

**ADDRESS BY THE MINISTER OF PUBLIC WORKS & INFRASTRUCTURE SIHLE ZIKALALA
DURING THE YOUTH ECONOMIC ASSEMBLY, CONSTITUTION HILL, 31 MARCH 2023**

Programme Director;

The Premier of Gauteng Province, Mr Panyaza Lesufi;

The Leadership of the City of Johannesburg;

The Leadership Collective of the Youth in Business South Africa (YIBSA);

Representatives of the NYDA;

All Youth Formations including the Progressive Youth Alliances;

Business Leaders and Social Partners;

Senior Government Officials;

Entrepreneurs in our midst;

Members of the Media;

Distinguished Guests;

Ladies and Gentlemen;

Greetings to one and all who are attending this conference.

What an innovative and refreshing idea to have a bespoke and unique conference specifically and deliberately aimed at empowering the youth and opening the doors of the economy.

It indeed is an honour for me to speak to you all today as key builders of our country's progress and future.

This is also an opportunity for us as the younger generation of leaders to exchange ideas and views on how we, together, can accelerate and forge ahead with the task at hand.

We pay tribute to the organisers, the Youth in Business South Africa (YIBSA) for reminding the youth of our country of their well-known agency and history of shaping their future.

As our country looks for answers for the challenges of the day, YIBSA reminds us that the youth of South Africa needs a hand-up, not hand-outs.

They remind us that small business is the backbone of developed economies, and that of many successful, developing economies.

In this regard, we share in your vision and motto captured in your motto: *"Accelerating the creation of more job makers and less job seekers."*

Your 2023 theme of **"Creating Pathways Towards Active Youth Economic Participation"** is appropriate and opportune.

As government, we stand ready to continue providing a helping hand to the youth of our country and we will continue to appeal to the private sector to play a bigger role to support youth entrepreneurship and small business so that indeed we can create a South Africa that belongs to all, black and white.

When many see problems, we look to you as entrepreneurs to point the way and provide innovative solutions.

As the governing party, we remain guided by the words of OR Tambo who cautioned us that, "*A country, a movement, a person that does not value its youth and children doesn't deserve its future.*"

As we gather here, we are all agreed that we have gone through a very tough time as a nation in the immediate past, especially in the last three years.

Our economy is struggling on many fronts and has been decimated by a combination of factors although the biggest culprits have been the Covid-19 pandemic and the massive diminished investment in manufacturing.

The challenges of climate change also pose a real challenge that demand nimble footwork on the part of countries as changing climate patterns call on wholesale changes on how we interact with our world.

The deluge of challenges that we are dealing with means that we do not have the luxury of mourning.

We have to pull ourselves by our bootstraps and fold our sleeves and go to work.

Our beloved country continues to be characterised by rampant poverty and where people continue to live in abject poverty and without employment, with the majority being the youth and women.

For a long time, South Africa was said to be second only to Brazil in terms of inequality and today we hear that we have become the most unequal society on earth.

Despite our challenges, it would be a fallacy to claim that the ANC-led government does not care of its youth. The evidence is there that in all spheres of government, we have programmes aimed at bringing the youth into the mainstream of the economy to alter the skewed racial patterns of ownership of the economy.

We can count from sunrise to sunset these many initiatives and in my previous role as MEC for Economic Development and Premier of KwaZulu-Natal, we could share these projects including the Youth Development Fund which we initiated established to support black SMMEs.

The province of Gauteng and many other provinces have innovative programmes to support youth in business to complement initiatives spearheaded by the national department of small business for instance.

Research coming from the Small Enterprise Development Agency (SEDA's) SMME Quarterly Update for the 3rd quarter of 2022 paints a picture that there were about 2.4 million SMMEs in South Africa at the time.

The report also reveals that informal SMMEs stood around 1.6 million or 68.3%, while formal SMMEs were at 28.2 %.

These SMMEs contribute about 68.5% of total jobs, below the NDP target of 90%.

The 2021 research indicates that the Gauteng Province constitutes 38,1 % of SMMEs in the country, and is followed by KwaZulu-Natal at 16.3 %.

We know too from the Global Entrepreneurship Monitor (GEM) report that South Africa's overall average score on entrepreneurship conditions improved from 3.63 in 2019 to 4.1 in 2022. Showing that South Africa moved up from the bottom 5 countries in 2019 and 2021 to be ranked 40th out of 51 countries in 2022.

No doubt, the 2022/2023 Global Entrepreneurship Monitor (GEM) Report shows that there is still more we need to do as a country to improve the regulatory environment for SMMEs.

Regulatory burdens for SMME development in our country include the cost of tax compliance which is said to increase the cost of doing business.

This government also remains committed to pay SMMEs on time and to improve the ease of doing business for them because without them, we will not reduce unemployment, inequality, and poverty.

Ladies and Gentlemen, there is no doubt that we need greater coordination of the government support programmes for small business so that they can have impact and reach many. It is for this reason that government is working tirelessly to improve all local development initiatives through the ONE-PLANS of District Development Model (DDM) and the support of District Development Agencies (DDAs) in all our districts.

We definitely need more champions for SMME development, and in this regard we salute the role of YIBSA which is advocating for the support of youth in business.

Compatriots, please allow me to focus on what the Department of Public Works and Infrastructure (DPWI) is doing to ameliorate this situation that we are faced with.

You probably all know that DPWI is responsible for the management and maintenance of state properties and to build these properties where they do not exist and are needed.

In doing this work, we use the expertise and labour of independent contractors via the tendering system. We have a deliberate strategy of favouring the designated groups in ensuring that they get a fair amount of tenders that we issue for construction of state infrastructure.

In pursuance of government's economic transformation agenda, the Department leverages on its procurement spend to maximize and advance participation of blacks, youth, women, and people living with disabilities in procurement opportunities. This is achieved by utilizing prequalification criteria for all quotations and tenders that are issued.

In the past eight months of this financial year 2022/2023, DPWI awarded tenders to the value of no less than R751 million to companies within the designated groups. The targeted procurement aims towards BBBEE spend of over 70%.

Current policy prescribes that women-owned businesses should benefit to the threshold of 15%, youth-owned businesses 8% , and people living with disabilities the threshold is 3%.

The Department has also implemented the mandatory subcontracting condition whereby a minimum of 30% of the value of contracts above R30 million is awarded to designated groups.

We as the leadership of the Department are challenging management of the Department to ensure that this level is met at all times for all contracts that the Department issues out.

Our only plea to communities is that they work with legitimate contractors at a local level to ensure that subcontractors that meet our threshold are given a fair chance to access this opportunity and benefit.

We discourage our people from being part of illegal construction mafias that forcibly eject legitimate contractors and demand undue and unlawful share for the work that they do not qualify for or able to do.

Our department implements the Start and Improve Your Business (SIYB) programme with a focus on starting and improving small businesses as a strategy for creating more and better employment for women and men, particularly in developing economies. This is a programme on SMME development that we carry with the support of the International Labour Organisation (ILO).

The SIYB programme is structured into four separate training packages. These are: Generate Your Business Idea (GYB), Start Your Business (SYB), Improve Your Business (IYB), and Expand Your Business (EYB) which are designed to respond to the progressive stages of business development.

Since inception, over 800 entrepreneurs have been supported in the Start and Improve Your Business packages resulting in business start-up and expansion of the existing businesses across different programmes.

We wish to assure you that we have made a clarion call to the department that we want to see the Expanded Public Works Programme (EPWP) improving to have a clear exit strategy for all participants - one of the outcomes we want to see is the establishment and support of small enterprises and cooperatives owned by the youth and women.

Since at least 1996, our department has been implementing the Emerging Contractor Development Programme. This initiative has benefitted a number of emerging contractors, thus enabling tendering for bigger projects which led to higher Construction Industry Development Board (CIDB) grading designations.

As you would know, the Expanded Public Works Programme (EPWP), is a flagship programme of government which contributes towards alleviation of unemployment and poverty through labour intensive opportunities in the construction sector.

Through EPWP, government is able to provide short to medium term work opportunities for the unemployed (unskilled unemployed). It also provides an opportunity for training and developing emerging contractors through the **Vuk'uphile Learnership Programme (VLP)**.

The VLP is a contractor development programme is a sub-programme of the EPWP Infrastructure Sector which focuses on development of emerging contractors, at CIDB grading levels 1 and 2, using labour intensive methods of construction in order to optimise creation of work opportunities. The review of the

programme in 2012 has since led to the development of the National Contractor Development Programme (NCDP).

Ladies and Gentlemen, our Department is also hard at work preparing young people and young professionals for the world of work in the built environment. The Department has a schools programme that caters for disadvantaged rural, peri-urban and township school learners, who are interested in the built environment professions. This schools programme starts at grade 10 right up to tertiary level and beyond.

In this regard, we can mention that the DPWI Bursary Scheme is targeted towards disadvantaged learners from Quintile 1, 2 and 3 schools. Consideration is also given to schools that are outside of the listed quintiles but have disadvantaged learners. Bursary Holders from the Departmental Schools Programme are career counselled in the built environment through their four (4) year stay under the Schools Programme.

The bursary covers Tuition, Accommodation, Meals, Text books, Project and compulsory study resources and a monthly allowance. Graduates from the bursary scheme feed into the Internship and **Young Professionals Programme** wherein they gain work exposure and mentorship towards professional registration under the tutelage of registered and experienced mentors.

The aim of DPWI's Young Professionals Programme (YPP) is to accelerate the registration of built environment professionals and to further transform the sector. Areas of training include: Engineering (Civil/ Structural, Transport, Electrical, and Mechanical); Construction Project Management; Quantity Surveying; Architecture; Landscape Architecture; Town Planning; Water Care; Property Studies, Interior Design and Actuarial Science.

The programme also accommodates qualifying permanent employees. Its objectives are:

- To address the shortage of critical and scarce skills within the built environment; to capacitate Public Works and the State;
- To transform the built environment by accelerating professional registration of the previously disadvantage groups;
- To maximise exposure of candidates to national and international projects/ Exchange opportunities;
- To place candidates in selected centres of occupational development and professional firms; for identified skills;
- To build capacity for redress and;
- To grow skills appropriate for Public Works and the State's needs.

Two hundred and eighty six (286) candidates have participated in the programme since 2007 to date.

One hundred and forty four (144) obtained professional registration, twenty six (26) were within the Architectural discipline; of the twenty six professionals, sixteen (16) are still in the department and currently constitute professional teams and contribute to service delivery targets.

Ten (10) of the Professionals secured external appointments in the private sector and other government entities. Four (4) Candidates are currently participating in the Young Professionals Programme as well as one (1) Intern.

DPWI, through the Professional Services Branch, is training youth with skills for the economy in Architectural, Landscape Architecture, Electrical, Mechanical and Civil Engineering, Town Planning, Property Valuations and Construction Project Management professions.

DPWI is offering Graduate Internship Programme Opportunities, Structured Candidacy Programme and Apprenticeship Development.

DPWI is currently funding a total number of 146 students for 2023 Academic year through DPWI youth bursary scheme

A total number of 354 Graduate Interns are currently appointed within the department and are trained within the technical functions of the department to prepare them for labour market.

In partnership with Coastal TVET College, the department is training 30 Learners on Boat Building skills to equip them with the critical skills that will enable them to participate on the ocean economy.

A total number of 136 youth are developed towards professional registration within the built environment. Upon completion, the youth can open their consulting firms and or construction companies and participate actively on the economy.

A total number of **136** youth is trained on Apprenticeship (Artisans) to equip them with trade skills (electrical, plumbing, carpentry) that are also a scarce skill within the country and opens entrepreneurship opportunities.

A total number of **496** youths are participating on the Support Internship Programme preparing for labour market.

In partnership with BankSETA and Provincial Public Works, **503** young people were appointed and placed on a Graduate and or Work Integrated Learning (WIL) Internship Programme.

The Gender Unit of the Department, which also encompasses youth issues, through its capacity development initiative, has partnered with the National Home Builders Registration Council (NHBC), to train emerging contractors in order to improve their skills and prepare them for opportunities in the construction industry.

This programme has been initiated in Mpumalanga province. So far, training has taken place in Ehlanzeni District towns like Volksrust, Barberton, Ga-Morwe and Middleburg to mention a few. The programme will be rolled out to all the provinces starting in the financial year 2023/24.

DPWI has created DPWI unemployed database to capture the details of unemployed youth to be considered where there are training opportunities. Details can be found on the department's website.

We are also partnering with the Institute of Plumbing South Africa to provide training to young artisans (plumbers) on entrepreneurship and professional registration as Master Plumbers, which will open the opportunities for them to enter the plumber market as entrepreneurs.

DPWI conducts various workshops to equip the NEET group (Neither in Employment nor Education or Training) with entrepreneurship and job searching skills.

We will continue as a department to visit high schools to conduct built environment career awareness.

We have also succeeded to launch the Built Environment Student Chapters to ensure the inclusion and integrating of students into the sector and promoting innovations.

We hope that these interventions by the Department will help in ensuring that the profession is opened up to the disadvantaged of our country, in particular women and the youth.

We would like to see other government Departments, especially those that engage in big infrastructure programmes, implementing set asides of minimum levels of procurement spend and the allocation of work to practices having regard to gender and racial demographics. These Departments need to also adopt measures that promote the equitable distribution of work meaningfully.

Ladies and Gentlemen, we are determined as the Department of Public Works & Infrastructure, to put our shoulder to the wheel and drive this effort of government to empower the young people of our country.

We shall ensure that new vistas are opened to the young people and they are capacitated to enjoy the fruits of our hard-won struggle. All we ask is for young people to join hands with government and work for the common good of our country.

We stand ready to support SMME's and cooperatives owned by the youth and women of our country.

We owe it to the generations of young people who came before us who sacrificed much for the liberation of our country.

In all that we do, let us mainstream gender to create Generation Equality which will go far in eradicating the scourge and shame of violence directed at women in our country.

We wish you well and we trust you.

May I leave you with the following words from Chairman Mao Zedong during his address to the Chinese students in Moscow in 1957 where he said: *"The world is yours, as well as ours, but in the last analysis, it is yours. You young people, full of vigour and vitality, are in the bloom of life, like the sun at eight or nine in the morning. Our hope is placed on you. The world belongs to you. China's future belongs to you!"*

Together Growing South Africa!

I thank you.