

**Minister of Public Works, Ms Thoko Didiza, delivers the Host Welcome Address to the 12<sup>th</sup> Regional Seminar on Labour Intensive Practices**

**Venue: Durban International Convention Centre**

**Date: Monday 08 September 2007**

- Programme Director,
- Premier of KZN, Sibusiso Ndebele and leaders of the Province
- Minister of Labour, Membathisi Madladlana
- Regional Director of the International Labour Organisation, Regina Amadi-Njoku, and representatives of the ILO
- Ministers of Public Works from Southern Africa
- Public Works MECs from South Africa
- Executive Mayors and Councillors present
- Activists from around the world for job creation and poverty alleviation
- Distinguished delegates and guests

### **1. Introduction**

It gives me great pleasure to welcome you today at this august and exciting regional seminar. This 12<sup>th</sup> Regional Seminar on Labour Intensive Practices is a particularly important conference since it draws together specialists, researchers and practitioners from a wide range of disciplines. All of you are activists in the global fight against joblessness and poverty.

The International Labour Organisation (ILO) together with African governments, have provided an important lead in creating this regional focus on a key economic challenge facing our continent and our global village – the inability of millions to access work. Indeed, South Africa's Expanded Public Works Programme (EPWP), in its

design and implementation, incorporates the fruit of international experience refined over more than a decade of collaboration punctuated by these seminars.

Accordingly, the organisation of this 12<sup>th</sup> Seminar in the host province of KwaZulu-Natal is fully supported by the South African government, including the Department of Labour and the national and provincial Departments of Public Works. It is an expression of our government's commitment to global change and a better life for the people of our country and our continent. Indeed, this commitment lies at the heart of the value system championed by our government.

It is our belief, also that this 12<sup>th</sup> Seminar will enable us to scale up our own labour-intensive programmes in the infrastructure, social and economic sectors. It must also enable us to expand regional partnerships for infrastructure development, job creation and the development of our human capital.

It is in this context that we extend a particularly warm welcome to the southern African Ministers of Public Works, who have joined the seminar to explore closer cooperation.

## **2. Global context and the African Continent**

There are of course many priority issues on the agenda of the developing world. Few of them however assume the same urgency as the issues of infrastructure deficiencies, backlogs and disparities.

The legacy of uneven development and under-development in Africa and elsewhere in post-colonial societies is well known. It continues to inhibit our capacity to deliver infrastructure that supports employment and the full participation of developing societies in global economic endeavour. This is certainly true of our own experience in South Africa.

Africa has certainly taken a giant step on its unique path of renaissance to a better and sustainable future. *NEPAD, the New Partnership for Africa's Development*, is a *pledge* by African leaders, based on a common vision and a firm and shared conviction.

Conceived and developed by African leaders, NEPAD constitutes an integrated plan to promote accelerated growth and sustainable development, to eradicate widespread and severe poverty, to halt the marginalization of Africa in the globalisation process, and to accelerate the empowerment of women.

It is abundantly clear that the vision for Africa's renewal will be jointly led by the development of physical infrastructure, jobs and human capital. Speaking at the Extraordinary Summit of the African Union (AU) on Employment and Poverty Alleviation, the then Head of the African Union and Nigeria's former President, Olusegun Obasanjo said that "*to accelerate growth and employment on our continent we must increase the investment infrastructure*".

Indeed in May 2002, a NePAD Short-term Action Plan for Infrastructure (STAP) was put forward as a preliminary response to the need for regional integration to achieve economies of scale and to reduce Africa's economic marginalisation. There can be no meaningful development without trade – and there can be no trade without adequate and reliable infrastructure.

The short term programme is to be complemented by a more comprehensive Medium- to Long-Term Strategic Framework (MLTSF), which is currently in development. The Framework will guide the continuous and consistent development of regional infrastructure in Africa.

The Framework will:

- Propose long-to-medium term strategic goals to guide the development of NEPAD infrastructure programmes;
- Define processes and criteria for selection and prioritisation of projects and programmes under the NEPAD initiative;
- Develop and institute a monitoring framework;
- Develop a framework for cross-fertilisation and dissemination of good practices.

As part of this 12<sup>th</sup> Regional Seminar, we will hold a Ministers' Round Table Discussion to explore how we can collectively help to shape NEPAD's delivery of Infrastructure, infusing into it the principles of labour intensive construction, skills development and the appropriate

use of targeted procurement to achieve positive social and economic outcomes that create a base for expanding regional development.

Ladies and gentlemen,

In this context, the Ministers' Round Table Discussion may also explore the potential to establish a Regional Infrastructure Forum that supports the ongoing sharing of best practice and a common agenda for the development of the regional construction economy. The Forum could support a range of integration objectives underpinning the NEPAD agenda.

Such objectives could include common procurement and delivery management standards; procurement targeting strategies that support regional and local development; common minimum standards for employment; access to construction related skills in the region and regional cooperation agreements between professional institutions.

Recognising the immense challenge of maintaining the physical infrastructure of our region, we could also share experience and best practice in this regard. In South Africa, we estimate the need to invest over R120 billion ( \$1.8 billion) per annum – in maintenance alone.

Speaking at the 62<sup>nd</sup> Session of the UN General Assembly on the 25<sup>th</sup> of September our President, Thabo Mbeki, again highlighted the dire challenges facing developing countries in their quest to achieve the Millennium Development Goals. I quote:

*“Many developing countries, especially those from my own continent, do not have the material base from which to address and attain the MDG’s on their own. Accordingly, there is an urgent need for massive resource transfers through development assistance, investment, trade, technology transfers and human resource development.....”*

In relation to infrastructure delivery and maintenance we need to ask the question whether we can develop a collective regional approach in defining and promoting a set of principles to guide international development assistance so that it truly supports regional industry capacity, job creation and development. Our own experience with the ILO is certainly a fine example of cooperative assistance. Not only has the ILO supported us in the design and development of our labour intensive programmes, it continues to walk with us and support our journey of implementation.

However, there are many who are swayed by negative perceptions that, given the advances of modern technology, labour intensive methods are inferior in terms of time, cost and quality. In South Africa, we have been determined to prove the opposite. We have deliberately chosen a hard road of learning in order to infuse the principles of labour intensity and poverty alleviation into the delivery of social and economic assets. Our determination is based on the recognition that our people are our best assets - and labour-based methods enable us to train and develop our people for the modern world.

### **3. South Africa and the EPWP**

Ladies and gentlemen,

In South Africa, the inherited backlog of uneven development coincides with the need for new levels of infrastructure investment to deliver South Africa's *Accelerated and Shared Growth Initiative* (ASGISA). ASGISA aims to achieve an economic growth rate of 6% and to halve poverty and unemployment by 2014 in line with our commitment to the UN *Millennium Development Goals*.

Our government is therefore determined to increase public sector capital budgets at an unprecedented rate of 10 – 15% per annum and to raise Gross Domestic Fixed Investment (GDFI) from 15% to 25% of Gross Domestic Product (GDP). Accordingly, we are totally committed to ensuring the growth, development and transformation of our construction industry, and to increasing its inherent ability to create employment. We therefore have established institutions and programmes to drive these objectives.

At the same time, we are acutely aware that growth on its own does not guarantee full employment and improvement in the lives of ordinary people. Emerging from three centuries of colonialism and apartheid, we inherited two inter-linked economies that we characterise as the First and Second economies.

To quote our President, Thabo Mbeki: "*The two economies, one developed and globally connected and another localised and informal, display many features of a global system of apartheid.*"

*We have therefore endeavoured to strengthen the First economy and use it as a base to transfer resources to strengthen and modernise the Second economy and thus embark on a process to change the lives of those who subsist in this Second economy.”*

Critical in this national endeavour to bring a better life to millions of people in South Africa is the Expanded Public Works Programme (EPWP). Government’s commitment to this programme is underpinned by budget allocations that prescribe the objectives of labour intensity and skills development as central to the delivery of infrastructure, social and economic services. This year’s original EPWP budget of R15 billion to provinces and municipalities has since been increased by a further R3 billion allocated to the provinces for the labour intensive construction and maintenance of access roads.

Further responding to our President’s call to expand the scope and impact of the EPWP, both national and provincial departments of public works have this year launched the EPWP National Youth Service, underpinned by a vision to support the, employment, growth and development of our youth, as well as their ability to contribute to South Africa’s ongoing journey of transformation.

We continue to draw on the ongoing support of the Department of Labour, which plays a critical role in the EPWP by providing all the training in the programmes, either directly, or through the various Sector Education and Training Authorities that have been established in this country.



Our experience shows that skills development is a key component in the effective and efficient use of labour intensive technologies and that continued emphasis should be placed on training. With the support of the Construction Industry Development Board (CIDB), a series of practical manuals have been developed to support the design, implementation and training in labour intensive construction methods. I am pleased to note that these have gained considerable international use, enabling South Africa to contribute to job creation in many parts of the world.

Importantly, this conference enables us as South Africans to pause and consider the achievements of the EPWP and also to reflect on the challenges faced. These will be shared and discussed during the seminar and I am sure we will gain important insights from our international delegates on how we can address some of these challenges.

#### **4. Conference Highlights**

Ladies and gentlemen

Public works programmes are an important initiative in South Africa, but also around Africa and the world. They are geared at alleviating unemployment, and at creating a foothold in the economy for the marginalized, unskilled and unemployed. Some of the papers at the conference will highlight the global spread of public works programmes and how different countries are implementing them. I am pleased that a strong contingent of the South African EPWP staff will benefit from the creative experience of other delegates.

The conference will present and discuss a range of initiatives to raise our contribution to job creation and to free our people from the trap of poverty.

One noteworthy initiative is the ILO's development of an *Employment Impact Assessment* methodology that will assist decision makers to predict and increase the employment impact of infrastructure projects.

Another important conference focus is that of road maintenance, which has proved to be a highly effective way of combining the need for maintenance with providing dignity and income to the poor, particularly in rural areas. This has been demonstrated around the world and South Africa has its own example in the Zibambele programme which will be viewed during the conference site visits.

Our conference will also showcase efforts to move beyond infrastructure related activities to other labour intensive initiatives in areas as diverse as waste collection, home based care, land care and the protection of wetlands. These will be discussed and visited also.

We also look forward at this 12<sup>th</sup> Seminar to two exciting panel discussions that may assist us to elevate the global struggle against joblessness. One of these addresses the use of labour intensive methods on large scale projects. A pilot example exists in eThekweni, where a R500 million project will hopefully pave the way for an

increasing number of large projects to make their contribution to engaging the unemployed.

The second panel discussion will address efforts around the world to use public works programmes to guarantee income and work to the poor as has been demonstrated by the Indian Government. This panel discussion on Employment Guarantee Programmes, convened by the ILO, will help us to reflect on how our initiatives can be better designed to increase their impact.

## **5. Concluding remarks**

Ladies and gentlemen

This 12<sup>th</sup> Regional Seminar is about the right to work, the right to life and to human dignity. The Conference Theme “*Prioritising Employment Creation in Government Policies, Investments and Infrastructure Programmes*” aptly captures the call of millions of jobless people for intensified action.

Once again I would like to congratulate the organisers, particularly the ILO for providing a regional, and indeed, an international platform to take these objectives forward.

We welcome the attendance and international activism of our professional community. With us today are members of *Engineers Against Poverty* and *Economists For Full Employment*, whose commitment is part of the growing movement for global change.

Ladies and gentlemen

I welcome you all.

I am confident that the work of this conference will enrich our policies and enable us to intensify our efforts to create a better life for all our peoples.

I thank you.