

**ADDRESS BY DEPUTY PRESIDENT TM MBEKI, AT THE DEVELOPMENT PLANNING SUMMIT,
HOSTED BY THE INTERGOVERNMENTAL FORUM**

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"A NATIONAL STRATEGIC VISION FOR SOUTH AFRICA"

At his inauguration in May 1994, President Mandela declared, "We have at last achieved our political emancipation. We pledge ourselves to liberate all our people from the continuing bondage of poverty, deprivation, suffering, gender and other discrimination". In Long Walk to Freedom, he wrote, "I have taken a moment here to rest, to steal a view of the glorious vista that surrounds me, to look back on the distance I have come. But I can rest only for a moment, for with freedom comes responsibilities, and I dare not linger, for my long walk is not yet ended".

As South Africans we have all taken part in the Long Walk. We all need a space to survey our journey so far, and to absorb the view. An though we have come from diverse starting points, our future destiny is together. As we pause for breath, and consult the map, our challenge is to find the common path ahead. And we must start by agreeing our destination.

As government and economy globalises, no national state can play rigidly and precisely for the future. We cannot predict exchange rates or oil prices in twenty-five years. We can, however ask one simple question: Do we have a common vision to guide our actions?

Proverbs in the Old Testament warns us, "Where there is no vision, the people perish". And we are further advised by the prophets, "Write the vision and make it plain, that they who read it may run ... the reckless will lack and assured future".³ In our discussions today we must ensure that our actions over the coming months, however well intentioned, will not be reckless, and through adopting a common vision we must do our utmost to assure our peoples' future.

But first let us pause to survey our journey thus far.

In the Interim Constitution we entrenched basic rights and liberties, national unity and equality, the rule of law, accountability and transparency of government, and freedom of expression and association. Our reintegration into the global community has normalised our relations with our neighbours in Southern Africa and presented new opportunities and challenges in international trade.

The Reconstruction and Development Programme established a unique national consensus on the need for prosperity, democracy, human development and the removal of poverty. However, despite its almost biblical character, the RDP Base Document did not provide us with all the answers. We have always known that its many many priorities and programmes need to be distilled into a series of realistic steps, guided by a long term vision and our resource constraints.

This distillation process is not straightforward. It started with the policy reviews which have been undertaken by most national departments, and the development planning which is underway in the provinces. This has exposed the particular challenges facing each sector and area of our country: The need to phase out inefficient transport subsidies and to ensure effective public transport. Or to elaborate on a job creation strategy. Or to develop a detailed tourism strategy. Or to find a mechanism to remove the red lines drawn by the mortgage lenders around our poor communities. The challenge of reconciling the rightsizing or downsizing of the public service with a poverty strategy in the former Transkei, Lebowa, Ciskei, Gazankulu and Venda. Or the opportunity to invest in a corridor of development from the industrial heartland of Gauteng through Mpumalanga to the port of Maputo. To name but a few examples.

As the particular constraints and opportunities became clearer, we recognised the urgency of setting a clear framework to guide our decision making. And so in the RDP White Paper we said, "Government will co-ordinate the development of a national strategic framework. This will set out a long-term vision, which includes goals and critical success factors, macro-economic and expenditure guidelines, and priority focus areas. The framework will set parameters on what must be done, define intergovernmental relationships, and set guidelines for the utilisation of government resources".

We also said, "Provinces will have to work out a rolling three-year programme and an annual business and spatial plan". Through participation in the Forum for Effective Planning and Development, most provinces have now produced initial perspectives, which identify the key issues and constraints. These will feed into our national vision, and will form a sound basis for provincial strategies.

Our six pack of critical measures announced in November '94, and the cabinet bosberaad in January of this year identified the most urgent short-term priorities for the Government. The new Presidential Ad-Hoc Committee has refocused our minds on removing obstacles to growth. Finally, the draft urban and rural strategies, which we published earlier this month, and the work on municipal and national infrastructure investment frameworks have characterised and quantified the backlogs and reinforced the need for major cross-cutting programmes which affect every line department and province.

Most recently we consolidated our transition to democratic government through the local elections which took place in most areas of the country.

Before we look ahead it is important to recognise a number of imperatives in the current environment.

First is the challenge of unemployment and poverty. We need to ensure that every strategy and action we decide on has as its starting point the need to tackle this momentous task.

Second is our trade opportunity with the European Union. Our export capacity will be a critical component of our growth path, and we have a particular window of opportunity to take advantage of the European market. Some economists believe that maximum penetration of the European market was the deciding factor in the economic success of the East Asian tigers. And trade is not just in goods, but also people. Increased and innovative tourism presents a major opportunity for growth and development.

Third is the challenge posed by AIDS. Recent studies in a number of African countries suggest that at current rates of infection, AIDS will be one of the major impediments to sustained growth and prosperity. The scale of our own problem is only just becoming known and requires serious attention and action.

Fourth is our need to ensure that we are investor-friendly. The confidence which exists in our political system and economy has not been matched by high levels of fixed domestic and inward investment. Our many comparative advantages need to be better marketed and understood both at home and around the world. In addition we need to implement simple mechanisms to facilitate investment, such as the proposed national one-stop investment centre which has been agreed by cabinet, linked to economic development units in provinces and local authorities.

Fifth is the role of information in the global economy. Knowledge is increasingly recognised as a valuable resource, and effective information collection and dissemination has become a defining feature of the economy. The information super-highway can enable us to further our developmental needs in a new way and to empower our citizenry through a two-way exchange of information.

Sixth is the concern about the speed of delivery. During the winter the media began to suggest that the RDP was failing to deliver. In fact we knew that the lead times in our projects and the fundamental transitions in many of our institutions would mean that the RDP projects could not materialise overnight. Over the past three months we have seen major progress with the Presidential Lead Projects and we

have turned the tide of media criticism. We must now ensure that this pace of delivery is sustained and communicated.

Seventh is the work underway within the National Economic Development and Labour Council to formulate an accord for Growth and Development between government and our social partners. It is crucial that our long-term vision informs this accord.

Finally we must recognise the danger of fragmentation. In our race to meet all the challenges and ensure visible progress, we have not always made time to examine our priorities. We must guard against unrealistic wishlists, by picking out the critical success factors. We must take the time to ensure that each department, province and local authority develops compatible policies and plans. We cannot afford to waste resources through contradictory actions.

Now that we have paused to survey our journey so far, and looked at the current environment, we are able to turn our attention to the future.

We have said that we need to agree a vision to guide our future action. And that is our business today. In other words, today's meeting provides us with an opportunity to review our progress and to agree our future direction.

Let us dwell for a moment on what we have to achieve during the day:

First, we must agree on the central pillars of our Growth & Development Strategy.

Second, we should begin to establish realistic targets, based on current information. These are the basis of our vision.

Third, we must commit that all future policies, plans and activities will contribute to the vision.

Fourth, we must ask our Directors-General to produce a more detailed Growth and Development Strategy by February 96. This strategy will guide the allocation of public sector resources in the budget, spatially and sectorally. It will also guide personnel planning and will provide a framework for private sector investment. In order to guide the 1997/98 budget process, departments must finish this work in time for us to finalise the Growth and Development Strategy by February 1996.

Let us start with the vision itself.

The RDP identifies growth with development as the South African growth path. That is, economic growth cannot be separated from the measures to reduce poverty and improve the quality of life. Development resources should be allocated in ways that optimise economic growth aspects. For instance, programmes to provide new infrastructure should also foster local production, employment, innovation and regional trade and should aim to reduce spatial inefficiencies. Economic expansion is a result of and a means to share wealth more evenly amongst our people. High growth will permit us to achieve much greater equity in incomes and raise living standards for all.

To succeed, this strategy requires that every government department - national, provincial and local - review its policies to ensure that they align with the National Strategic Vision and the National Growth and Development Strategy.

We can already define the six pillars of our Growth and Development Strategy. They are not new. In fact they have emerged by clustering the key areas identified in departmental and provincial policies and plans. Their power is their simplicity. Although not every issue of importance to every department is covered explicitly, these pillars aim to encompass and crystallise all our work. They are as follows:

Investing in people as the productive and creative core of the economy, especially the poor majority;

Creating employment on a massive scale, while building a powerfully competitive South African and Southern African economy;

Investment in household and economic infrastructure, both to facilitate growth and to improve the quality of life for the poor;

A national crime prevention strategy to protect the livelihood of our people, secure the wealth of the country and promote investment;

Building efficient and effective government as a responsive instrument of delivery and empowerment, able to serve all South Africans while directing government resources primarily to meet the needs of the poor majority;

Welfare safety nets which aim to draw the poorest and most vulnerable groups progressively into the mainstream of the economy and society.

On the basis of these pillars, we are able to set medium-term cross-sectoral targets. These targets are not set in stone, and we may need to review them as we gather information and develop more detailed strategies. However they provide an important collective yardstick against which to measure the outputs of all government programmes. Moreover, they permit the public to monitor our progress.

The targets in our vision do not replace the targets set in the RDP base document. For instance, the provision of basic services to all would be in terms of the standards set in the RDP base document. The core targets areas follows:

The Department of Trade and Industry has proposed an annual growth rate of 6 per cent. We must now see how to align our policies to achieve this, and set a time-frame.

The Municipal Infrastructure Investment Framework suggests that we can provide basic services to all within ten years. This will require major private sector financing.

Another important target which we must quantify is the reduction in unemployment.

We believe that our target for the reduction in inequality and elimination of absolute poverty should focus on an increase in the share of national income to persons in the bottom 40% of households.

Finally we require a target for reduction of illiteracy.

We must now quantify these targets. It is essential to put in numbers and time frames which challenge us and the whole society. Once we have completed the October 96 census and analysed the results, we may need to further review the targets. However we can already begin to use the draft targets to evaluate all our programmes.

Finally the vision recognises the need for a stable macro-economic framework for employment creation and growth. Monetary policy will combine with supply side measures, including reforms to improve agricultural productivity, to hold down inflation. We will finalise a policy on the value of the rand to maintain our international competitiveness. Exchange controls will be steadily removed to achieve the aim of attracting increased long-term capital inflows to supplement domestic savings. The government will specify clear targets for deficit reduction by the year 2000.

We believe that this vision provides the basis to critically refocus all our efforts. The key now is to develop coherent strategies in all departments and provinces which support the vision and contribute tangibly to its targets. This will mean proposing that certain existing programmes be phased out to free up resources for the new priorities. The Directors-General must prioritise this work to complete it by February. In the meantime the Directors-General will report on their progress to the Ad-Hoc Presidential Committee on Growth and the Intergovernmental Forum.

In closing let me say that none of this will be possible unless we have efficient, effective and accountable government. Our fundamental challenge, then, is to construct a truly developmental state. International experience demonstrates that government driven by a vision and measured by results is far more effective than a rule-governed state. In addition government which is empowered at all levels and which is able to ensure the active participation of citizens in decision making is critical. Finally government must be enterprising. If our efforts are constrained by the extensive system of rules we have inherited we will achieve nothing. We must replace any unnecessary regulations with clear objectives and performance measures.

Thus the fundamental role of our vision - which I might call South Africa 2020 - is to unleash the creativity of our people, in government and throughout South African society.

In the words of US General George Patton, "Never tell people how to do things. Establish what you want to achieve and they will surprise you with their ingenuity".

THANK YOU.