

Speech by Minister of Public Ms Stella Sigcau MP to the Cape Town business community on the occasion of up scaling the EPWP in the Western Cape on 28 September 2005.

Honourable Minister of Transport and Public Works Mr. Marius Fransman

Honourable Members of the Western Cape Provincial Legislature

Members of the business community of the Western Cape

Members of the Media

Ladies and Gentlemen

I will start this evening's remarks on a lighter note.

In 1994 former president Nelson Mandela gave me and my colleagues the great honour and privilege of serving in the first democratic government of this country.

In this regard between 1994 and 1999 I served as Minister of Public Enterprises, an honour which was extended by president Thabo Mbeki when he asked me to serve in his cabinet as Minister of Public Works from 1999 to date.

I have no doubt that in all those years as Minister, I have served this country with diligence and dedication and I have looked forward to each unfolding day as a challenge to meet and a mountain to conquer.

For this I have been praised in the media.

But the same media has also told me other things. The media has dropped me so many times (from Cabinet) that if I were a child I would have long been taken away from my parents by now, and my parents would be facing serious charges of child abuse. Being dropped so frequently is tantamount to child abuse.

But then, on a more serious note, another day dawns because our focus is on the job at hand, which is to qualitatively improve the lives of millions of our people, who by no fault of their own find they have to depend on us to create the conditions for a better life for all.

That better life for all is a life without want and wanton disregard for the lives of others. A better life for all has at its centre the celebration of human achievement without glossing over our collective failure and challenges. A better life means tomorrow is a better world than today, because yesterday is a darkness we do not want to return to.

Over the past 11 years we have built a South Africa which has become the toast of the world. A new world has arisen from the ashes of our fast disappearing past.

This is partly thanks to the efforts of our mature politicians from across the spectrum, who together with the masses of our people, continue to baffle the world because we now know that our differences are not irreconcilable.

Ladies and Gentlemen, our history shows us that this country cannot be built by politicians alone. In this regard it is a fallacy to think that business can remain on the sidelines, pretending that it is business as usual in a country of great inequality such as ours. Indeed all reliable studies indicate that it is in the long term interest of business to the best of their ability support programmes of social transformation.

Here in our continent that argument is not better confirmed than in our collective history which shows why business cannot do its business in a sea of political turbulence. For this reason our President Thabo Mbeki, believing that South Africa cannot be a sea of prosperity in an island of instability, is leading peace efforts in countries north of our borders.

I must say that I am very happy I am preaching to the converted. This is because we have already established our private/partnership model in our economy which is what now defines the essence of our relationship.

We estimate that in order to halve unemployment by 2014, we would as a country need to create more than 500 000 jobs per year. We have already identified lack of skill as a key determinant of inequality and the main driver behind the phenomenon of two economies, the First and the Second Economy.

At the First Economy level one of our many challenges is that even as our economy grows, we do not have the right people to take up the positions. A percentage of this is attributed to the migration of skills in technical areas like engineering but also the aging factor in sectors like construction. What this means is that we are also not reproducing our current skills base in areas which are critical for economic growth.

At the Second Economy level joblessness is due to inadequate training and skill including entrepreneurship. This means that a large part of the population is left outside meaningful economic activity. So even in times of prosperity we have been prone to the phenomenon of economic growth which largely passes the majority by. This is because without sustainable jobs they can only play at the periphery of our economy.

One clear illustration of this is that the property boom over the past 5 to 10 years has largely left black people outside. For many, what could easily be regarded as

this country's "second miracle" remains a bad rumour. They are incapable of attesting to the veracity of the property boom simply because they are in the main bystanders who are cheering the parade as it goes by. I have challenged the Property Sector Charter to address this by looking at the accelerated entry of women and black people into this sector through equity but also through human resource development. It is in our interest that the Second Economy gradually dissipates and its core is absorbed into the First Economy.

For our part, the Expanded Public Works Programme involves reorienting line function budgets and conditional grants so that government expenditure results in more work opportunities, particularly for unskilled labour. This we hope will be one of the solutions to the above challenge.

We are pleased to report that in its first year the EPWP has created more than 174 000 work opportunities and we are on course to create 1 million jobs over five years. But the President has challenged us to upscale the EPWP.

One of the implications of upscaling is that the targets we have set ourselves might need to increase. We are looking at averaging 200 000 jobs annually over the next five years. This might have to increase.

The upscaling process will also have to look at the quality of jobs we are creating. In this regard we accept that the private sector holds the skills which government does not have which are necessary this process forward. This means that we will have to work together more on the exit strategy side of the EPWP. Perhaps we might have to start looking at what the specific requirements of the private sector are and train to those needs. In this way the overall quality of training will improve and will be that more of our people gain appropriate skill which they can deploy in parts of the economy.

In conclusion, this government has pledged to build a staircase between the First and Second Economies. This government has pledged to create a better South Africa for all who live in it, black and white.

Seen from the point of view of one organization, the challenges of unemployment and poverty outlined above might look enormous. From the side of government alone, the responsibility to halve unemployment by 2014 may indeed seem daunting. Yet when we tackle this together, the burden will become lighter to all of us.

My plea to you (this evening) is that you must deploy your own skills and resources to come up with your own solutions to what is a common problem - unemployment.

As we upscale the EPWP, we will require more, not less of your support and I have no doubt you will come to the party.

Thank You.

End.