

South African Deputy Minister of Foreign Affairs, Ms Sue van der Merwe, on the occasion of the Growth and Development Summit of the Central Karoo District Municipality, Beaufort West

9 March 2007

Premier Ebrahim Rasool Mayor of the District, Mr J van der Linde Distinguished mayors from the district Speakers from various municipalities Mayoral committee members All councillors present Municipal managers and directors Government heads and officials Political, religious and community leaders Ward committee members Distinguished guests Ladies and gentlemen

It is my singular honour to address this Growth and Development Summit.

As the Department of Foreign Affairs, we believe that our foreign policy is premised on our domestic policy. We also believe the expression "think globally, act locally" which is what this gathering is about today.

I believe that part of our task as the citizens of a new country must be to create a new vision for our towns and cities in which all people feel they belong, in which they can live and raise their families with confidence and pride and without the fear and the alienation that was commonplace in apartheid South Africa.

The key to building this new kind of town is to mobilise people, to pool ideas and insights, to harness creativity so that together, people and government fashion a different and better future for themselves and their children.

This meeting will help us to work together and to build on the foundation that has been laid in order to reach a common goal of a creative and sustainable district with an enterprising economy and a dynamic community.

Thirteen years into our new democracy, we have made great progress but we are still learning how best to articulate our collective hopes and dreams and how best to act in such a manner that we do indeed expedite delivery and meet the needs of our people.

On the occasion of the launch of the National Growth and Development Summit on 7 June 2003, President Thabo Mbeki argued that:

"In crafting the Bill of Rights, the founders of our democracy knew too

well that political rights without a socio-economic foundation would be unsustainable. They knew that a political settlement without an enduring contract among the economic role players for growth and development would in time collapse on the foundation of sand."

"The Growth and Development Summit should therefore not be seen as an isolated event. It is a major step forward in a protracted process that should in time culminate in a people's contract for growth and development."

During the national summit all partners committed to continue to build enduring partnerships that address urgent challenges. The agreements reached committed partners to:

- * work for more jobs, better jobs and decent jobs for all
- * work towards addressing the investment challenge
- * advancing equity, developing skills, creating opportunities for all and extending services
- * engage in local action and implementation for development.

This gathering is, therefore, another step towards fulfilling these commitments towards a better life for all.

Democracy is not confined to periodic elections. It is rather an active process enabling everyone to contribute to reconstruction and development.

I am encouraged by the progress you as a district have made in building partnerships with all relevant role players present here today who form part of this community.

Ladies and gentlemen,

You will recall that on the eve of the first democratic election in 1994, the new government in waiting committed itself to a new style of governance. We shared the view that "government administration must exist to serve the people." It must be answerable to them. We also committed ourselves to convening forums such as this one, wherein people representing government and workers, business, education and other groups would be strengthened to help in policy formulation. We committed to do this in recognition that the creation of a better life for all can only come about when the citizenry, acting in partnership with their elected representative chart a common vision towards this ideal. This is our notion of a government that exists to serve the people.

We recognised that to deliver on these promises we would require a

programme that is achievable, sustainable and meets the objectives of an improved standard of living and quality of life for all South Africans within a peaceful and stable society. We further recognised that as government we do not have all the answers and would need to work with all formations from civil society to make the vision of a better South Africa a reality.

The Reconstruction and Development Programme (RDP) was designed to be such a programme. The RDP provided and continues to provide the framework within which important choices can be made. Even more importantly, it will involve both government and the people in further identifying needs and the obstacles to satisfying those needs and will involve jointly implementing realistic strategies to overcome these obstacles. The RDP is an expression of confidence in the wisdom, organisational abilities and determination of our people.

I think we should remind ourselves that the RDP rested on six principles and five programme areas which more than a decade into our democracy remain very relevant, particularly for the process that we are going to be engaged with today.

These principles include integrated and sustainable programmes, people driven development processes, peace and security for all, nation building, reconstruction and development and the democratisation of South Africa. These principles are in turn supported by five programme areas; those of basic needs, developing our human resources, building the economy, democratising the State and society and implementing the RDP. These programme areas form the foundation of our political freedom and seek to give real expression to this political victory by quantitatively and qualitatively improving the lives of all South Africans, particularly the poor.

As the sphere that is closest to the people, municipalities are at the coalface of delivery and are responsible for ensuring that national government delivers on its promise of a better life for all. Theirs is, therefore, a developmental mandate. The mandate given to municipalities is far reaching and progressive, emphasising people participation and focusing on the objectives of the developmental state. At the same time it is a highly demanding mandate given the size of the task and finite resources.

Also there is added pressure on local government to deal with a huge backlog of services created by apartheid, while at the same time ensuring that the services rendered are sustainable and improve the quality of lives of the people.

It is for this reason that we decided on the process of Growth and Development Summits to bring together all partners to address urgent challenges in a systematic manner.

Across the country municipalities are struggling with massive underdevelopment and face the high expectations of millions of our people. Consequently, many of them struggle to provide services to all their citizens. Some of this is owing to a genuine lack of resources and in other cases because they are simply unable to manage the service effectively.

From the teething years of our democracy in which we sought to transform the State machinery to improve the efficiency and quality of service delivery of government in general to local government in particular, we moved into a consolidation phase. This phase was basically about the establishment of core developmental systems of municipalities as well as extending and accelerating service delivery.

In August 2005, I accompanied Deputy President Mlambo-Ngcuka in my capacity as the Nodal Champion to this area for a Project Consolidate Municipal Imbizo which was held in Beaufort West. That visit provided a good platform for a free flow of ideas between the elected representatives, the municipal and district officials, the Community Development Workers, ward committee members and the people of the Central Karoo District. During that meeting the following key issues were raised:

- * the delivery of basic services was highly successful with small pockets still outstanding for the delivery of basic services
- * there was an acute shortage of work opportunities with an estimated 70% of the population of the district receiving social grants
- * there was no local economic development (LED) strategy
- * the ward committees were not properly established.

I believe that to a large extent you have turned the corner in terms of responding to some of these challenges. During my return visit in November 2005, some encouraging progress was reported, particularly around financial management systems and the provision of basic services including sanitation, water and electricity. Yet, there were still some challenges around the areas of compliance with the Municipal Public Finance Management Act (MPFMA) as well as the unacceptably high levels of unemployment. There was still no LED strategy in place.

I am pleased to note though that since then there has been further progress with key strategies, plans and projects being collectively

identified by stakeholders to address challenges. The new LED approved in March 2006, identified these challenges that require intervention:

* improvement of the relationship with the private sector * human resource development (HRD) * small, medium and micro enterprise (SMME) development * sector development * business development * poverty alleviation * black economic empowerment (BEE).

I think you have correctly identified what your challenges and constraints are and this presents a good point from which to move to address them.

I will just share some of the thinking at national government level and initiatives taken to deal with the critical challenges that face the country.

The challenges you have identified closely mirror those that we have identified at the national level through the Accelerated and Shared Growth Initiative for South Africa (AsgiSA). They also, encouragingly, reflect an awareness of prevailing local conditions and urgent sense to consolidate our political freedom through growing the economy and sharing in the benefits that accrue from such growth. In this regard, there is indeed a great need for closer collaboration between not only all three spheres of government but also with our social and economic partners.

As you are by now aware, observers both within government and beyond agree that our economy is growing faster than it has at any time in our history. According to Minister Manuel, "In line with this faster growth, very importantly, we have seen the pace of job creation accelerate significantly in the past three years. Even though our unemployment rate at 25,6% is unacceptably high, the steady reduction that we have seen since 2004 is encouraging."

While the economy is visibly growing we also still face the dilemma of two societies in one country, the haves and the have-nots; what we call the first and second economies. What AsgiSA seeks to do is share this growth that we are currently experiencing nationally by responding to infrastructure constraints, creating a stable macro-economic environment, implementing sector strategies, overcoming skills shortages and eliminating the second economy. What we call the second economy is characterised by amongst others:

* poor or no service delivery * chronic underdevelopment * poor or no skills * disconnected from the mainstream and global economy.

These characteristics find strong resonance with your own situation here

in Central Karoo. There are therefore strong incentives for close collaboration between the national, provincial and local spheres of government.

In responding to the second economy challenges, government has budgeted over the next three years R400 billion for public infrastructure. This includes air, rail, roads, pipelines, energy, information and communication technology (ICT) and social infrastructure. To date we have scoped 900 projects.

Also we have identified and agreed upon key priority growth sectors to focus our efforts. These include business process outsourcing (call centres), biofuels, construction and infrastructure and tourism. Further work is being done on capital goods, chemicals, creative industries and forestry.

To implement these initiatives, we of course need the requisite skills. To eradicate poverty and break the cycle of inter-generational poverty we need good public education from early childhood development to tertiary curriculum relevance. In this regard we have established the Joint Initiative for Priority Skills Acquisition (JIPSA), which is capably led by the Deputy President. It is aimed at acquiring skills that we require in the period from now to 2014 so as to ensure that we increase growth rates in a sustainable manner and attain our long-term vision to eradicate the second economy.

It is, therefore, encouraging to note that there are initiatives in district to deal with the issues of accessibility to education. We must remain aware that this access must not be a substitute to curriculum relevance or reading the right subjects to ensure that we produce the skills that our economy requires in order to increase our growth rates, and get more people to work.

Progress has also been made in building the trust of the people, in working together and breaking the cycle of dependency. We must remember that development is not about the delivery of goods to a passive citizenry. It is about active involvement and growing empowerment. Therefore, this Growth and Development Summit must be about honest reflection on our challenges with the view to build real partnerships for development.

Also remember that we as government can only go so far in creating a conducive environment for development but the actual implementation will only happen once we harness all the creative energies that are to be found in society, including amongst others organised labour, women's

formations, small and big business. I am sure you will agree with me that as South Africans we could be characterised as ordinary people who can do extraordinary things. We are a people able to adapt to circumstances, to rise to challenges, best exemplified in the pride we have shown in our country by ensuring an orderly, negotiated transition from apartheid to democracy.

While the local conditions will still to a large extent determine the focus of the district's developmental path, we must always remember that it remains a part of South Africa and must contribute to the overall objective of contributing to nation building.

We must not perpetuate the separation of our society into a "first economy" and a "second economy," another disguised way of preserving apartheid. We must not confine growth strategies to the first economy while doing patchwork and piecemeal development in the second economy waiting for trickle down development. After all, I am certain that we all concur with the sentiments expressed by Minister Manuel during his budget vote speech that "all human life is equal."

We must, therefore, to the extent that we can, always strive to build synergies between the national, provincial and local spheres of government. Without pre-empting the outcome of your discussions, I would also like to reflect on three high impact areas that we can work on to ensure that all the good ideas that are contained in the district's LED, Integrated Development Plan (IDP) and vision become a reality.

The first relates to the growing of the economy in the district. I believe you have already correctly identified your potential growth sectors which you now need to cascade to the level of implementation. Your Vision 2010 identifies agriculture, tourism, transport and trade as the main contributors to the economy with community service also playing a role. Throughout the country, 2010 as the miracle date has become the buzzword for all socio-economic activities, with good reason too! Year 2010 promises benefits in the development of public transport infrastructure, social cohesion and exemplifying African excellence.

But I must caution that 2010 should not be the sole determining factor of our struggle for development, but should be seen as the great opportunity it is to serve as leverage towards growing the economy from that date on and beyond. Long after the soccer tournament has gone, we should be able to live with the legacy and the benefits it left behind.

In this regard there is a huge gap in the tourism industry that should be exploited. The area also has extraordinary fossil wealth within the Karoo

National Park and this can be leveraged as part of a tourism strategy.

If you are to maximise on Vision 2010, transport infrastructure is also going to play an important role. This will address the challenge of low export opportunities for the district and start encouraging investment opportunities with 2010 as the target date but from which the community can benefit beyond. The development of air, rail and road infrastructure has the potential to unlock massive opportunities as well as integrating the people and economy of the region with other parts of the country through increased mobility. The increased capacity for air, road and rail freight will go a long way in dealing with the challenge of the cost of doing business in South Africa in general which has hampered many investment opportunities.

If we are to accelerate and share in the growth rates that the country is currently experiencing, we need to take advantage of increasing the potential of growth sectors such as agriculture. Marketing of products unique to the area such as the renowned "Karoo lamb" is another area of urgent work. I am, therefore, encouraged to note that you are already thinking along these lines.

I would also like to encourage all the partners to work together to seek ways of diversifying the economy of the district by finding niche products and markets to ensure the long term sustainability of the economy. Competitive and niche market products, together with good transport infrastructure will start to unlock the export opportunities that exist.

The second and related area is that of unemployment, which has been raised with me every time I have visited the district. Of course this remains a serious challenge not only in the Central Karoo but nationally. At the national level, we are experimenting with a number of initiatives including the National Youth Service (NYS) under the banner "Proud to Serve." This initiative is being spearheaded by the Deputy President and already stands at 10 000 going for 20 000 youth. It is aimed at building a culture of service and patriotism, developing life skills and employability, socio-economic transition to adulthood and social cohesion and civic awareness. It normally takes the form of learnerships and has thus far been widely implemented in government. Learners are normally provided with a minimal stipend, which while not enough, is at least a start. We need to encourage the private sector to support this national initiative.

Perhaps there is an opportunity for you to tap into this national initiative and align it to your own community service, which seems to work along the same principles.

At the same time we also need to develop a culture of entrepreneurship wherein people can create their own employment opportunities.

The final issue pertains to finding synergies in the activities undertaken by the different spheres of government. To achieve this would obviously require increased interaction and communications between us. This is the reason for which the National Political Champions programme was established. It was established with the view to the champions supporting the nodes in addressing backlogs in service delivery and intervening according to nodal needs.

In conclusion, this is a part of our country that is breath taking and attracts the attention of the world's scientists, botanists, astronomers, archaeologists, geologists, palaeontologists and ecologists. The landscape itself should inspire us to greater heights, the closeness to nature and the clues it holds about the origins and early life of humanity and of animal and plant life should invigorate all. For as we are part of the world, the history of the world is right here with us.

As the eminent poet and academic, Professor Henning Pieterse tells us in his collection, "Die burg van hertog Bloubaard," 'we are the children of the lion, the eagle and the fish.'

"In die leegheid van die lug rol die son en die maan. Hulle bane merk die verandering van tyd. Blou lug, ek wens jou verspoed toe, Want ek vertrek na vier Kontinente.

Mag ons mekaar gou weer ontmoet. Op die bergpiek is 'n groot rots
Waarom die aasvoel sirkel.

Die ontmoeting en vertrek merk verandering van tyd. Rots, wees voorspoedig en gesond, Want ek sal wegvlieg na onbekende ruimtes.

Mag ons mekaar gou weer ontmoet."

I wish you well in your deliberations.

I thank you!

Issued by: Department of Foreign Affairs 9 March 2007