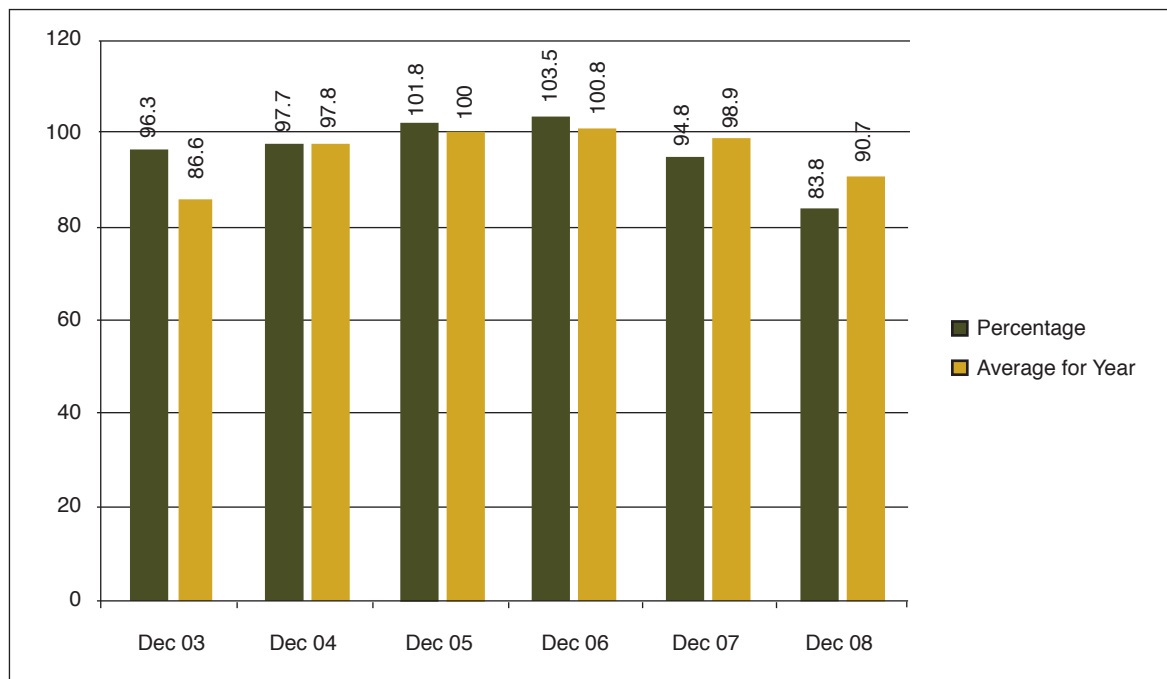
Percentage change in the quarterly gross domestic product by industry at constant 2000 prices



The mining and quarrying industry contracted the whole year in 2008, reaching the high level of -9.5% in the first quarter of 2008. The levels did improve a bit during the year, but then went back in the first quarter of 2009 to a contracted level of 9.3%. The Manufacturing sector was also hit hard by the economic turmoil, recording a contraction of 4.8%

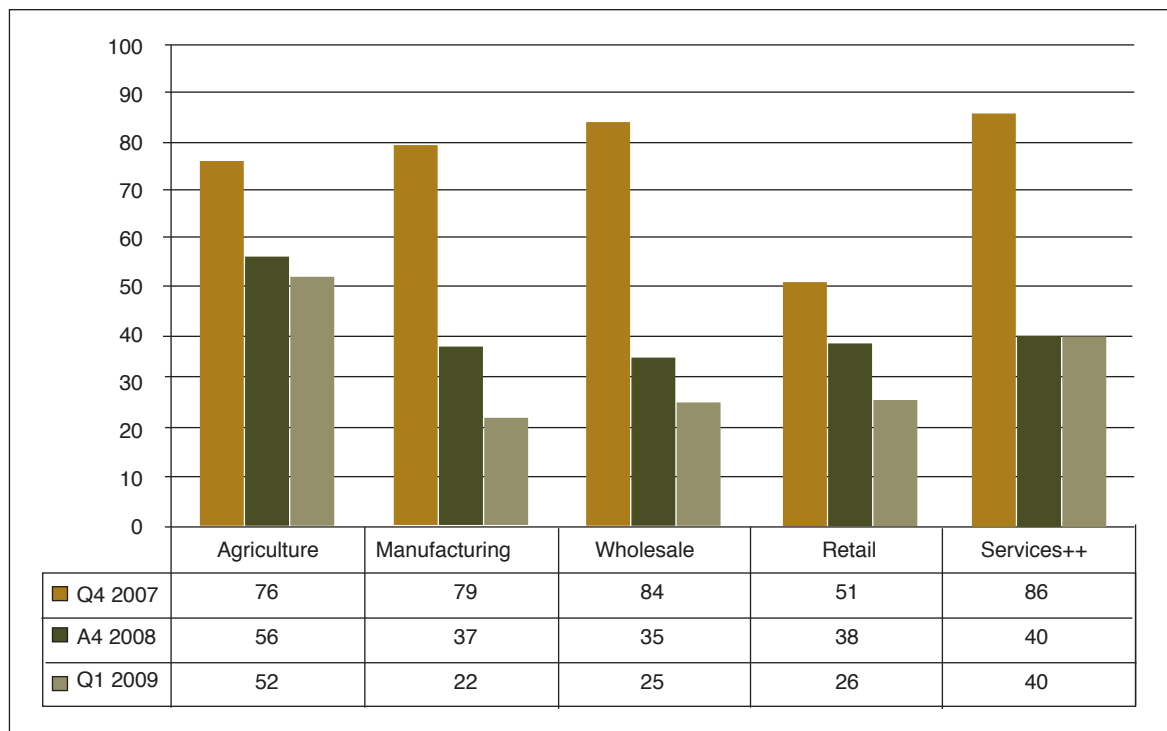
Business Confidence

December of each year from 2003-2008 changes 2005=100



Business confidence in December 2008 was the lowest compared with the previous years from December 2003 to December 2008 as illustrated in the above paragraph. This could be explained by the tempo at which the economy dipped towards the end of 2008 and South Africa did not escape the negative impact of the economic crisis.

Business confidence* by Business sector Quarter to quarter change

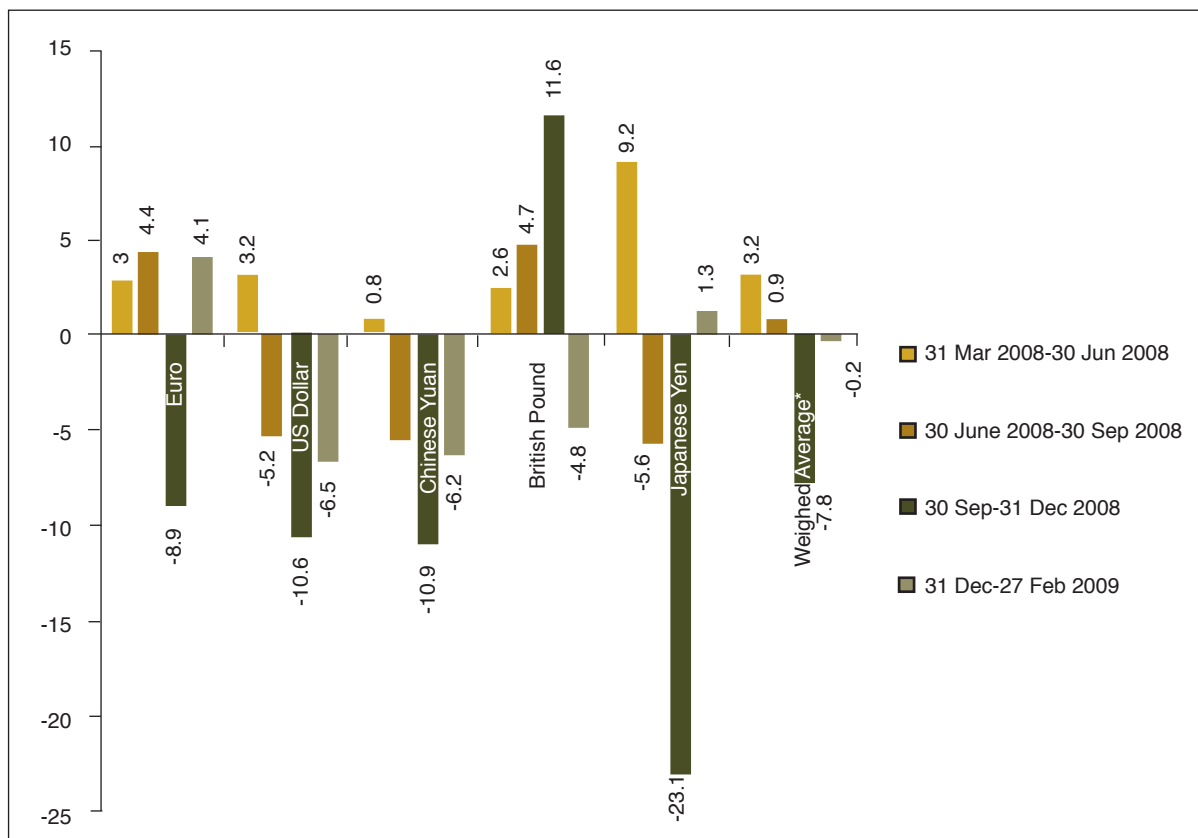


Source: FNB/BER Quarter 1, 2009

* Unweighted percentage gross of respondents to the SA Reserve Banks inflation expectation survey that rated prevailing business conditions as satisfactory. 0 = extreme lack of confidence.

** Including local authorities, hotels, travel agents, real estate agents and financial brokers.

Exchange rates Percentage change

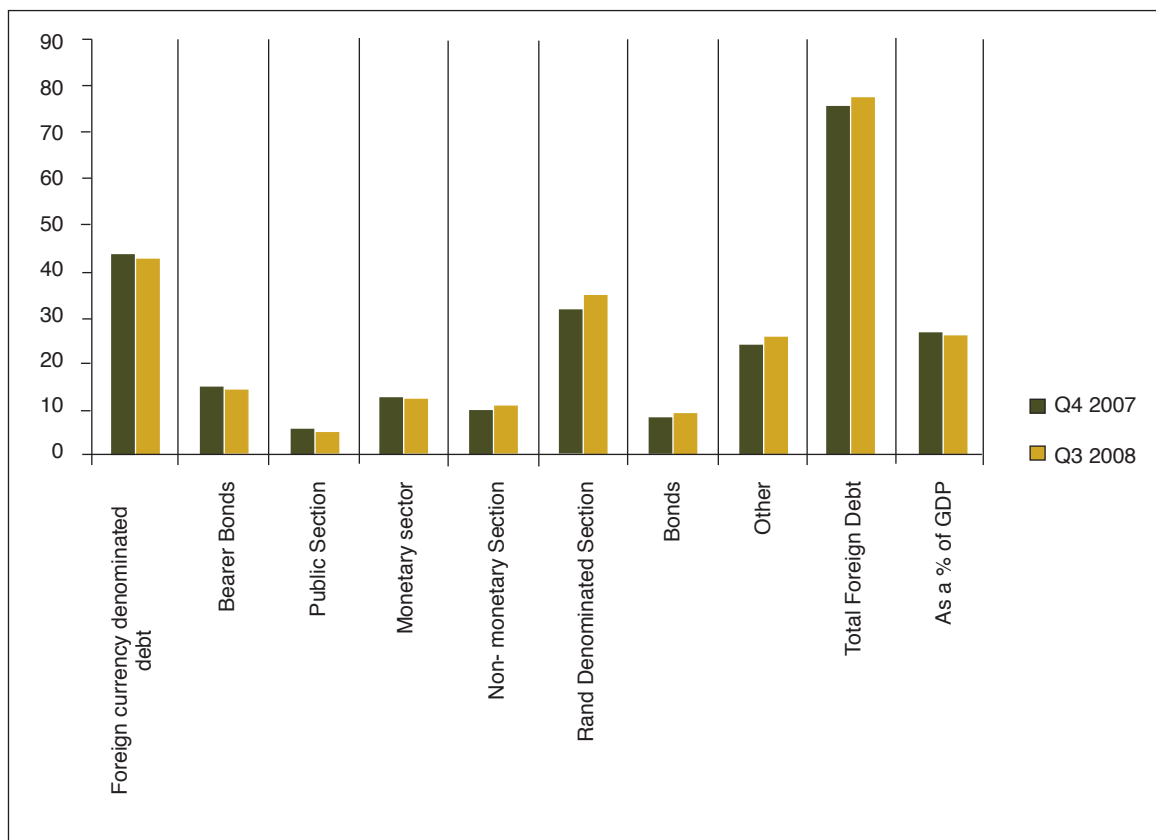


**Against a basket of 15 currencies*

The recovery in the nominal exchange rate of the rand during the second and third quarters of 2008 was reversed in the fourth quarter when the weighted average exchange rate of the rand declined, on balance it declined by 7.8%. On a monthly basis however, the movement in the exchange rate of the rand displayed significant volatility, decreasing by 13% during October 2008. This decline largely reflected the deterioration of the prices of export commodities and the intensity of investor's risk aversion, which in turn led to the disposal by non-residents of more domestic equity and debt securities. During November and December 2008, the exchange value of the rand increased by 3.2% and 2.7% respectively.

For the 2008 calendar year as a whole, the weighted average exchange rate of the rand declined, on balance by 23.5 compared with a decline of 3.9% in 2007. The external value of the rand declined, on balance by 4.2% in January 2009, but increased by a roughly similar level in February 2009.

Foreign debt US\$ billions at end of period



South Africa's total outstanding debt advanced by US\$ 1.4 billion during the third quarter of 2008 to a level of US\$ 77.5 billion at the end of the quarter. An increase in the country's external debt primarily resulted from the rise in rand-denominated foreign debt as the outstanding amount of foreign currency-denominated debt receded somewhat. Although the increase in rand denominated foreign debt was spread across all sectors, it occurred predominantly in the public sector as non-resident investors acquired South African bonds.

The decrease in foreign currency denominated foreign debt largely reflected the revaluation of euro denominated bond issues following the depreciation of the euro against the US dollar from the end of the second quarter to the end of the third quarter of 2008.



Work Stream 6 Development Chamber

April 2008 – March 2009
Development Chamber

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.

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 four meetings in the period under review.

Chambers 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.

Programme Performance: Development Chamber

KEY FOCUS AREA	KEY PERFORMANCE INDICATOR	MEASUREMENT	STATUS
Social Security – (Joint project with Public Finance and Monetary Policy Chamber)	To engage and reach consensus on the Social Security and retirement fund legislative framework. To host a Nedlac conference for all stakeholders to assess progress and update the programme of action for implementation.	To install a comprehensive social security system in South Africa for all its deserving citizens.	Reported under the Public Finance and Monetary Policy Chamber. Awaits a consolidated proposal from Government and other social partners.
Local Government	To engage on the government plans and strategy to improve delivery at local level, as envisioned in the GDS.	Address the legacy of apartheid planning, which undermines social and economic integration and employment in order to achieve broad socio-economic integration.	Joint road shows with the Department of Provincial and Local Government undertaken.

KEY FOCUS AREA	KEY PERFORMANCE INDICATOR	MEASUREMENT	STATUS
Co-operative Development Strategy (Joint project with the Trade and Industry)	To engage with a view to agreeing on the strategy to promote emerging Cooperatives enterprises in all sectors of the economy.	To develop a framework to promote Cooperatives.	The consideration of the draft strategy underway for completion in the 2009/10 reporting period.
Expanded Public Works (EPWP II)	Seek to provide poverty and income relief through temporary work for the unemployed.	Launch projects that contribute to the reduction of the high unemployment rates through short-term jobs in the communities with a greater emphasis on improving and/or developing essential infrastructure in the communities.	The consideration of the Business Plan for EPWP II completed. The Programme to be rolled out in first quarter of 2009/10. Outstanding administrative matters have been escalated to the Leadership of the Global economic crisis.
Land	Facilitate engagements on the Policy and strategy Framework on Land reforms.	Complete a Nedlac agreement on the Policy and strategy.	The proposed Bill was, due to insufficient consultations, shelved. Awaits the new directive from Government.
Youth Policy	Facilitate engagements on the Policy Framework.	To reach agreements on the proposed Youth Policy.	The Institutional Framework finalised which gave birth to the National Youth Development Agency.
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 Strategy.	Phase 1 completed – through the Ministerial Round Table Discussion of the Integrated Public Transport Networks.
Municipal Systems Act section 78.	Facilitate engagements on the proposed Bill.	To obtain support and buy-in from all social partners.	Pending.
National Qualifications Framework Bill – 2008	Engage social partners with a view to address the issues in the proposed Bill.	Reach broad consensus of the key principles of the Bill	Task Completed.



KEY FOCUS AREA	KEY PERFORMANCE INDICATOR	MEASUREMENT	STATUS
Higher Education Act Amendment Bill – 2008	Engage social partners with a view to address the issues in the proposed Bill.	Reach broad consensus of the key principles of the Bill.	Task Completed.
HIV and AIDS	To develop a Nedlac Action Plan aligned with the National Strategic Plan.	To combat the challenge of the HIV and Aids pandemic through the implementation of the Nedlac Action Plan.	The joint partnership with SANAC, DBSA delivered a successful campaign in December 2008. Phase II which is aimed at developing a Nedlac specific action Plan is underway and will be rolled out in the 2009/10 reporting period.
Human Resources Development Strategy. (Joint Project with the Labour Market Policy Work Stream)	Develop programs 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.	Underway.
Xenophobic Attacks	Developing policies and intervention strategies to regulate issues related to foreign nationals in South Africa.	To address challenges with the national image and the impact on the through integrated policies that foster social acceptance and relations with foreign nationals.	Pending.

Members of the Chamber and Task Teams

Chamber Members

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
T Mchunu – Convenor	Anna Maistry replaced by Kganki Matabane and Connie Motshumi – Convenors	Sibusiso Gumede – Convenor	Lululama Nare replaced by Zacharia Matsela – Convenor
D Davhana	A Tshifularo	S Thompson	A Nkabinde
C Rossouw	F Xaba	A van der Berg	C Matlakala
J Ntuli	F Njobe-Jaiyesimi	B Mngxekeza	C Caine
W Jiyana	J Purchase	M Mkalipi	D Moseki
	M Myataza	J Dikobo	D Mthalani
	N Bilap-Nsegbe	J Barrett	E Motaung
	T Chabana	S Sithole	J Siwani
	T Skenjana	S Gumede	K Tshupe
	T Ncube	S Kgara	L Maduna
	Tshidi Mokgabudi	W Noling	L Kganyago
		X Nxu	L Chauke
			L Segwe
			N Nlingane
			N Nyembezi
			T Mabuza
			T Tshafuta
			T Hufke

Constituency Representation in 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



Constituency Representation in the Youth Policy Task Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
M Tleane	T Skenjana	S Gumede	L Nare
B Tlagala		S Sithole	T Tshefuta
M Miya		S Thompson	N Mqhayi
M Moonsamy			L Kganyago
			T Hlongwane
			M Mojanaga

Constituency Representation in the EPWP Task Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
T Mchunu	K Matabane	S Gumede	E Paulus
D Davhana	F Xaba	X Nxu	T Mabuza
I Akhalwaya	T Skenjana	J Dikobo	C Caine
N Matsane		M Mashishi	L Kganyago
C Rossouw			T Hufke
			M Ronyuza
			R Mdakane
			S Mahote

Constituency Representation in the HIV and AIDS Task Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
M Ngubane	B Mears	J Mpolokeng	D Pretorius
N Singh	V Harbhajan	F Fayers	R Lehloka
T Mseleku		L Plaatjies	E Motaung
S Sinabe		S Balkaran	N Mqhayi
T Kunene		B Tshababala	P Nkomo
		A thulane	L Chauke
			D Moreotsele
			C Hardy

Constituency Representation in the Cooperatives' Task Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
F Adams	C Mtshali	S Gumede	N Ncapayi
R Rapoo	B Harms	E Watkinson	L Mngomezulu
J Ndumo	J Purchase	M Tsela	T Mabuza
P Gidongo	T Skenjana	N Newman	Z Matsela
		S Thompson	P Ngwevela
		T Phadu	N Mqhayi
		W Aroun	L Segwe
			T Nkwe

Constituency Representation in the HRDS Strategy Task Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
F Y. Patel	V Harbhajan	S Kgara	L Nare
A Bartlett	T Skenjana	J Dikobo	L Kganyago
E Sello		S Gumede	M Ramoloto
		S Moshoeshoe	L Segwe
		S Gangca	
		E de Klerk	

Constituency Representation in the Xenophobic Attacks Task Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
T Mchunu	K Matabane	S Gumede	N Nyembezi
D Davhana	T Skenjana	J Barrett	N Mokhole
C Rossouw		S Gangca	M Thathaka
		I Abrahamse	M Ronyuza
		S Thompson	T Mabuza
			S Shange-Buthane
			A Moseki



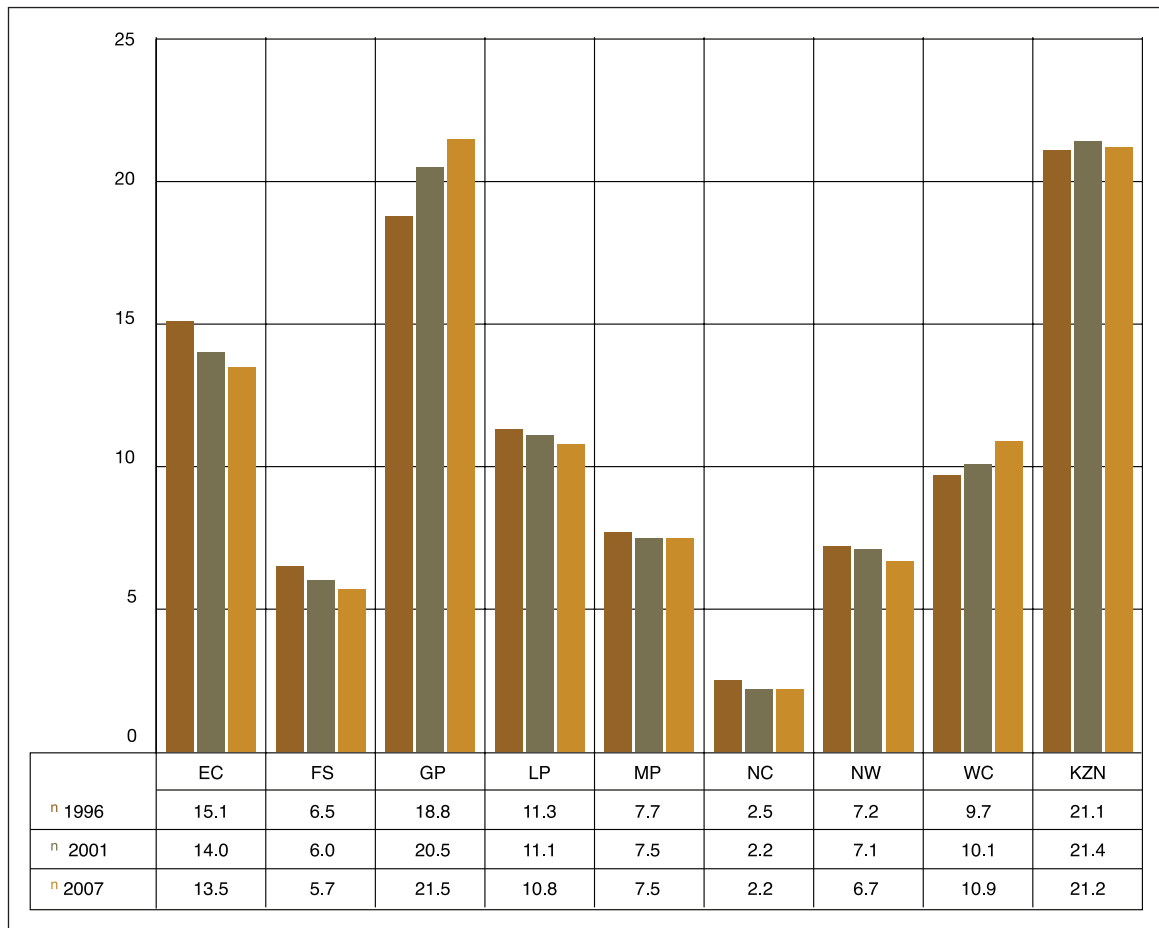
Constituency Representation in the Education Amendment Bill Task Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
D Hindle	T Skenjana	I. Masita	L Nare
D Ngobeni	V Harbhajan	J. Dikobo	T Nkwe
I. M. Nawa		S Moshoeshoe	S Shezi
S. Masela			P Shiaka
E. Boshoff			M Ramoloto
C. van Kerken			T. Moja

The Development Landscape in Numbers

Population

Percentage Distribution of Population by Province

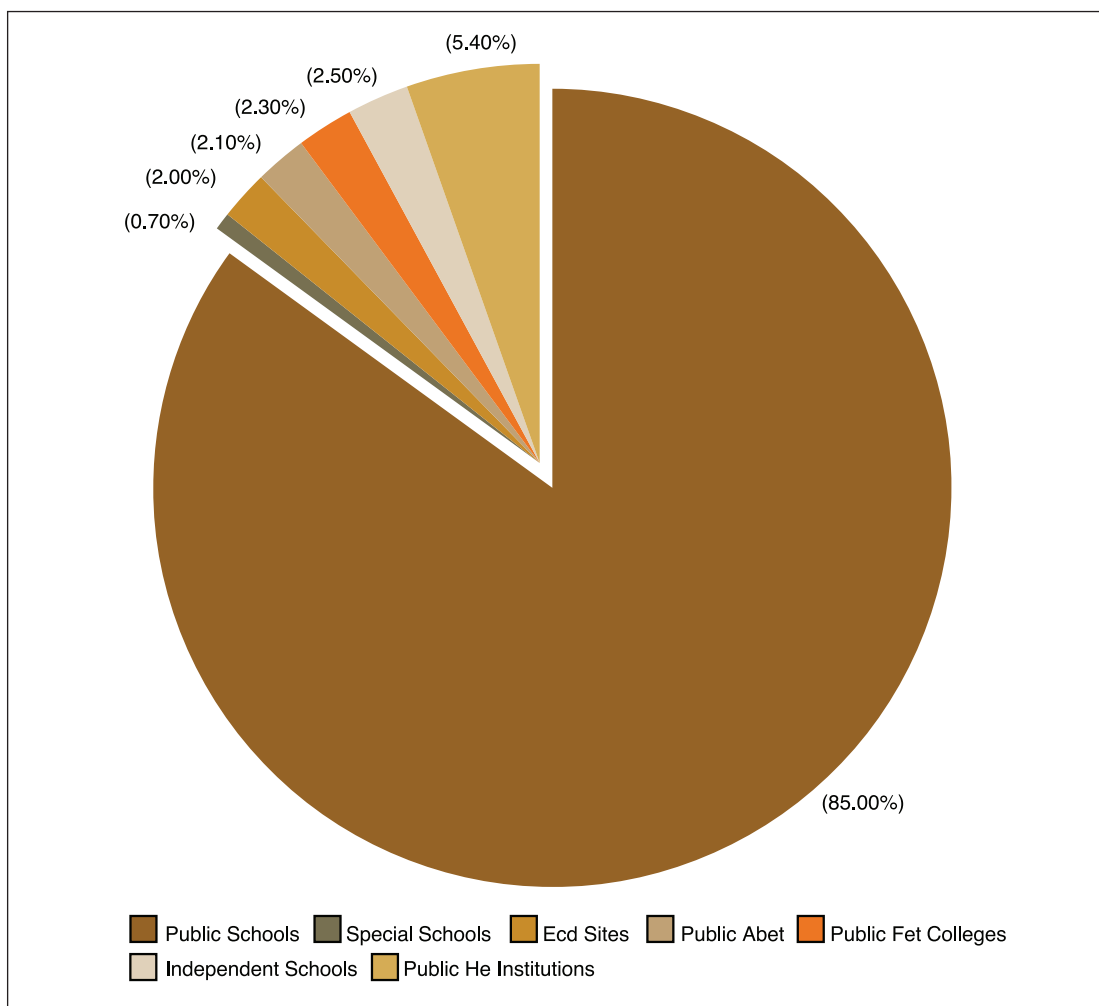


The above figure indicates a gradual decline in the percentage share of the total population in the Eastern Cape, Free State, Limpopo and the North West since 1996. The percentages of Gauteng and Western Cape Province are gradually increasing. The percentage for KwaZulu-Natal has remained almost constant since 1996, while those of Mpumalanga and Northern Cape Province have declined since 1996, but have remained constant between 2001 and 2007.



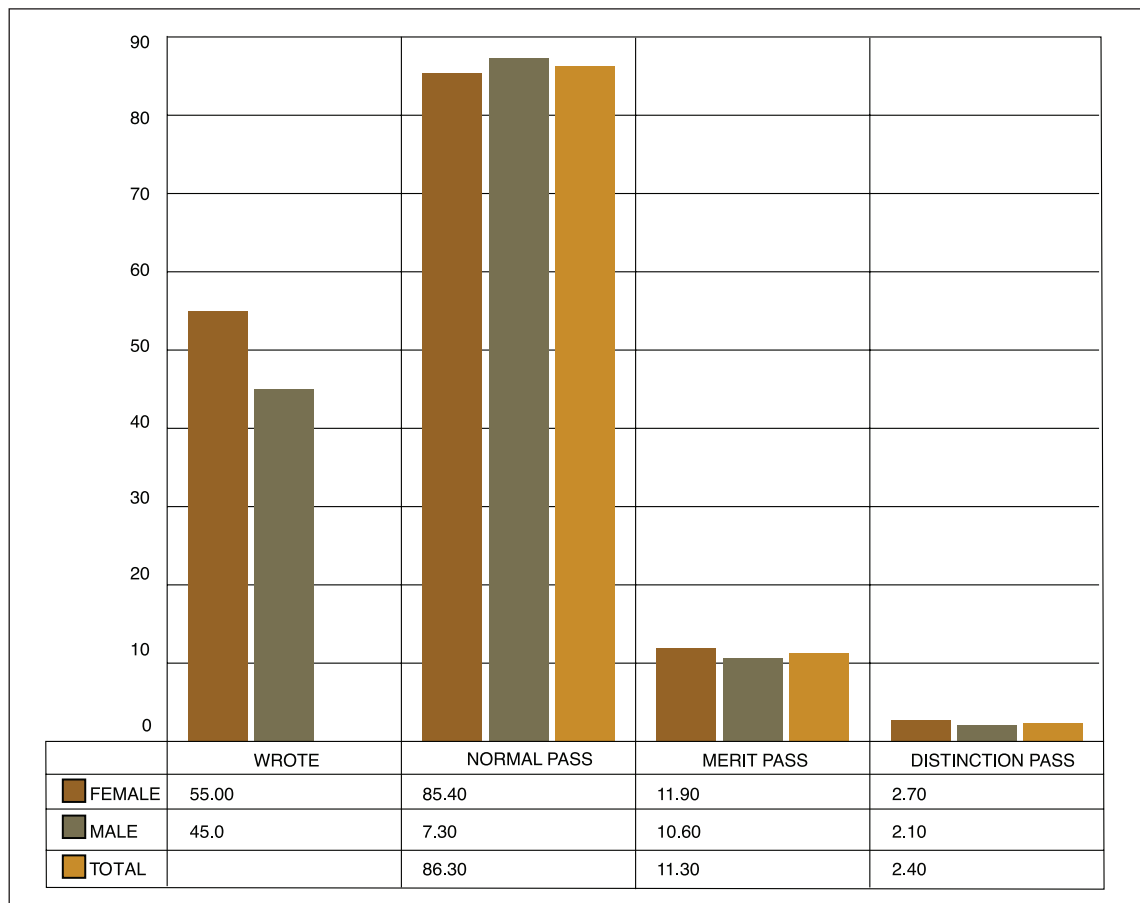
Education

Percentage distribution of learners in the education system in 2007



An overview of the education system in South Africa, indicated that of the 14 167 086 learners and students enrolled in all sectors of the education system in 2007, 12 048 821 (85.0%) were in public schools and 352 396 (2.5%) were in independent schools. The breakdown of other institutions was 761 087 (5.4%) were in public HE institutions, 320 679 (2.3%) were in public ABET centres, 289 312 (2.0%) were in Early Childhood Development (ECD) sites and 102 057 (0.7%) were in special schools.

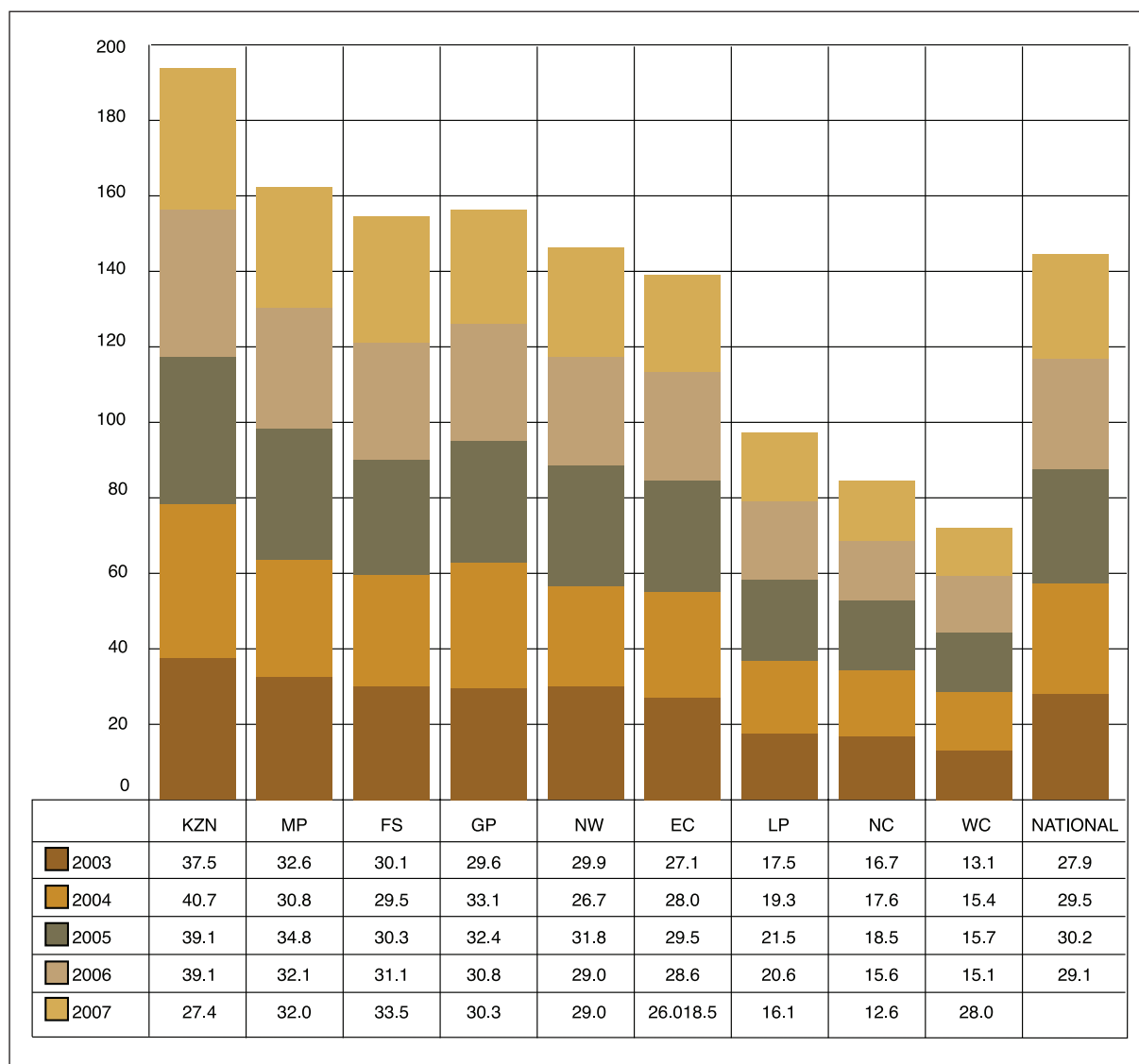
Percentage distribution of Senior Certificate examination pass and failure rates by gender in 2007



In 2007 nationally among candidates who passed with merit and distinctions, females performed better than males, however when taking into consideration only the normal pass rate males performed better than females.

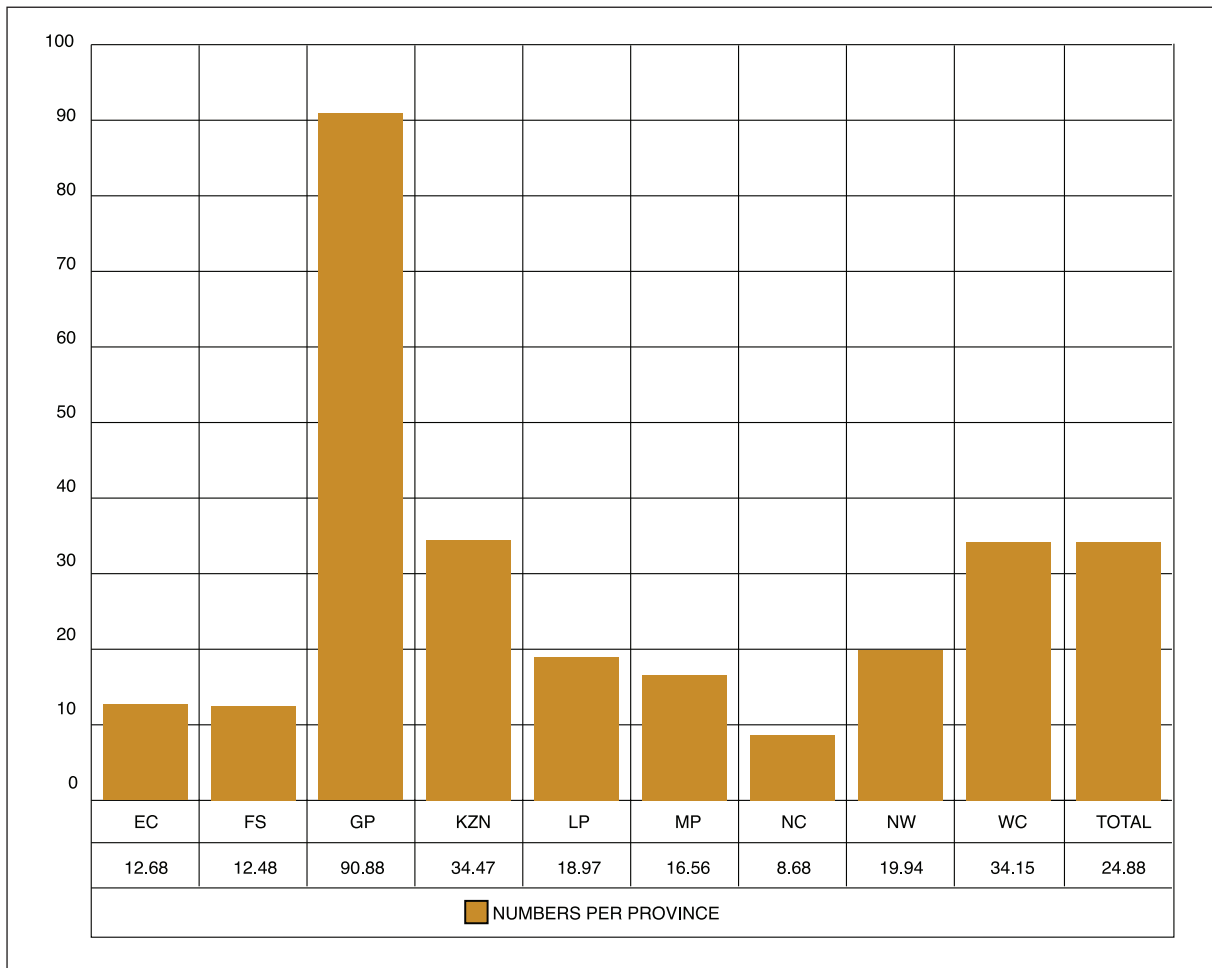
Health

Estimated HIV prevalence among antenatal clinic attendees, by province



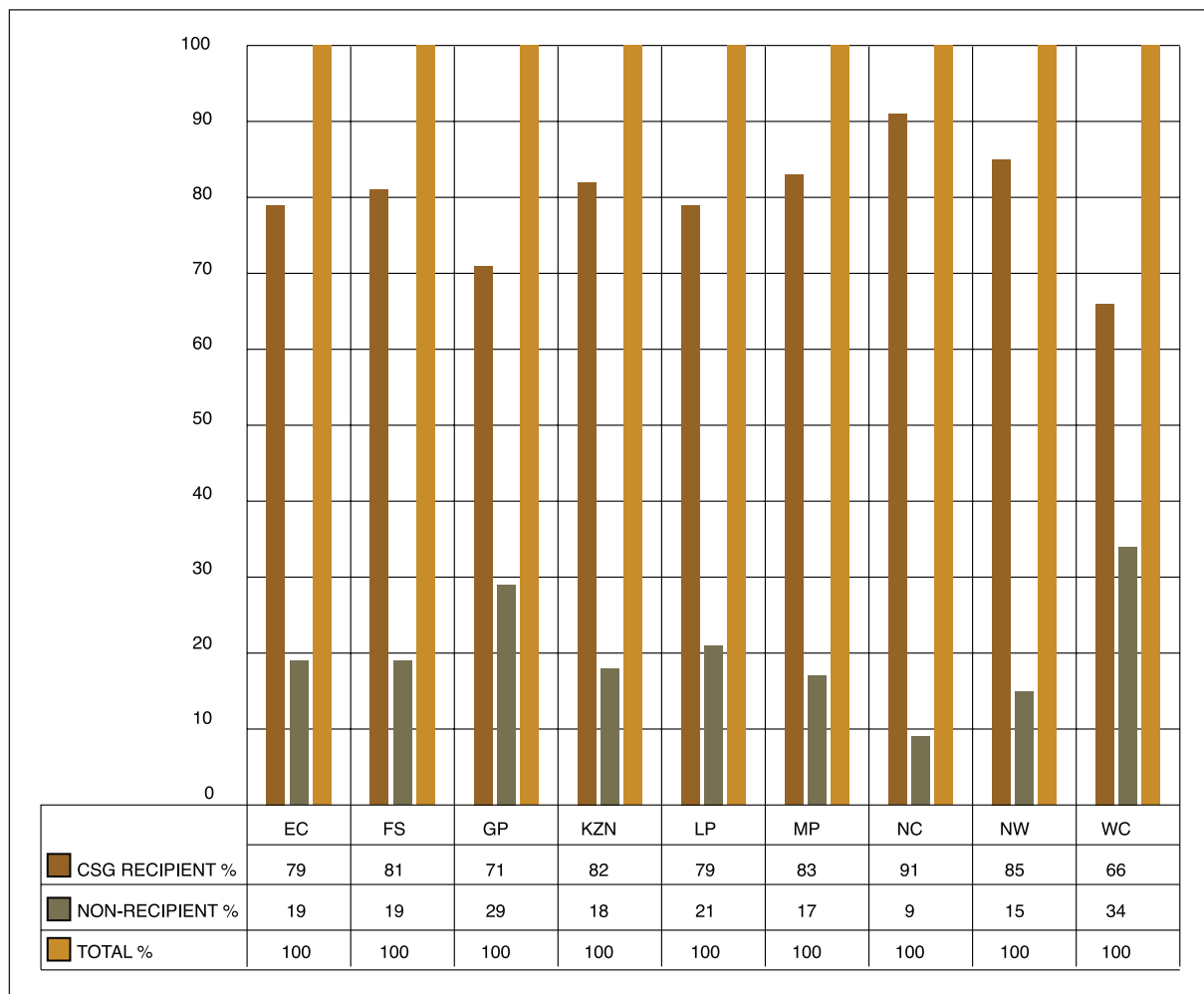
Based on Department of Health sample, of 33,488 women attending 1,415 antenatal clinics across all nine provinces, the Study estimates that 28% of pregnant women were living with HIV in 2007. The provinces that recorded the highest HIV rates were KwaZulu-Natal, Mpumalanga and Free State. The Northern Cape and Western Cape recorded the lowest prevalence.

Housing



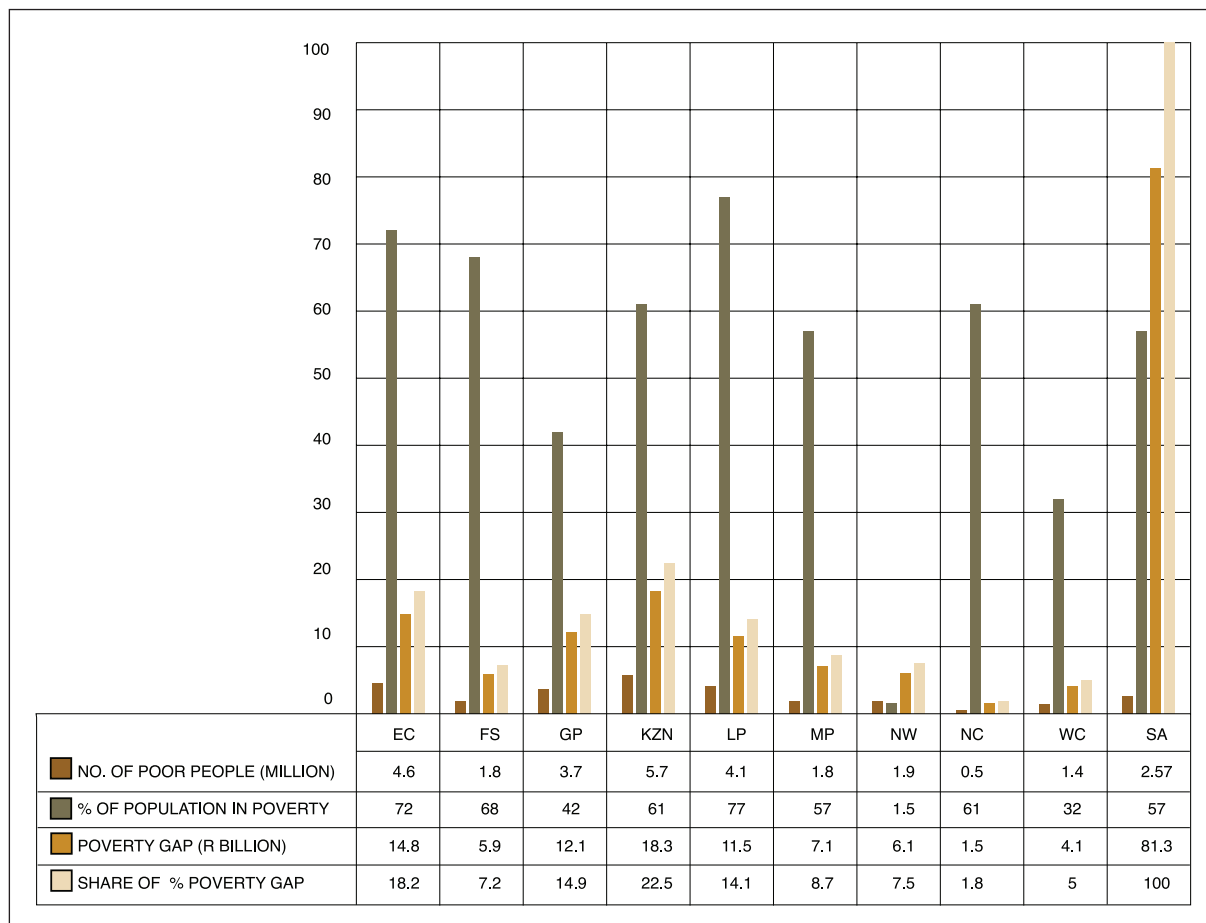
Housing units completed and in the process of completion per Province, for the 2007/8 financial year.

Child Support Grant Percentage of all eligible caregivers who are or are not receiving the grant by Province



The national average of those people not receiving the grant is 21% that is the percentage of those who appear eligible, but are not receiving the CSG. The two Provinces which are above the national average are WC (34%) and GP (29%). DSD reports that reasons for not receiving the CSG vary from, barriers in accessing the required documentation, lack of interest, self selection and exclusion on the basis of income.

Poverty Indicators Per Province



Households living in poverty have sunk deeper into poverty and the gap between rich and poor has widened.

Approximately 57% of individuals in South Africa were living below the poverty income line in 2001, unchanged from 1996. Limpopo and the Eastern Cape had the highest proportion of poor with 77% and 72% of their populations living below the poverty income line, respectively. The Western Cape had the lowest proportion in poverty (32%), followed by Gauteng (42%).



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 macroeconomics policy as well as the institution of delivery.

Chambers 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.

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 9 meetings in the period under review

Programme Performance: Public Finance and Monetary Policy Chamber

KEY FOCUS AREA	KEY PERFORMANCE INDICATOR	MEASUREMENT	STATUS
Development Finance Institutions (DFIs)	Facilitate the involvement of Nedlac in the review of DFIs. Review mandates of the DFIs in order to ensure that they are aligned with the National Imperatives.	Find agreements on the scope of work of the Development Finance institutions (DFIs) and to align its mandates.	The first phase of the process has been completed. The 2nd Phase is being dealt with under the auspices of the International Economic Crisis Action Plan.
Financial Sector Charter Council	Monitor progress on the implementation of the Charter resolutions on Transformation.	Highlights and address key challenges and gaps in the implementation of the Charter resolutions.	Stalemate exists on some of the key issues. The Charter Board is seized with the process to find remedies to unblock the stalemate.
National Budget processes	Nedlac to commence engagements on the next MTBPS process. Nedlac to host the focus session on MTBPS with the Minister or Deputy Minister of Finance.	The PFMPC to engage and reach consensus on key policy issues on the National Budget and allocations. Constituencies to develop and submit proposals to be incorporation in to the final national budget.	The Overall Convenors engaged the Minister of Finance on the best possible way for the constituency to input in the Budget process. The exercise to commence in the 2009/10 reporting period.

Part 2

Programme performance

KEY FOCUS AREA	KEY PERFORMANCE INDICATOR	MEASUREMENT	STATUS
Education and promotion of Savings	Nedlac to develop proposals to promote savings in South Africa. Conduct a consumer education campaign on savings.	Improve national savings.	The Chamber agreed to conduct an audit of all national initiatives that seeks to promote national savings with a view to encourage active participation of constituencies. Initial Submissions from Business are being considered.
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.	The process overtaken by the advent of the Global Financial crisis and the subsequent economic recession. The exercise has been fused into the efforts to address the country's response to the international Economic Crisis.
Social Security and Retirement Fund Reforms	To engage and reach consensus on the Social Security and retirement fund legislative framework. To host a Nedlac conference for all stakeholders to assess progress and update the programme of action for implementation.	To ensure that ordinary working people have access to affordable retirement provisions.	Phase 1 Completed with all social partners submitting comments on the 1st draft policy document. Government is conducting further work on the architecture of the scheme taking into account the comments from the social partners. Work will resume in the 2009/10 reporting period.
Macro Social Strategic Framework	To facilitate engagements on the proposal for the framework.	To develop an overarching framework on the Macro social dimension.	Awaits further inputs from social partners.



KEY FOCUS AREA	KEY PERFORMANCE INDICATOR	MEASUREMENT	STATUS
Modelling and scenario planning programme for ASGISA and NIPF goals	To facilitate engagements on the proposals on Modelling.	Complete the Nedlac agreements on the Modelling.	Chamber reconsidering the way forward on the matter.
Implementing the Finance Protocol for Rural development and renewal nodes	Facilitate the engagements on Finance Protocol.	Complete a Nedlac agreement on the Protocol.	Chamber reconsidering the way forward on the matter.
Review SA experience in managing the relationship between macroeconomic variables e.g. exchange rate, prices and interest rates	Agree on the Agenda that will form the basis for engagements in Nedlac.	Facilitate and complete Nedlac engagements on the base documents. Produce Nedlac framework agreements on the macro economic variables.	Placed on the 2009/10 Chamber work programme.
National Credit Act	Tracking the progress made since the National Credit Act was established.	Build reporting and monitoring mechanisms between the National Credit Regulator and Nedlac	Task completed
National Poverty Measures and National Poverty Line	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	Phase 1 completed wherein social partners made their submissions to initial Government proposals. Government to revert with a consolidated government position in order to commence phase 2.

Members on the Public Finance and Monetary Policy Chamber

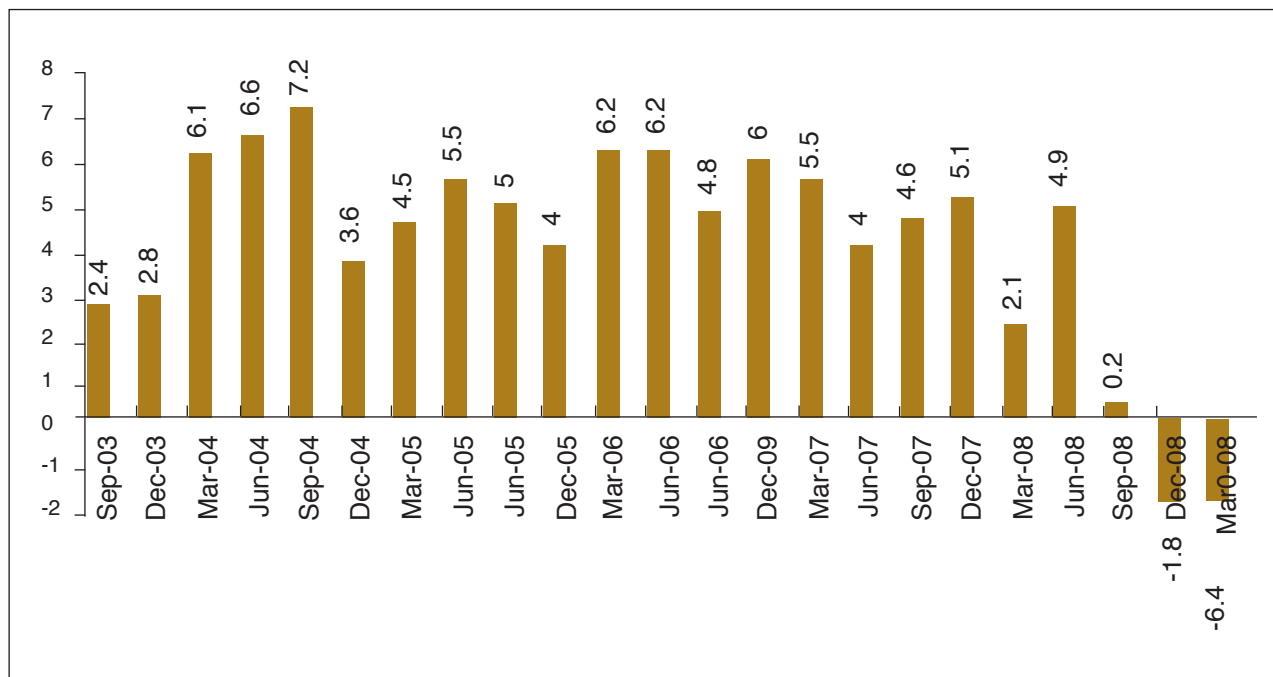
GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
Nkosana Mashiya – Convenor replaced by Raymond Masoga	Prince Maluleke – Convenor replaced by Elias Masilela	Jan Mahlangu – Convenor	Tshepo Nkwe
V Mamba	D Dykes	M Ikaneng	S Thomo
J van den Heever	L Mondl	M Phutase Tseki	
N Rau	T Main	I Ramputa	
T Hlekiso	B Lacey	G Strauss	
	M Jackson	G Humphries	
	J. Zeetsman	M Kepadisa	
	A Meiring	G Wilson	
	S Siwisa	T Ntola	
	C Motsumi	E Mabyana	
		B Mngxekeza	
		M Tsela	
		C Devos	

Consumer and Savings Task Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
V Mamba	E Masilela	J Mahlangu	T Nkwe

Public Finance and Monetary Policy Landscape in Numbers Growth

FIGURE 1: Real gross domestic product

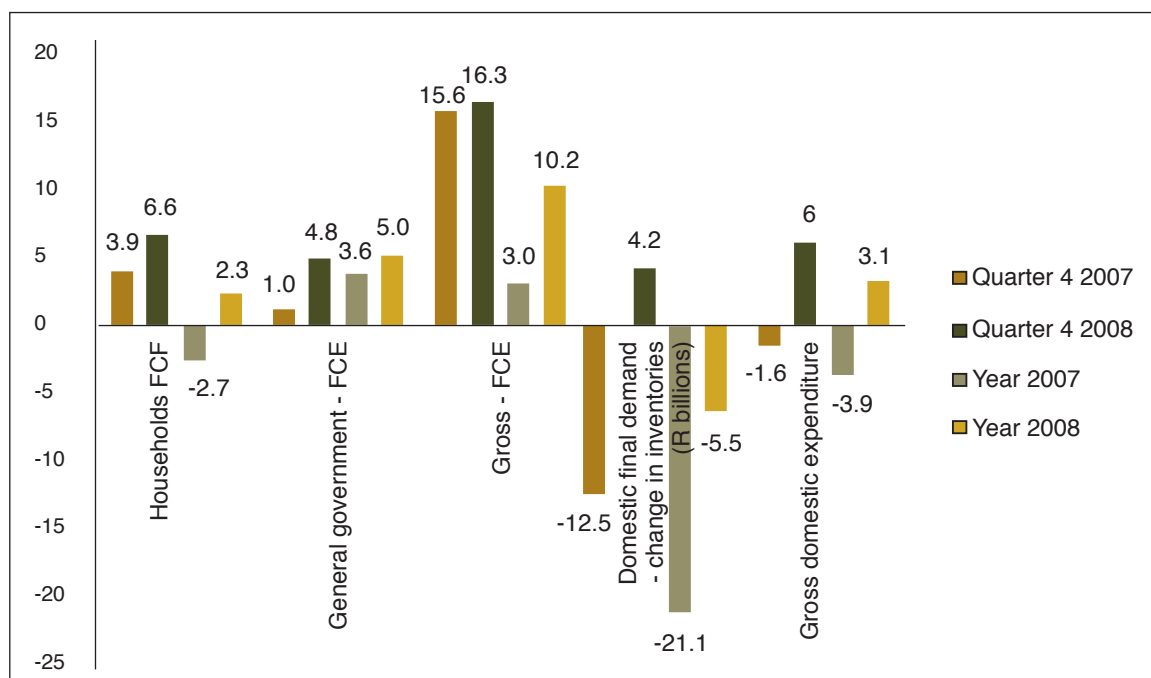


Percentage change from quarter to quarter

Facing strong international and domestic headwinds, South Africa's real gross domestic product contracted at an annualised rate of 1.8% in the fourth quarter of 2008. This contraction followed successive growth rates of 1.7%, 5.0% and 0.2% in the preceding 3 quarters of 2008. According to SARB, that had been the first quarterly decline in aggregate real production since the third quarter of 1998 and the decline could be mainly attributed to a pronounced deterioration in real value added by the secondary sector, particularly manufacturing. Further more in the first quarter of 2009 the GDP contracted at an annualised rate of 6.4%, these declines indicated that the South African economy was in a recession, the first of its kind in 18 years.

Real gross domestic expenditure

Percentage change at seasonally adjusted annualised rates



* At constant 2000 prices

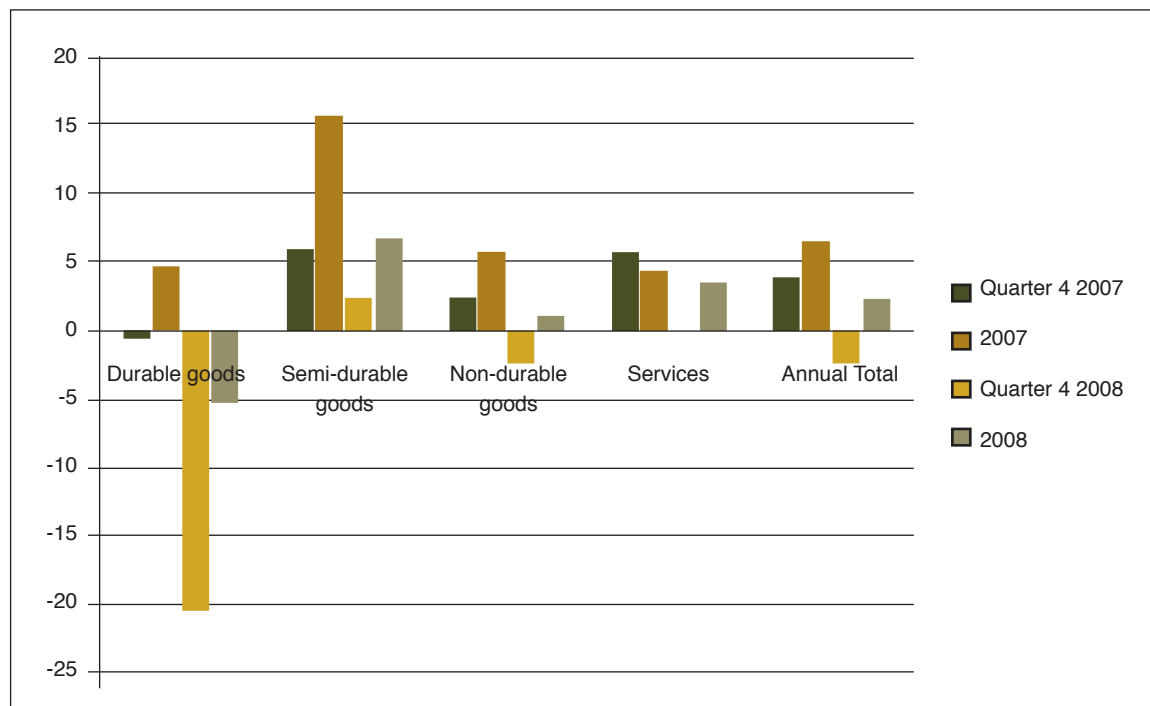
* FCE (final consumption expenditure)

Real final consumption expenditure by households receded further in the fourth quarter of 2008 as the contraction deepened, registering an annualised rate decline of 2.7%, compared with the decline of 0.9% in the third quarter of 2008. The two consecutive quarterly declines were previously recorded in 1992. The contraction in the fourth quarter of 2008 was due to a steep decline in real spending on durable goods and non-durable goods, while for the first time since the third quarter of 1993, growth in real outlays on services also turned negative, but by contrast real outlays on semi-durable goods continued to rise.

The growth in real FCE by households receded from 6.6% in 2007 to 2.3% in 2008, which was the lowest annual growth recorded this decade. According to the Reserve bank, the slowdown reflected the impact of the weakening in real disposable income of households; a decline in consumer confidence; high levels of household debt; relatively high interest rates resulting from the progressively tighter monetary policy stance since mid-2006 and the full effect of the National Credit Act which came into operation in June 2007.

Real final consumption and ratio of wealth to disposable income of households

Percentage change at seasonally adjusted annualised rates



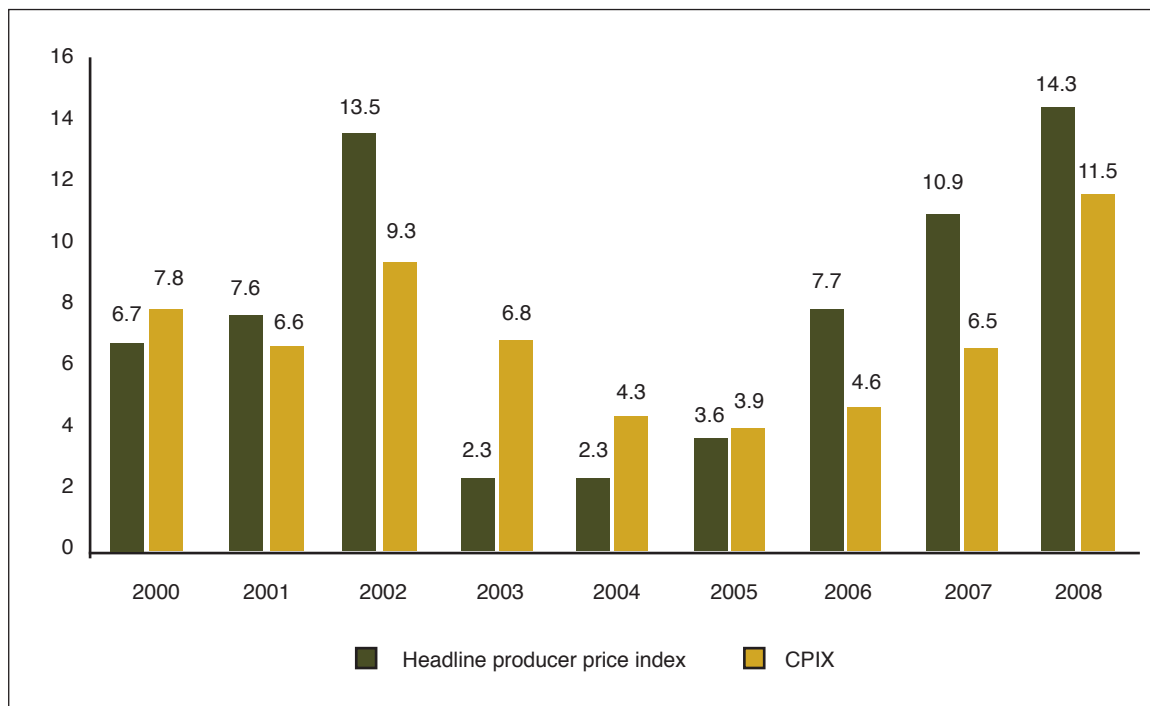
Real spending on durable goods declined throughout the year at annualised rates of contraction, which varied from 5.2% in the first quarter of 2008 to 20.1% in the fourth quarter. While the contraction was broadly based in all the subcategories of expenditure on durable goods, it was particularly evident in the real outlays on personal transport equipment, which fell by no less than 37.5% when the fourth quarter of 2008 is compared with the corresponding quarter of 2007. On an annual basis the real spending on durable goods contracted by 5.2% in 2008 compared with an increase of 4.7% in 2007. That was the first annual contraction since 1999 when consumers also faced hostile economic environment conditions.

Semi-durable household's real expenditure stalled in the third quarter of 2008, but rose at an annualised rate of 2.6% in the fourth quarter. The increase was mainly on clothing and footwear, furnishings and glassware. Price increases, particularly in clothing and footwear moderated in the fourth quarter of 2008.

Real spending on non-durable goods declined at annualised rates of 3.2% and 2.3% in the third and fourth quarters of 2008 respectively. Real spending on household fuel and power, petroleum products and on recreational and entertainment goods declined over this period. According to the RBSA, the rising cost of electricity and the exceptionally high prices of automotive and household fuel contributed to the slowdown in expenditure on these products. Further spending on food, beverages and tobacco edged higher, especially towards the end of the quarter.

Producer and consumer prices

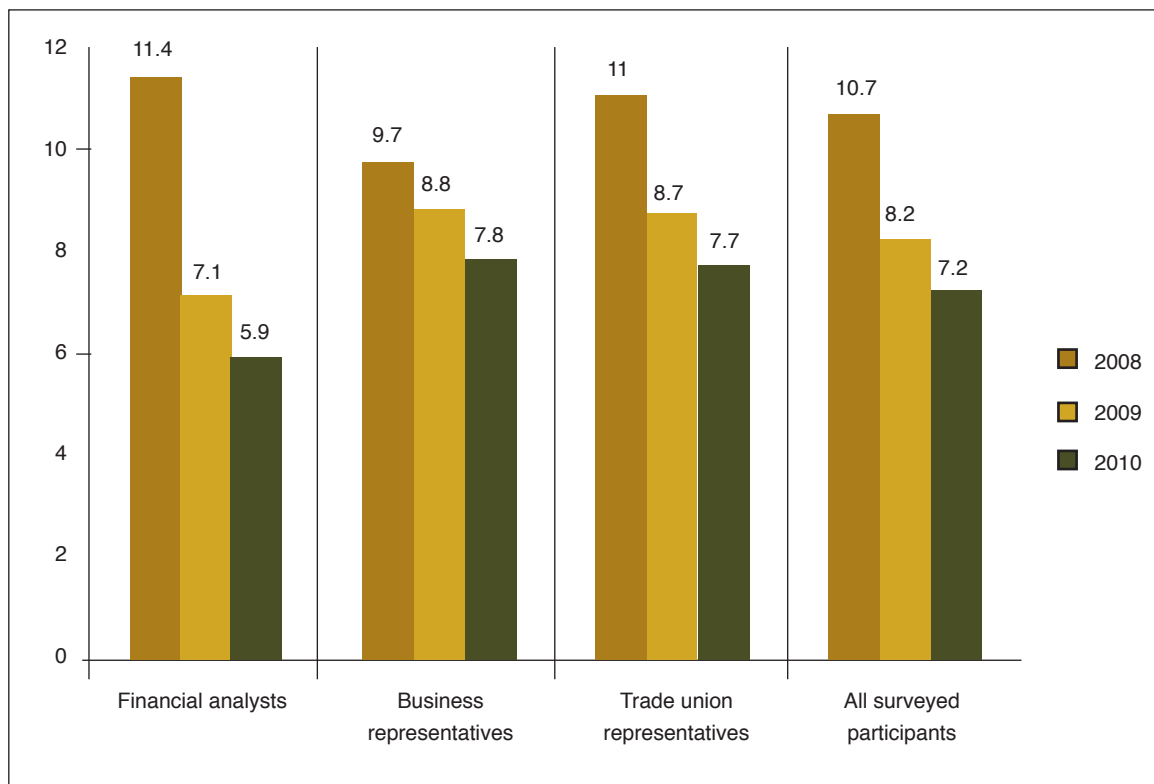
Annual average percentage changes



The acceleration in producer price and CPIX inflation in the first eight months of 2008 resulted in substantially higher annual average increases compared with previous years. Producer price inflation amounted on average to 14.3% in 2008, compared with 10.9% in 2007, while CPIX inflation almost doubled from 6.5% in 2007 to 11.3% in 2008. In February 2009, Stats SA launched a new headline consumer price index, the CPI for all urban areas which has also replaced CPIX as the inflation target measure. The new headline CPI is based on the Classification Of Individual Consumption by Purpose (COICOP).

Inflation expectations

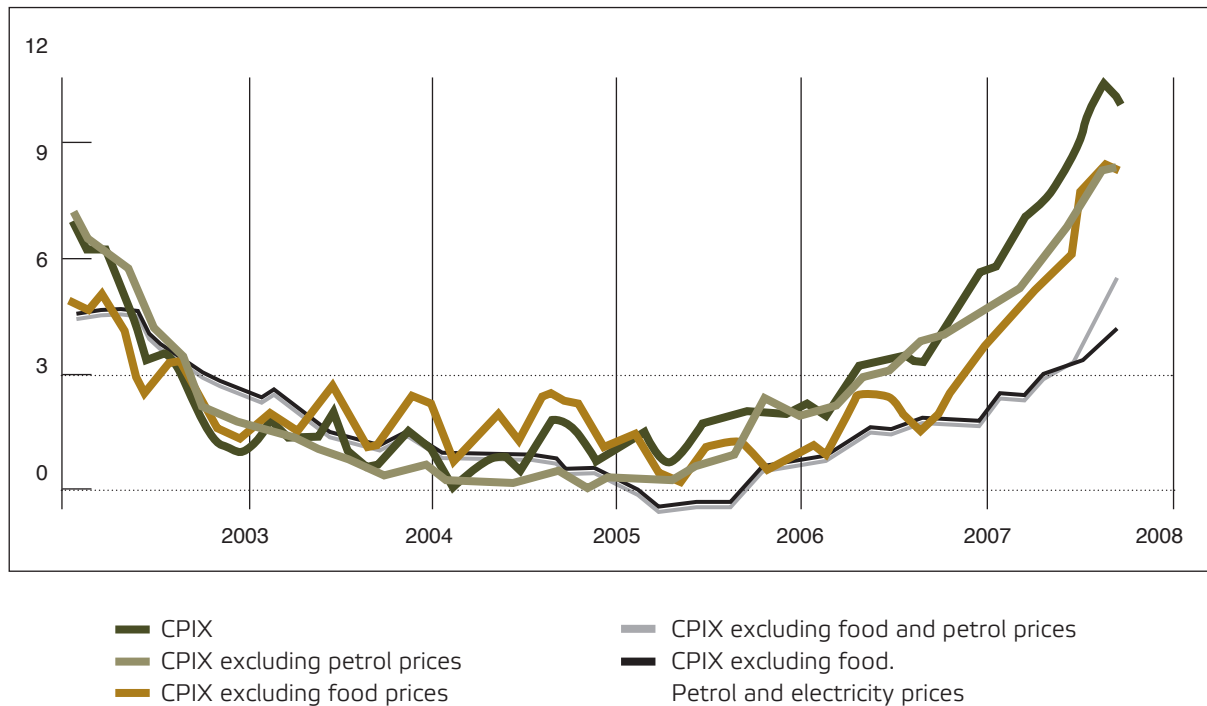
Per cent, as surveyed in the fourth quarter of 2008



Average annual CPIX inflation expectations for 2008, of all participants surveyed in the final quarter of 2008, increased by 2.9 percentage points from 7.8% expected in the first quarter of 2008 to 10.7% expected in the fourth quarter of 2008. CPIX inflation was expected to fall to 7.2% in 2010. Among the three groups, CPIX inflation expectations for 2009 ranged between 7.1% and 8.8%. Only the financial analyst group expected inflation to return within the inflation target range in 2010.

The effect of food, petrol and electricity prices on CPIX inflation

Percentage change over twelve months

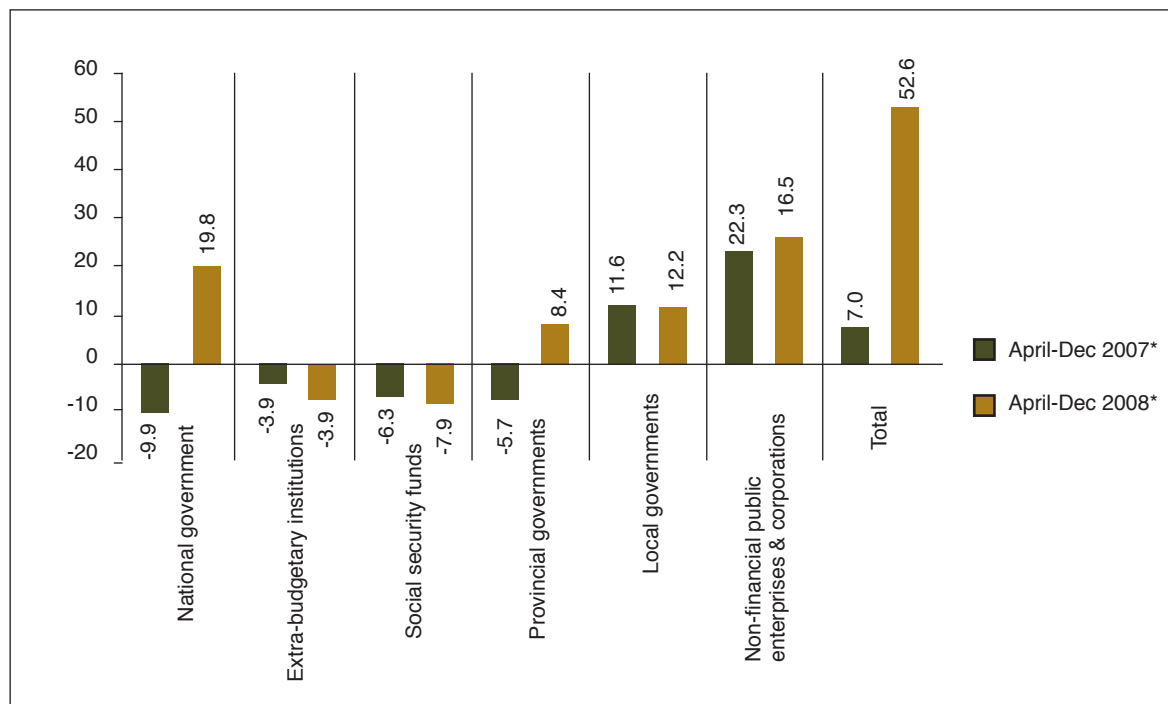


Source: Reserve Bank Monetary Policy Review, November 2008

According to the Reserve Bank these prices provided upward pressure on CPIX inflation during 2008. Excluding food prices, the inflation rate for the remaining items in the CPIX increased from 8.0% in March to 11.4% in August, before declining to 11.2% in September. The inflation rate for CPIX excluding petrol prices increased from 8.5% in March to 11.4% in August and September. Excluding both food and petrol prices from the CPIX, inflation increased from 5.6% in March to 8.5% in September. The major contributor to this increase was electricity prices. However, if electricity prices were excluded in addition to food and petrol prices, the inflation rate for the remaining items in the CPIX would have been 7.2% in September 2008.

Non-financial public-sector borrowing requirement R billion

Per cent, as surveyed in the fourth quarter of 2008



The financial activities of the non-financial public sector resulted in a cash deficit of R18.2 billion in the third quarter of fiscal 2008/9, in contrast with a cash surplus of R4.0 billion in the same period a year earlier. This brought about the cash deficit for April-December 2008 to R52.6 billion, compared with R7.0 billion recorded in the same period the previous year.

The cash deficit of non-financial public enterprises and corporations increased substantially from R22.3 billion in the first nine months of fiscal 2007/08 to R26.5 billion in the same period of the current fiscal year.

During the first nine months of fiscal 2008/9 cash receipts from operating activities of national government increased by 10.4% when compared with the same period in the previous fiscal year. Net cash flows from operating activities, together with net investment in non-financial assets, resulted in a cash deficit of R19.8 billion in April-December 2008 and this was a stark contrast to a cash surplus of R-9.9 billion recorded in the corresponding period of the previous fiscal year.

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 year under review

Three (3) new Section 77 Notices were filled with Nedlac in the period under review, compared with five (5) filed in the 2007/8 reporting period.

GOVERNMENT	LABOUR	BUSINESS	COMMUNITY
T Mkalipi	M. Mbongwe	K. Moyane	S. Mapaila
	T. Ehrenreich	I. Jacobs	T. Nkwe

DATE FILED	APPLICANT	ISSUES	STATUS
02 November 2006	SATAWU	Job Security in the Cleaning and Security. Job Losses, lack of best practices and sustainability in awarding of tenders, absence of agreed sectors' strategies to position and grow the sectors.	Draft team on security industry has finalised the Draft Agreement.
16 November 2006	MTWU	Cash-in-Transit heist and its consequences to the safety of civilians. Absence of regulations in the industry.	Completed
3 July 2007	Cosatu Western Cape	Upgrading and improvement of public transport in the Western Cape. There were unnecessary overcrowding, delays, robberies which resulted in deaths and unfair dismissals of commuters by their employers.	Completed
24 June 2008	Cosatu Eastern Cape	Poor service delivery in the Eastern Cape resulting in high unemployment rate, crime and poverty.	Completed
18 June 2008	Cosatu/ Mewusa	Required an urgent intervention by Government and Business in an attempt to reduce the increasing food prices, fuel, interest rates, nationalization, privatization etc.	Completed
22 January 2009	Fedusa	Ensuring the safety of pedestrians and motorists who cross railways.	Pending



Work Stream 9 Special Projects

Special Project 1: Nedlac Review:

The National Economic Development and Labour Council (Nedlac) commissioned Professor Eddie Webster to conduct an independent review of the institution to inform ongoing debates around the centrality of social dialogue in our democracy. The Review has sought to evaluate both the functioning of Nedlac as an institution and the role-played by the social partners who through, their actions effectively make the institution what they want it to be. Before exploring these two areas and the challenges facing Nedlac, the Review sought to demonstrate Nedlac's contributions in establishing social dialogue as an acceptable and invaluable part of the country's policy making process.

The review of Nedlac 1995-2006, reveals the extent of Nedlac's contribution and that of social dialogue to the 'sustainability of the economic and social reform processes since 1994. This has been no small feat if one considers that the country emerged from a culture of adversarialism and conflict. Within a relatively short period of time, Nedlac created a forum in which the social partners – labour, government, business and the community constituency – have been able to build some level of trust and engage on a range of policy.

Work in Progress

The Nedlac Review Steering Committee commenced the process of considering the recommendations in the Webster Report including those recommendations that were put forward by the social partners.

The Steering Committee agreed to fast track the consideration of the review in two phases. Phase 1 will focus on operational issues and phase 2 will focus on matters relating to Governance and Structure. The deadline to complete the consideration of issues under phase 1 is September 2009.

Special Project 2: Decent Work Country Programme (DWCP)

The social partners at Nedlac have discussed South Africa's challenges over a number of years and have used social dialogue as an effective tool to address these challenges. The constituents of organised labour, the business community and government have participated in the governing body of the ILO and have supported the introduction of the decent work country programme as a means of translating ILO values to national realities.

Initial Areas of focus for the Decent Work Country Programme for South Africa;

The following areas of focus have been identified for future work. The constituents will reflect on the nature and extent of ILO involvement and the proposed timelines and resource requirements to be considered. The areas of focus are:

1. Social security (retirement, unemployment benefits, disability, maternity, etc) – providing capacity to constituents through making available information on ILO standards, technical assistance, knowledge on comparative systems, etc.
2. Trade union and employer organisation and collective bargaining
 - a. Sharing innovative strategies to build organisation and recording and publicising best-practice case studies
 - b. Promoting collective bargaining – at sectoral, national and regional levels, including technical support, research and capacity building.
 - c. Building capacity among trade unions and employer organisations to enable them to participate effectively in policy implementation
 - d. Promoting and improving the membership of trade unions and employer organisations who are in bargaining councils and at Nedlac.
3. Placing decent work at the centre of economic and social policies
 - a. Monetary policy, inflation and employment
 - b. Trade policy, industrial policy and promotion of decent work
 - c. Fiscal and other areas

- d. Decent work indicators: improving official employment statistics and developing appropriate indicators
- 4. Enterprise development
 - a. Small and medium enterprises
 - b. Development of cooperatives and social entrepreneurship
 - c. Labour-intensive sectors
 - d. Public enterprises
- 5. Strengthening enforcement mechanisms through improved labour inspection in the public sector and in bargaining councils
- 6. Skills development programme
 - a. Institutional including strengthening the functioning and governance of SETAS
 - b. Evaluating the success of skills initiatives
- 7. Growing the levels of employment:
 - a. special challenges of youth and women
 - b. expanded PWPs
 - c. sensitive and labour-absorbing sectors
 - d. Incorporating decent work in all employment creation initiatives
- 8. Promotion of ILO standards and values
 - a. Ratification of conventions: technical assistance for further ratification and support for compliance with existing commitments
 - b. Publicity campaigns on ratified Conventions and on the packages of fundamental, governance and gender conventions
 - c. Promotion of ILO Declaration on social justice for a fair globalisation and implementation of the country-level recommendations
- 9. Building institutional capacity
 - a. Nedlac managerial capacity; research and policy support
 - b. Bargaining Councils support programme: staff training, publicity and booklets, role in industrial policy, regulation of informal economy, provision of social security and social protection rights, wage regulation, capacity-building of the constituents (including unions and employers operating in small-businesses), support for improving the extension of agreements
 - c. Dispute resolution institutions: the Labour courts and the CCMA and accredited bargaining councils
 - d. Other labour market institutions including promotion of institutional co-operation
 - e. Co-regulation models where appropriate
- 10. The informal economy/second economy:

- promoting formalisation, improving enterprise performance, enforcing labour standards, promoting trade union organisation and employer organisation in the informal economy.
- 11. Strengthening the employment relationship: atypical work, contract work, subcontracting, casual work, part-time work.
- 12. HIV/Aids at the workplace – strengthening union and employer capacities at the workplace
- 13. Occupational Safety and Health
 - a. Improving workplace safety
 - b. Reviewing legislation and regulations
 - c. Improving the functioning of the Compensation Commission
- 14. Wages and incomes – minimum wages, support for the Employment Conditions Commission, bargaining councils, research on trends in wages, incomes and inequality and technical support to constituents.
- 15. Employment Equity
- 16. Public policy initiatives and decent work: covering a range of ever-changing issues such as insolvency, competition laws, poverty measures, etc.

Governance

The following guidelines will constitute the basis to draft a MoU covering governance issues between the ILO country and regional offices and South Africa:

- 1. The ILO Programme and Budget activities in South Africa should be aligned with the DWCP in order to give effect to the agreed priorities of ILO constituents.
- 2. Governance arrangements will include the following
 - a. Annual meeting where the programmes are tabled and draft budgets discussed with the ILO Office and agreed by the constituents
 - b. Regular reviews of progress to be provided by the Office to constituents
 - c. All new programmes to be approved by constituents
- 3. Nedlac should be used for the consideration of the framework of ILO work and the representatives of the parties on the Governing Body of the ILO will constitute a Committee to consider the detailed programmes and to interact with both the field and headquarter structures of the ILO.



Phase 1 of the process to develop the National Decent Work Country Programme Framework has been completed. Phase 2 will commence in the 2009/10 reporting period.

Special Project 3: Seta Review

Nedlac commissioned an independent review of the Sector Education and Training Authorities (SETAs) on their functioning and management. The purpose of review was two-fold;

- a) To identify the key challenges in the functioning of SETAs including aspects relating to governance, mandate and operations.
- b) To develop recommendations to enhance efficiency and to ensure continued relevance of SETAs in the field of skills development and training environment.

Work In Progress

The review exercise completed and recommendations and additional comments from organised Business were submitted to the Department of Labour for consideration when finalising the National Skills Development Strategy.

Special Project 4: Growth And Development Summit Review

Background

The Growth and Development Summit was the most important achievement for Nedlac in the last six years. Whilst most of the challenges identified in the GDS remain unresolved, new challenges have emerged that are even more complex than those identified then. The advent of the Global economic crisis and the subsequent recession has called for tooling and retooling beyond that envisaged in the GDS.

Whilst the objects and the vision in the GDS remain relevant today as it was six years ago, the Nedlac social partners seek to find a new way of advancing the mission envisaged in the GDS. To this end, the Management Committee agreed to review the GDS in order to highlight the achievements, work that remains to be done, challenges, but most importantly, lessons to inform the way forward.

Status

A research report that complies with the agreed Terms of Reference to contribute to the broad principles of the fund (Fridge) is currently underway.

Special Project 5: 2010 Fifa World Cup Framework Agreement

South Africans are very proud to host the 2010 World Cup, and will seek to ensure that the event assists in the long term development of our country and will benefit its entire people. To this end we will ensure that a world class event is staged and that South Africans and the rest of the African continent showcase itself to the rest of the world. That the legacy after the event is over will meet the broad social, environmental and economic goals of the country. It is accepted that the event will take place having due regard to FIFA and LOC rules and guidelines.

Nedlac social partners noted that the World Cup provides an opportunity to absorb local people into employment; for this reason, the parties agreed to enter into a framework agreement which sets out commitments on a range of issues such as committing social partners to develop to the maximum, the skills of local people in the run up to the World Cup and during the event and to avoid easy resort to importing skills. In very specific cases, it may be necessary to use highly specialised skills that are not, and may not be able to be developed locally, but such instances should be rare.

Other aspects that are covered in the framework include;

Employment

The parties agreed that it is vital to maximise local employment opportunities in the period leading to, as well as during, the 2010 World Cup.

Street traders and similar activities must be given fair opportunity to benefit from the World Cup and fair standards for their workers in compliance with existing legislation and other FIFA agreements, and as set out in paragraph 6 below, should be observed by benefiting traders.

Local Procurement

The parties undertook that they will maximise the use of local companies employing local workers for services, goods and construction projects

Proudly South Africa Campaign (PSA)

It is recognised by all parties that the PSA campaign was born out of the Presidential Job Summit to encourage local procurement of goods and services and the employment of local workers.

Promotion of Labour Standards and Rights

The parties committed to promoting the rights of workers employed in projects, and by suppliers of goods and services, are fully respected and complied with. This includes freedom of association, rights to bargain collectively, fair wages including compliance with sectoral determinations where applicable, no use of child labour, no forced labour and safe and healthy working conditions.

Promotion of Cooperatives

Agreed that cooperatives must be given a fair opportunity to be able to secure contracts and/or supply services

Access to Matches

The LOC will take steps to ensure that tickets are priced at affordable levels and that a wide range of South Africans and citizens of other African countries have access to matches.

Social Policy

The parties agreed to encourage relevant authorities to respect basic human rights and to attempt to provide affordable housing and proper social protection the parties agree that attempts to 'clean the streets by forcibly removing the poor and disadvantaged people are not appropriate.' Agreed to encourage the relevant authorities to engage sensitively on any pending evictions (land,

housing or street livelihoods) and to ensure that proper consultations, social dialogue and negotiations with the affected communities takes place.

Special Project 6: National Framework Agreement On The Global Economic Crisis

The President of the Republic of South Africa convened a special Presidential Joint Economic Working Group (PJEWG) meeting on 04 December 2008 to discuss the implications of the Global economic crisis for South Africa. The PJEWG dealt with issues ranging from the analysis of the global economic crisis, the impact of the international environment on South Africa, examined various economic scenarios and posed a question on what was to be done.

It was agreed that a Presidential and Nedlac Task Team be set up to commence work on developing a response package for South Africa. The proposed package was to seek to respond to the global economic crisis that has, since September 2008, seriously impacted on growth and social cohesion in a number of countries and which has started to affect employment and growth prospects in SA.

Business and the Social Partners recognise that the global situation has deteriorated significantly and that South Africa is being negatively impacted by the crisis, but still very unclear how long it will last.

The following Task Teams have been established to give effect to this:

- Leadership Team
- Finance and Investment Task Team
- Social Interventions Task Team
- Employment Task Team
- Distressed Sectors Task Team



Key priority of the Task Teams

Leadership Team:

- Funding mechanisms, including proposal for a Jobs Fund and Integration of different mechanisms.
- Infrastructure funding including Development bond;
- High Level Engagement with the CEOs in the financial sector
- Trade policy tools, with specific reference to the issue of applied and bound rates;
- Local procurement
- Consideration of what can be done to avoid early or unnecessary resort to retrenchment;
- To deal with broader issues in the Framework such as;
- Macro-economic issues, including;
- Monetary Policy;
- Addressing the Balance of payments constraints;
- Global coordination: G20, IMF, WB, WTO, ILO;

Members of the Leadership Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
L Kettledas	B Godsell	B Ntshalintshali	L Nare
A Hirsch	B Molefe	M Samela	C Caine
J Nhlapo-Hlophe	J Vilakazi	D George	S Mapaila
	R Parsons	F Baleni	
	A Lamprecht	I Jim	
		J Mahlangu	

Finance and Investment Task Team

Key priority areas of the Finance and Investment Task Team

- How to ensure that at least R787 billion is raised for the public investment programme and spent in projects with the largest social, employment and economic return;
- Develop Proposals to fast-track the public investment programme;
- Define the Role of DFIs in public investment programmes;
- Identifying additional sources of funding;
- Identify Priorities, financing and capacity constraints;
- Engage the financial sector on the flow of credit

Members of the Finance and Investment Task Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
K Naidoo	C Coovadia	D George	L Nare
A Kariem	M Spicer	J Mahlangu	C Caine
T Chipfupa	R Baxter	I Ramputa	A Madella
J Maia		M Kepadisa	D Mthlani
E Ritchken		E Watkinson	T Mabuza
J Mahlangu		B Mngxekeza	Z Matsela
U Khumalo			
M Mashibye			
S Molapo			

Social Interventions Task Team

Key priority areas of the Social Policy Task Team

- Emergency Food Relief Programme;
- Food for All programme;
- Cost-drivers in the food chain;
- Competition measures to address food prices;
- Investigate Community-based food production on a mass scale;

- Fast-tracking spending on Fund for Social Relief of Distress;
- Social transfers, the child grant and old age pensions;
- Role of cooperatives, support measures, funding and regulation;

Members of the Social Interventions Task Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
S Mohlabi	J Pienaar	M Samela	C Caine
A Swart	E Masilela	J Mosia	Z Matsela
M Sathekge	J Pienaar	K Masemola	T Hufke
J Molefi	E Strydom	C Gina	T Mabuza
D Khumalo		S Gumede	D Moreotsenye
S Ndimande			
K Fick			
Z Dangor			

Employment Task Team

Key priority areas of the Social Policy Task Team

- Develop Proposals to avoid early or unnecessary resort to retrenchments;
- Address Public sector related issues in the Framework ;

- Expanded Public Works Programme;
- Training layoffs;
- SETAs;
- Labour broking and outsourcing;
- Social plans;
- Unemployment Insurance Fund; (UIF)

Members of the Employment Task Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
I Macun	M Mdwaba	B Ntshalintshali	C Caine
J Nhlapo-Hlophe	F Barker	A Kriel	E Paulus
M Fatyela	D Carson	B Mngxekeza	L Kganyago
Z Mabaso	T Cohen	G Strauss	T Mabuza
D Khumalo		M Mbongwe	T Tshafuta
N Makgetla		M Lepaku	J Siwani
		S Majola	
		S Moshoeshoe	
		J Van Niekerk	
		L Grobler	



Distressed Sectors Task Team

Key priority areas of the Distressed Sectors Task Team

- Sustainable local procurement;
- Fast-response mechanisms for companies in distress;

- Sectors in distress and strategic responses to them;
- Sectoral coordination;
- Electricity pricing/rationing and its Impact;

Status: Process to develop action plans underway

Members of the Distressed Sectors Task Team

GOVERNMENT	BUSINESS	LABOUR	COMMUNITY
N Makgetla	L Lotter	E Vlok	K Cloete
N Zalk	T Mazwai	F Baleni	C Moni
T Nell	M Lawrence	I Jim	T Mabuza
A Swart		W Van Heerden	L Kganyago
M Ratshivhanda			A Madella
E Ritchken			C Caine