

Structural issues have not changed since 1994, says Cronin

Roy Cokayne

EXTRAORDINARY high levels of monopoly concentration in South Africa, which undercuts small, medium and micro enterprise development and industrialisation, was one of several deep seated structural issues that still had not changed since the country's first democratic elections in 1994.

Deputy Public Works Minister Jeremy Cronin yesterday said that collusion in the construction sector in the run-up to the 2010 Fifa World Cup had been happening before the event and had extended beyond the industry.

Cronin attributed this to many market sectors in South Africa, including construction, financial and retail, being dominated by big players.

He stressed the importance of linking transformation in the built environment with wider transformation in the country at a Council for the Built Environment (CBE) transformation indaba in Pretoria.

Cronin said the infrastructure sector was critically important to the country, which was a lesson learnt from the 2010 World Cup.

He said South Africa showed as a country that it was able to meet very tight, almost impossible deadlines, and managed to harness the country's public and private sector resources and work together.

Cronin said there were also regulatory lessons learnt because there was collusion in

the process that was fostered by the desperation the public sector had to meet the deadlines while a number of "white elephants" were built, such as stadiums.

Another lesson was that the construction market could not be left to follow market trends and leadership was required to ensure that there was a sustained pipeline or it resulted in "all kinds of calamitous implications for jobs", he said.

Cronin added that without effective planning, the construction and infrastructure pipeline was lumpy in character and there were other pipeline issues, such as material shortages.

He said South Africa remained semi peripheral to the world economy despite the high level of technical, financial and corporate sophistication, with limited ability to sustain growth and build a local and regional economy.

Cronin agreed that the CBE needed a seventh professional council, for town and regional planning, because of the need to transform the spatial economy in South Africa.

He said the average public transport commuter in London travelled about 8km and both rich and poor used public transport, while in South Africa the average trip distance was 26km and public transport was used by the poor.

"It means our public transport systems are unaffordable and impacts on working people coming in these long distances for hours and hours in lousy and unsafe systems."