

ADDRESS BY EXECUTIVE DEPUTY PRESIDENT THABO MBEKI TO THE CAPE CHAMBER OF COMMERCE AND INDUSTRY'S ANNUAL BANQUET

LORD CHARLES HOTEL, SOMERSET WEST, 15 MARCH 1997

Chairperson
Guests
Ladies and Gentlemen

Let met start by expressing our gratitude to the organisers of this function for inviting us to share this moment with you.

We meet here tonight in the context of a new budget. The first budget by a Minister from the majority party, the ANC. In his address to the legislature and the nation, the Minister of Finance correctly pointed out that the budget is a policy budget. It is a budget that furthers and consolidates the process of policy formulation and, most importantly, the implementation thereof.

The budget statement continues a process which we, as government, have to undertake and that is review our progress, chart the way forward and allocate resources to meet our objectives. Indeed the budget statement was preceded by a rigorous review process within government.

Over the last few weeks government has had two very important meetings where it reviewed its achievements or lack thereof in 1996. The national ministers met for two days during January and this was followed by an Intergovernmental Forum (IGF) in February. The IGF brought together the national and provincial executives and local government councillors.

Reports submitted to these meetings clearly indicated that the democratic government is making progress in the delivery of services to our people. But it was also clear from the presentations that as a government we still have a lot of room to improve and, we have committed ourselves to making sure that in 1997 we accelerate the pace of delivery in a number of critical areas. These range from speeding housing subsidy disbursements and housing delivery; fast tracking the restructuring of state assets; building more clinics and schools, especially in the rural areas; improving support systems to emerging black farmers and small businesses; improving and providing much needed infrastructure to communities and businesses.

Meeting as we do after the Budget, it is perhaps most apt that we examine whether the allocations reflect the delivery imperatives that have emerged from our review. A cursory review of the Budget allocations reveal the extent of our commitment to social and economic development.

On social development, we have increased the allocations to the various ministries and programmes which will ensure that we do not only increase our efforts in this area but we do so in a manner that is sustainable. I refer here to allocations to the various RDP projects, education, health, housing and welfare. We all know that our people are the most important asset we have. It is therefore very important that we ensure their all round development. This we can do through education and skill development, providing quality living spaces for them and, meeting their health and welfare needs.

All round social development has a major contribution to make to our other key objective, economic development. An education, skilled and healthy workforce is critical to the economy.

The one area that is still very much a cause for concern is that of job creation. There is no doubt that despite recording positive economic growth over the last few years, we are still far from creating sufficient jobs in the formal economy.

To provide sustainable jobs and create space for effective participation by all in the economy demands that we generate new economic activities across a wide front. In this regard we place great importance on the role of SMME's, empowerment; spatial development and infrastructure provision as fundamental policy objectives.

However, these alone cannot achieve the required restructuring of the whole economy unless they are accompanied by a set of complimentary industrial, labour market and infrastructural development strategies. The industries, infrastructure provision and spatial development strategies must all be geared towards creating new areas of economic activity and increasing the level of investment into the economy.

The unemployment challenge demands that we find creative solutions. Although our trade, industrial and economic and social infrastructure policies have other objectives, they must increasingly be judged against their impact on the jobs issue. The same goes for our monetary and fiscal policies. It is clear that in the context of high unemployment one of the critical policy interventions must be the reduction of the cost of employing extra labour.

One other key issue that our society must address, and do so with unrelenting determination, is the democratisation and deracialisation of the South African economy. Apartheid South Africa bestowed upon us an economic and property ownership structure that needs radical transformation. It is unacceptable that Black people continue to be labourers and minor owners, if owners at all.

We believe government has a role to play in the empowerment process. As a government we have to make sure that as we provide infrastructure, restructure state assets and procure goods and services, we do so in a manner that contributes significantly to the empowerment of black business and marginalised communities.

The democratic government can and must play a significant role in the empowerment of black business. Through our procurement programme we should be in a position to provide markets for goods and services supplied by black businesses. Government departments and parastatals must give black professionals the opportunity to provide consulting, legal, auditing and other services.

As we restructure the state assets like Telkom, Airports company, Safcol, Aventura and so on, we must ensure that the restructuring process does not contribute to further marginalisation of black people.

Government has also endorsed the principle of form Public Private Partnerships in providing much needed social and economic infrastructure. This provides the framework for joint action and investments. We hope that members of the Cape Chamber would join hands with us to create the required jobs as we provide for much needed infrastructure, housing, sports and recreation facilities, schools, clinics and hospitals.

The government is also aware that socio-economic development is unlikely to take off if we do not effectively deal with the issue of violence. Through our national crime prevention strategy and the further allocation of resources to it in the Budget, we are committed to rid our society and communities of the scourge of violence. The criminal justice system is being radically restructured to ensure that it meets this challenge head on. We are weeding corruption out of the system; we are increasing co-ordination between the various elements; we are developing new norms and behaviours which are in synch with our new Constitution; we are increasing our criminal intelligence capacity; and most importantly we are forming partnerships with communities and their organisations as well as the business fraternity.

As far as the latter is concerned we are very pleased that the Business Against Crime initiative has worked as well as it did and, let me take this opportunity to thank you for your involvement and commitment.

Let me conclude by saying now that we have put our most important policy statement for the fiscal year 1997/98, let us all get down to work and deliver to our people. Let each one of us put their shoulder the wheel of delivery.

THANK YOU!