

**Minister of Public Works
Ms Stella Sigcau
29 October 1999**

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Wild Coast Cultural Festival

“Investment Facilitation: Infrastructure”

Master of Ceremonies, Deputy President Zuma, Deputy Minister Mabandla, distinguished guests, ladies and gentlemen, ...

It is indeed a pleasure to join you in celebrating the arts today. We need to revive the interest of our communities, our children, in our own heritage, our own culture and the various ways in which we give expression to our collective societal values - be those attire, dancing, singing, theatrical performances or traditional customs. We should be proud of this rich heritage, and use our expression thereof to promote not only our own sense of belonging, but also to promote other peoples' understanding of our diverse societies in South Africa - a rich contribution indeed to tourist attractions, but also with many more potential opportunities.

However, the topic I would like to share with you today forms a building block, a stepping stone, a footpath and a ladder to the future for our community development, in particular our rural communities. It has to do with creating an environment conducive to both economic and social development, which includes facilities allowing cultural expression. This topic deals with the relationship between Investment facilitation and Infrastructure. Let me say directly - I do not believe in the chicken and egg argument (regarding which one came first) concerning investment and infrastructure. Investment and Infrastructure are related, yes, and eventually for sophisticated investment, a certain amount of infrastructure becomes a prerequisite.

But from where we now stand - again particularly in respect of rural areas - basic infrastructure can be created by pooling our commitment and participation as community members, as work seekers, as different tiers of government, as people who want to make a difference and see our country grow. The most basic infrastructure needs, those of access roads, of community centres and gardens, of water and sanitation, of trade opportunities, can be met by our own effort: That is the effort of Government and every community concerned - provided that an intentional partnership is adhered to.

Our President has called upon us to be a nation at work - let not one of us be found idle, but let us together build our destiny. A destiny we dreamt about, and a future we would like our children to inherit.

One of the worst injustices that the apartheid state and its homeland policies inflicted upon our people for decades, is the failure to provide adequate infrastructure that would enable individuals and communities to eke out an honourable and dignified living.

Our democratic Government has invested substantially to address this glaring disparity. Since 1994 we have spent billions of Rands upgrading the standard of living and quality of life of the poorest segment of the population by providing basic community level infrastructure, working with those communities. In the delivery of these projects, we also pay tribute to all the community organisations, traditional leaders, local and provincial governments for their constructive role.

The National Infrastructure Investment Report indicated that South Africa faces a backlog in infrastructure of at least R170 billion. Public infrastructure needs include domestic and industrial grid electricity and other energy projects; domestic, industrial and agricultural water supplies; sanitation, wastewater and stormwater; roads, railways, airports, harbours and pipelines; telecommunications and postal services; urban housing-related infrastructure; rural development; and hospitals, clinics and educational facilities. Progress in all these areas adds to the quality of life in communities, while simultaneously building productive economic capacity.

Accelerated economic growth associated with stronger employment creation is the key to continued progress towards an equitable distribution of income and improved standards of living for all. Employment creation provides a powerful vehicle for redistribution, as it is embodied in government programmes such as public works, housing, water supply and sanitation, health, education, welfare and social security services - all programmes addressing the provision of infrastructure, and doing so by simultaneously building capacity and transferring skill to participants.

Provision of social infrastructure has important external effects which impact on economic growth. Direct poverty alleviation and distribution of wealth contribute to a stable social and political environment required for

rapid economic growth while appropriate health infrastructure leads to savings in health care expenditure and freeing resources for other uses. At the same time, appropriately improved social infrastructure can be an important factor in improved scholastic performance, which should lead to significantly improved labour productivity in the long term.

In South Africa we have the human potential, the natural resources, the energy. Our main challenge is to integrate the development of our most important asset, our people with all their expectations, initiative and enthusiasm into our reconstruction and development strategies, into the provision of basic level infrastructure so that the economic processes can start at micro level and progress to greater sophistication.

As Government, our task is to mobilise all our people, to create more and more opportunities, to ensure that the citizen's potential is given the fullest expression. We have to do this and more, sensitive to the feelings and expectations of the majority and minorities, those who already benefit from existing infrastructure and services, and those still deprived of such socio-economic stimulants.

Mere physical asset creation through infrastructure delivery will not solve any problem, and would definitely not in itself lead to further investment. Innovative integrated approaches, spanning socio-economic existence, are required to propel the economic activity that links infrastructure and investment. Infrastructure creation and service delivery often are the injection required to activate reconstruction, development, redistribution and growth. On its own, government cannot change the face of society, the poverty, the inadequate education and employment opportunities. Government sets the stage - the policies, legislation, procedures and channels through which participation by civil society is incorporated to ensure that safe, secure, stimulating and rewarding circumstances are created for expression of vibrant interaction with our economic growth. The primary consideration in redistribution and development is the citizen. For, we can peddle figures of billions allocated to any project; but the question is whether the funds have been spent, and how they have benefited the citizen! The people come first; and our models, strategies and plans should be measured by this yardstick.

This implies adjusting interaction and mechanisms between all tiers of Government, national, provincial and local, and the various structures of civil society, including the private sector, to ensure that the most needy citizens will be empowered to become economically active and independent.

Our challenge lies in an increased ratio of delivery of infrastructure and services with a strong emphasis on job creation, promotion of small, medium and micro enterprises, human resource development, capacity building, community participation and institutional development.

It is from this perspective that we have approached policy and strategies.

As Government in South Africa we believe in developing the best possible and most applicable policies, strategies and laws to address our major challenges and needs. The Reconstruction and Development Programme (RDP), set the parameters as an integrated programme, based on the people, that provides peace and security for all and builds the nation, links reconstruction and development and deepens democracy. It posed major new challenges in implementation in pursuit of the objectives of efficient, effective, responsive, transparent and accountable government at all three tiers to increase its capacity to deliver improved infrastructure and extended public services to all the people of South Africa. It also implies and requires empowered citizens - which will be enhanced by the provision of infrastructure and service delivery.

In the field of infrastructure creation, the National Public Works Programme is a prime enabling framework of Government for encouraging more labour-intensive technologies in public building and construction contracts. In addition to job creation, the programme is focused on the promotion of small, medium and micro enterprises and previously disadvantaged individuals through the affirmative procurement policy and the transformation of the construction industry.

Within the National Public Works Programme, the Community Based Public Works Programme, was implemented. It has been evaluated by CASE and the ILO as the best in 30 such programmes in Asia, the Pacific and Africa. The CBPWP uses existing community and private sector capacity to encourage the creation and expansion of additional capacity, thus building partnerships between communities, non-governmental organisations, local governments and other delivery entities. It has a strong focus on relief programmes and poverty alleviation, addressing the plight of the poorest of the poor in rural areas by creating jobs while at the same time providing much-needed infrastructure.

The CBPWP links with other programmes of Government, such as the SDIs, to ensure that infrastructure is created within an integrated development plan, forming nodes of economically viable facilities by linking

roads, taxi ranks, market and social service access to the communities. These “micro development corridors” have greater potential of growth and further investment generation than single or isolated projects.

In this way, infrastructure and service delivery are regarded as much more than a mere product; it becomes the dynamo itself - catapulting us into the 21st century on a sound economic and socio-political footing.

Through the CBPWP during the previous two financial years, more than R500 million has been invested in basic infrastructure creation with communities, in the three targeted provinces of the Eastern Cape, KwaZulu-Natal and the Northern Province. Of this amount, R203,6 million was spent in the Eastern Cape.

In the current financial year, an amount of R102,7 million was allocated to the Eastern Cape.

The Western District Council has been allocated R12 million for PIA projects. The process is at an advanced stage to deliver.

Mveso road has been identified as a special project to be implemented according to the project business plan by the Kei District Council.

The Wild Coast District Council is preparing a R3 million business plan for a cluster development at Bizana (Nkantolo), while the Clean and green Programme has been allocated R1,2 million for projects at Duncan Village and Waterfall Park.

A Local industrial Park project has been identified at Emonti in conjunction with the Department of Trade and Industry. Its business plan has been produced and R1,6 has been allocated to it.

An amount of R80 million has been allocated from the Job Creation Fund for the implementation of the roads linked to the Wild Coast Spatial Development Initiatives in the Eastern Cape. Where access roads are concerned, part of this funding will affect three district councils in the Eastern Cape. These are the Amatola, Kei and Wild Coast District Councils. Currently, project business plans are being reviewed. There are, however, provincial roads which are being dealt with in conjunction with the Provincial Government.

All three targeted provinces (the Eastern Cape, KwaZulu-Natal and the Northern Province) will also benefit from the Yowotea (Youth Working towards Environmental Access) project. These projects have been identified and the Office on the Status of the Disabled is currently prioritising buildings. Overall, R50 million has been allocated to Yowotea.

During the past two financial years, the Community Based Public Works Programme has been instrumental in creating 12 513 temporary and 521 permanent jobs in the Eastern Cape. Of these, 45,7% were women, while more than 6 000 were younger than 36 years of age and 38 jobs were created for disabled persons.

In conclusion:

Yes, investment is being facilitated by the creation of infrastructure - not only in direct cost, but also in terms of building capacity, of providing communities with the basic level infrastructure required to generate income and to build micro economies that could in turn elicit further investment on its own economic footing.

This investment facilitation is done in an integrated manner, considering government-wide development initiatives. The opportunity has been created for local entrepreneurs to take up the challenge of fulfilling their business roles in the respective communities, working from the infrastructure created, and invigorate the local economies.

If your “product” is culture - tune in and contribute by eliciting more investment. You can facilitate investment in many ways - creativity is your strong point!

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