

Executive Director's Report

The past year has been an exciting if somewhat disorientating year for Nedlac. After 5 years in a rented floor in a high-rise building in Auckland Park, Nedlac finally moved into its own premises in Rosebank. This move is symbolic of the commitment to social dialogue of all the Nedlac constituencies. The institution must thank the government for the funding that made this move possible, particularly the Minister of Labour, the Hon. Membathisi Mdladlana, MP. However, while Nedlac may have a secure home, there are still challenges that face the constituencies and the secretariat.



Phillip Dexter -
Executive Director

The South African economy, as the report reveals, continues to suffer all the challenges of a developing economy while also displaying many features of a mature or developed economy. There are pockets of excellence and improvement, yet also worrying trends. Exports have improved, productivity is up and investment is positive. At the same time unemployment remains too high and decent work seems to be an elusive goal. Our growth rate is still not what all the constituencies agree it should be and as a result dealing with the considerable challenges appears to be the labour of Sisyphus, never ending and without visible progress. Volatility continues to be a strong feature exhibited in the economy, mainly caused by global trends. That means as a country we are not swimming fast, but at least not drowning.

The picture in terms of social delivery is not so bleak. While there are still backlogs, steady progress is being made in terms of health, housing, water and welfare delivery. These improvements may still only be keeping the wolves away from the doors for many, but that is no small achievement in the current climate. Areas where there is a clear need for focus and improvement are in terms of education outcomes, skills development implementation and in terms of significant roll out of anti-poverty measures.

Nedlac activities increased significantly in the year under review. This has meant that the secretariat has had to manage the Nedlac budget well, in order to keep over-spending to only 5% of its total budget. The high staff turnover in the institution has created weaknesses and stresses for the staff in the institution. At the same time the secretariat has managed to ensure a strategic focus by the constituencies and a steady progress towards the vision set out in the declaration of the year 2000.

Agreements achieved this year include the Labour Law Amendments and the draft regulations on Water Services Provider Contracts.

Looking ahead there are many exciting issues and opportunities on the horizon for social dialogue. Nedlac was central to the preparation for the World Summit on Sustainable Development. The Civil Society Summit, an important summit on the Transformation of the Financial Sector and Nedlac's own Annual Summit all promise to deliver significant agreements between the constituencies that will continue to add momentum for creating a climate for growth and development in our country. The

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increased interest in Nedlac internationally and international social dialogue present challenges as well as opportunities for the constituencies. In terms of the focus on Africa and the NEPAD, this will be a crucial test for social dialogue in that constituencies must ensure its success.

Nedlac's resources will continue to be stretched this year due to the unprecedented increase in activity. In future, more strategic budgeting and reserves will have to be ensured so that the institution can remain flexible and meet the demands of the constituencies and the people of the country. Consideration will have to be given to how quality staff are recruited, trained and retained to ensure that the level of service provided to the constituencies becomes what the secretariat has committed itself to, a world-class secretariat service.

The graph below shows the output of the secretariat measured in terms of meetings held. During the period under review, there were 192 meetings across all the structures of Nedlac. On a staff of 15 people and a budget of R7 million, this represents a significant amount of work.

NUMBER OF MEETINGS HELD: APRIL 2001-MARCH 2002

