

## State of the Nation Address 2006

3 February 2006

Madame Speaker of the National Assembly;  
Chairperson of the National Council of Provinces;  
Deputy Speaker and Deputy Chairperson of the National Assembly and the NCOP;  
Deputy President of the Republic;  
Honourable leaders of our political parties and Honourable Members of Parliament;  
Ministers and Deputy Ministers;  
Our esteemed Chief Justice and members of the Judiciary;  
Heads of our Security Services;  
Governor of the Reserve Bank;  
Mrs Graca Machel;  
Distinguished Premiers and Speakers of our Provinces;  
Mayors and leaders in our system of local government;  
Our honoured traditional leaders;  
Heads of the state organs supporting our democratic system;  
Directors-General and other leaders of the public service;  
Your Excellencies, Ambassadors and High Commissioners;  
Distinguished guests, friends and comrades;  
People of South Africa:

First of all I would like to acknowledge and welcome to this occasion some distinguished personalities who are sitting in the gallery of this hallowed chamber. I refer here to the esteemed Graca Machel whose first husband, the heroic Samora Machel, died in a mysterious plane crash at Mbuzini in Mpumalanga 20 years ago this year.

I refer also to the Reverend fathers, Revs Mgojo and Xundu, who served the Truth and Reconciliation Commission in various capacities, and some of those who petitioned the Commission, to promote the noble cause of peace, truth and reconciliation in our country.

I refer also to Ella Gandhi, grand-daughter of the irreplaceable Mahatma Gandhi, who 100 years ago here in South Africa, launched Satyagraha, the unique non-violent struggle that liberated India and inspired millions of freedom fighters everywhere else in the world.

We take this opportunity to remember the martyrs who were brutally assassinated in Matola, as well as the leader of our people Joe Gqabi.

Present among us also are Inkosi Zondi and Oscar Zondi, patriots from KwaZulu-Natal who are working to ensure that the nation honours the Bambata Rebellion of a century ago in a fitting manner.

We are also honoured to have in our midst Sophie De Bruyn and others present in the house who were part of the heroic women who marched on the Union Buildings in Pretoria 50 years ago on

9 August 1956, thus placing the women of our country in the frontline of our struggle for national liberation.

The representatives of the youth that rose up in revolt 30 years ago, in the Soweto Uprising sit everywhere in this House, including the benches of the ruling party, and have therefore had no need to have special representatives sitting in the gallery of this House.

I am honoured to acknowledge the presence in the gallery of an outstanding human being and friend of our country and people, the leading Indian “Bollywood” actor, Anil Kapoor.

All of us are deeply moved that Anil Kapoor, a citizen of the beloved land of Mahatma Gandhi, has agreed to serve as one of South Africa’s global brand ambassadors, committed to mobilise the peoples of the world to support our efforts to make a success of our liberation.

On behalf of our government and all our people, I extend our heartfelt welcome to all these distinguished guests and thank them for honouring our nation today by their presence on this important national occasion.

Speaking at the very first Annual Regular Opening of our Democratic Parliament, on 24 May 1994, almost a month after the historic April 27th elections in which, for the first time ever, the people of our country freely decided together who should govern our country, the Honourable Nelson Mandela issued an historic challenge that:

“we must, constrained by and yet regardless of the accumulated effect of our historical burdens, seize the time to define for ourselves what we want to make of our shared destiny.”

Perhaps what the nation has done and not done during the years of the democratic epoch, that have accumulated since Nelson Mandela delivered the first State of the Nation Address on 24 May 1994, has created the possibility for us to reiterate the call he made on that day to all of us as South Africans, nearly twelve years ago, together “to define for ourselves what we want to make of our shared destiny.”

On that day in May 1994, the Hon Nelson Mandela evoked the haunting memory of an extraordinary South African, Ingrid Jonker, who committed suicide just over 40 years ago, in the same sea waters that isolated his former involuntary temporary home, Robben Island, from our mainland, as she was isolated from and by her kith and kin. Of her he said:

“In the midst of despair, she celebrated hope. Confronted with death, she asserted the beauty of life. In the dark days when all seemed hopeless in our country, when many refused to hear her resonant voice, she took her own life.

“To her and others like her, we owe a debt to life itself. To her and others like her, we owe a commitment to the poor, the oppressed, the wretched and the despised.”

Nelson Mandela said that in the aftermath of the massacre at the anti-pass demonstrations in Sharpeville, Langa and Nyanga, she wrote that:

Die kind is nie dood nie  
die kind lig sy vuiste teen sy moeder  
wat Afrika skreeu...

die kind wat net wou speel in die son by Nyanga als orals  
die kind wat 'n man geword het trek deur die ganse Afrika  
die kind wat 'n reus geword het reis deur die hele wêreld

Sonder 'n pas

The child is not dead  
the child lifts his fists against his mother  
who shouts Africa!...

this child who only wanted to play in the sun at Nyanga is everywhere  
the child grown to a man treks on through all Africa  
the child grown to a giant journeys through the whole world  
without a pass!

Nelson Mandela continued:

“And in this glorious vision, (Ingrid Jonker) instructs that our endeavours must be about the liberation of the woman, the emancipation of the man and the liberty of the child. It is these things that we must achieve to give meaning to our presence in this chamber and give purpose to our occupancy of the seat of government.

“And so we must, constrained by and yet regardless of the accumulated effect of our historical burdens, seize the time to define for ourselves what we want to make of our shared destiny.”

Confronted by this historic challenge, I dare say that no one in our country can, like Shakespeare's Macbeth, grieve that in the period since that distinguished son of our people, the Honourable Nelson Mandela, delivered our first State of the Nation Address, all we can truthfully say, with Macbeth, about our country's fate is:

To-morrow, and to-morrow, and to-morrow,  
Creeps in this petty pace from day to day  
To the last syllable of recorded time,  
And all our yesterdays have lighted fools  
The way to dusty death...

Indeed I believe that for many of us, our country's evolution away from its apartheid past seems to have moved at such a hectic pace that even some of the seminal moments marking the birth of our democracy, that are less than two decades old, present themselves in the subconscious mind as being mere chapters in an aging historical record of a distant past.

Nothing that has happened during the age of democracy could justify the conclusion, similar to the one that Macbeth arrived at, that any of our yesterdays has only served to guide fools to avoidable catastrophe.

On the contrary, the age of democracy has given itself moral legitimacy by ensuring that Ingrid Jonker lives on, a heroine to all our people. The child she knew had not died, despite the apartheid bullet through its head. And now grown to a giant, treks on through all Africa and the whole world, without a pass!

This year we will have occasion to remind ourselves of, and celebrate, two of the seminal moments to which I have referred. One of these is the 15th anniversary of the holding of the first meeting of Convention for a Democratic South Africa (CODESA) on 20 December 1991, and the adoption of the vitally important Declaration of Intent the following day. The other is the 10th anniversary of the adoption of our Constitution on 8 May 1996.

Among other things, the CODESA Declaration of Intent said: "We...declare our solemn commitment to bring about an undivided South Africa with one nation sharing a common citizenship, patriotism and loyalty, pursuing amidst our diversity, freedom, equality and security for all irrespective of race, colour, sex or creed; a country free from apartheid or any other form of discrimination or domination."

The importance of this particular moment in our history both for our country and the peoples of the world was underlined by the presence at CODESA of international observers from the United Nations, the Organisation of African Unity, the Movement of Non-Aligned Countries and the Commonwealth.

In a joint statement, these representatives of important international organisations said: "CODESA must herald the dawn of a new era of peace and justice. The broad objectives expressed in the Declaration of Intent are a most constructive and auspicious beginning for CODESA and give promise of attainment of a true democracy for South Africa...We hope that all the representatives of the South African people will join in the rebuilding of their country".

Periods of a decade and a decade-and-a-half are but fleeting moments in the life of any nation. In our case we have lived through these years conscious of the enormous effort it would require of all of us to unshackle our country from the heavy chains that tie it to its past.

We have known that it would take considerable time before we could say we have eradicated the legacy of the past. We have expected that the circumstances handed down to us by our history would indeed condemn us to a 'petty pace' of progress towards the achievement of the goal of a better life for all.

And yet today, as I stand here to speak to the Honourable Members of our national, provincial and local legislatures, an important component part of our national political leadership, other echelons of that leadership, and our international guests, I feel emboldened to appropriate for our people the promise contained in the Book of the Prophet Isaiah, when God said:

For you shall go out with joy,  
And be led out in peace;  
The mountains and the hills  
Shall break forth into singing before you,  
And all the trees of the field shall clap their hands.

Instead of the thorn shall come up the cypress tree  
And instead of the brier shall come up the myrtle tree...

Kuba niya kuphuma ninovuyo,  
Nithundezwe ninoxolo.  
Intaba neenduli ziya kugqabhuka  
Zimemelele phambi kwenu,  
Imithi yasendle ibethe izandla.

Esikhundleni somqaqoba kuya kuphuma imisedare,  
Esikhundleni serhawu kuya kunyuka imirtile...

What has been achieved since Nelson Mandela delivered his first State of the Nation Address, and what we can do, given the larger resources that have since been generated, has surely given hope to the masses of our people, that it is possible for all Africa to hear the mountains and the hills singing before them.

When he addressed the United Nations General Assembly 14 years ago on 18 February 1992, a mere two months after our nation established CODESA, the then Chairperson of the United Nations Special Committee against Apartheid said:

“During the next few months, the Special Committee will need to closely monitor developments, in order to identify all factors threatening to derail the process in South Africa and to issue early warnings accordingly. We will thus pay particular attention to the underlying causes of violence. The level and the nature of violence continues to be extremely disturbing. More than 2 600 persons lost their lives in 1991 as a result of politically related violence.”

Reading this today, wondering what could have gone wrong that so many people had to lose their lives needlessly, it becomes difficult to avoid the conclusion that – yesterday was another country!

And yet during the very same year that we adopted our Constitution, Amnesty International could still report that:

“At least 500 people were killed in continuing political violence in KwaZulu-Natal; some appeared to have been extra-judicially executed. Reports of torture and ill-treatment in police custody continued. Four people were killed by right-wing opponents of the government. Further evidence emerged, through court proceedings and Truth and Reconciliation Commission hearings, of official involvement in human rights violations under the former government.”

Fifteen years ago the international community was expressing deep concern about factors threatening to derail the process in our country towards ending white minority rule, including the violence then claiming too many lives, and found it necessary to appeal to all our people to act together to end apartheid and rebuild the country.

The peoples of the world could have reiterated their concern about political violence in our country even five years later, as we took the giant step forward by adopting our Constitution.

Happily, in time, we managed to break free of the uncertainty about a bright future for our country, dramatically represented by the large numbers of people killed throughout the years from 1990 to 1996, when we were engaged in negotiations to establish our democratic order.

This year opened with the inspiring news that our people were highly optimistic about their future and the future of our country, ranking eighth in the world on the optimism index. Gallup International, which issued this report, said we have three times more optimists than pessimists, and that the optimism figure had doubled even since 2002.

This compared sharply with the situation in 1993, when our country was still in the grip of the crisis that had been of so much concern to the international community. That year, our country had more pessimists than optimists, signifying the prevalence of a mood of despair generated in part by the cold-blooded assassination that year of one of our outstanding leaders, Chris Hani.

The results obtained by Gallup International have been confirmed by a recent domestic poll conducted by Markinor. According to this poll, 65% of our people believe that the country is going in the right direction. 84% think that our country holds out a happy future for all racial groups. 71% believe that government is performing well.

With regard to the economy, late last month the Grant Thornton International Business Owners Survey reported that 84% of South Africa's business owners are optimistic about the year ahead, making them the third most optimistic internationally. Again last month, the First National Bank and the Bureau for Economic Research reported that the consumer confidence index is at its highest in 25 years.

What all these figures signify is that our people are firmly convinced that our country has entered its Age of Hope. They are convinced that we have created the conditions to achieve more rapid progress towards the realisation of their dreams. They are certain that we are indeed a winning nation.

Through our National Effort they can see the relevance to our situation of God's blessings communicated in the Book of the Prophet Isaiah:

For you shall go out with joy,  
And be led out in peace;  
The mountains and the hills  
Shall break forth into singing before you,  
And all the trees of the field shall clap their hands.

Instead of the thorn shall come up the cypress tree  
And instead of the brier shall come up the myrtle tree...

The inspiring perspective about our future shared by the majority of our people derives from what our country has achieved first to overcome the obstacles to freedom we faced before 1994, the advances we have made since then to consolidate our democracy, while promoting non-racism and non-sexism, the progress we have made to alleviate the poverty afflicting millions of our people, and the strides we have made to expand and modernise our economy.

We owe these outstanding achievements to the sterling efforts made by all our people in all walks of life. To that extent I would like to take the opportunity of this State of the Nation Address to salute and thank all our people for responding to the call made by Nelson Mandela in 1994 from this podium, when he said “we must, constrained by and yet regardless of the accumulated effect of our historical burdens, seize the time to define for ourselves what we want to make of our shared destiny.”

Millions did indeed seize the time and, in action, defined ours as a shared destiny of peace, democracy, non-racism, non-sexism, shared prosperity and a better life for all. It is because of what these millions did that our people know from their own experience that today is better than yesterday, and are confident that tomorrow will be better than today.

While we must indeed celebrate the high levels of optimism that inspire our people, who are convinced that our country has entered its Age of Hope, we must also focus on and pay particular attention to the implications of those high levels of optimism with regard to what we must do together to achieve the objective of a better life for all our people. We have to respond to the hopes of the people by doing everything possible to meet their expectations.

And here I include among those who have to respond to the high expectations of our people not just the government, but also the private sector, the labour unions and the rest of civil society, and patriotic individuals.

In the period ahead of us, we have to sustain the multi-faceted national effort that enabled us to realise the advances that have inspired so much confidence among our people for a better tomorrow. On behalf of our government I would therefore like to use this important landmark in our national life to repeat the appeal made by Nelson Mandela 12 years ago, that together “we must...seize the time to define for ourselves what we want to make of our shared destiny.”

And I dare say that essentially all of us are very familiar with what the people expect, which would confirm that they were not wrong to conclude that our country has entered its Age of Hope.

The Markinor survey to which we have referred indicates some of the concerns of our people. Whereas, as we have indicated, 71% believe that government is generally performing well, only 56% think government is responding well to our economic challenges, with the figure dropping to 54% with regard to the cluster of Justice functions.

We must also note that the government's approval rating with regard to the economy moves in tandem with the levels of income. Significantly, 72% approve of the government's efforts in various areas of social delivery. In contrast, only 45% believe that the sphere of local government is performing well.

The Honourable Members will also be pleased to know that a survey conducted by the Government Communication and Information System (GCIS) shows that 90% of our population is proud of our country, our flag and National Anthem, while 60% consider Freedom Day, April 27th, as the most important national day.

The outcomes of these surveys communicate the unequivocal message that our people expect that:

- we should move faster to address the challenges of poverty, underdevelopment and marginalisation confronting those caught within the Second Economy, to ensure that the poor in our country share in our growing prosperity;
- we should make the necessary interventions with regard to the First Economy to accelerate progress towards the achievement of higher levels of economic growth and development of at least 6% a year;
- we must sustain and improve the effectiveness of our social development programmes targeted at providing a cushion of support to those most exposed to the threat of abject poverty;
- we must act more aggressively with regard to our criminal justice system to improve the safety and security of our people, especially by improving the functioning of our courts and increasing our conviction rates to strengthen the message that crime does not pay;
- we must ensure that the machinery of government, especially the local government sphere, discharges its responsibilities effectively and efficiently, honouring the precepts of Batho Pele; and,
- we must harness the Proudly South African spirit that is abroad among the people to build the strongest possible partnership between all sections of our population to accelerate our advance towards the realisation of the important goal of a better life for all.

Our government is committed to respond with all necessary seriousness and determination to all these challenges, and play its role to give new content to our Age of Hope. I am honoured to have this opportunity to announce some of the elements of the programme of our government to honour this commitment.

The Honourable Members and the country at large are aware that, under the leadership of Deputy President Phumzile Mlambo-Ngcuka, the three spheres of government have been working together for some months to elaborate the specific interventions that will ensure that ASGISA, the Accelerated and Shared Growth Initiative of South Africa, succeeds in its purposes, which include the reduction of the unemployment levels.

In this regard I would like to thank the members of the private sector, the trade union movement, women, youth and civil society who have participated in this process, making a valuable input into an important initiative that must be owned and implemented by our people as a whole.

I must also take advantage of this occasion to explain that ASGISA is not intended to cover all elements of a comprehensive development plan. Rather it consists of a limited set of interventions that are intended to serve as catalysts to accelerated and shared growth and development.

Otherwise we will continue to engage the nation and all social partners to address other elements of a comprehensive development plan to improve on our current programmes, and deal with other issues, such as the comprehensive industrial policy, keeping in mind the objective to halve poverty and unemployment by 2014.

Our government is convinced that favourable conditions exist for us to achieve the accelerated and shared growth to which we are committed. For instance, on 3 January 2005, the newspaper Business Day commented that:

“In South Africa, this promises to be the dawn of a golden age of growth...We have now had more than five years of sustained growth – an upswing longer than the boom of the 1960s and indeed longer than anything in the postwar period...We are reaping the benefits of years of sound financial and monetary policy as well as of structural reform in the economy.

“...we are set fairer than we have been in decades to raise the growth rate on a sustainable basis. The trouble is, not all of it is within our control, as much depends on the vagaries of world markets and the global economy...

“But, make no mistake...[T]his economy and this market starts to look very different to anything we are used to. And it is certainly a different good, not a different bad”.

We fully agree with these observations, and would add that, that “different good” has included significant job creation, a trend that we seek to enhance through ASGISA and our other development programmes.

To implement ASGISA, the state-owned enterprises and the public sector as a whole, working in some instances through public-private partnerships, will make large investments in various sectors to:

- meet the demand for electricity;
- provide an efficient and competitive logistic infrastructure;
- expand and modernise the telecommunications infrastructure; and,
- satisfy the demand for water.

The public sector will also accelerate infrastructure investment in the underdeveloped urban and rural areas of our country through the Municipal Infrastructure Grant, Expanded Public Works Programme and other infrastructure funds to improve service delivery in the areas of the Second Economy, including the provision of:

- roads and rail;
- water;

- energy;
- housing, schools and clinics;
- business premises and business support centres;
- sports facilities; and,
- multi-purpose government service centres, including police stations and courts.

R372 billion will be provided for both these sets of programmes over the next three years.

As the Honourable Members would expect we will continue to pay particular attention to the Expanded Public Works Programme as an important bridge between the two economies and a significant part of our poverty alleviation programme. Among other things, resources for the public works programmes will be pooled to ensure maximum impact both in terms of products delivered and employment and skills-training opportunities.

Better supervision of infrastructure projects undertaken by government will be introduced, to ensure that capital budgets are spent without roll-overs and that labour-intensive methods are prioritised, and the necessary training of workers is carried out to provide them with skills.

ASGISA has also identified particular sectors of our economy for accelerated growth, building on the work already done within the context of our existing Micro-Economic Reform Programme. These include:

- Business Process Outsourcing;
- Tourism;
- Chemicals;
- Bio-fuels;
- Metals and metallurgy;
- Wood, pulp and paper;
- Agriculture;
- The creative industries; and
- Clothing and textiles.

In this regard, work is proceeding apace to address such challenges as the cost of telecommunications, and import parity pricing with regard to steel and chemicals. We have already reached agreement with the People's Republic of China to protect our clothing and textile sector. The second National Telecommunications Operator should become operational later this year.

For ASGISA to succeed, it is clear that the machinery of state, and especially local government, should function effectively and efficiently. During the past year, our government has undertaken a detailed assessment to determine what we need to do to improve the capacity of our system of local government.

As we announced last year, we have been engaged in assessing the capacity of government to discharge its responsibilities to help accelerate the process of social transformation. Proceeding

from the particular to the general, the audit of a number of national departments has been completed.

These include housing, health, education and trade and industry. Across all these, issues of skills, vacancies, delegation of responsibilities to managers of delivery agencies and relationship between national and provincial departments have emerged as being among the most critical areas requiring attention. Assessments of the other departments will be carried out.

The government will make the necessary interventions to address the issues raised by these assessments, bearing in mind the critical role that government must play as one of our country's most important developmental agencies. We cannot allow that government departments become an obstacle to the achievement of the goal of a better life for all because of insufficient attention to the critical issue of effective and speedy delivery of services.

In this context, we will continue the work towards the creation of one public service covering all spheres of government, fully conscious of the complexity of this matter and the need to secure the agreement of all relevant stakeholders. We will also continue to pay the necessary attention to the important issues of the inclusion of women and people with disabilities at decision-making levels of the public service.

Everything we have said so far, concerning ASGISA, points to the inescapable conclusion that, to meet our objectives, we will have to pay particular attention to the issue of scarce skills that will negatively affect the capacity of both the public and the private sectors to meet the goals set by ASGISA.

In this regard, I would therefore like to assure the Honourable Members and the country as a whole that, together with our social partners, we have agreed to a vigorous and wide-ranging skills development and acquisition programme to meet any shortfalls we may experience.

Among other things, we have already agreed to establish within a few weeks a multi-stakeholder working group, JIPSA, the Joint Initiative on Priority Skills Acquisition, through which government, business, labour and civil society will act jointly to respond to the skills challenge in as practical a manner as possible.

I would like to extend the sincere thanks of our Deputy President and government as a whole to the response of the Freedom Front + and other formations and individuals, who have responded to our appeal for South Africans with the necessary skills to make themselves available to provide the required expertise in project management and other areas.

The first group of the 90 already identified and assessed, will be deployed in their new posts in May.

We will, of course, also make other interventions in the area of education and training. These include eliminating fees for the poorest quintile of primary schools, targeting 529 schools to double the Maths and Science graduate output to 50 000 by 2008, and re-equipping and financing the Further Education and Training Colleges.

Last year, we completed the task of registering unemployed graduates, with over 60 000 in the database. We wish to express our appreciation to the many companies that last December pledged to employ some of these graduates. An intensive campaign to link up these graduates with these and other companies will be undertaken this year.

During this year, when we celebrate the 90th anniversary of the establishment of the University of Fort Hare, we will continue to engage the leadership of our tertiary institutions focused on working with them to meet the nation's expectations with regard to teaching and research. For its part, the government is determined to increase the resource allocation for Research and Development and Innovation, and increase the pool of young researchers.

ASGISA identified other constraints to growth and development, apart from the issue of skills, the cost of doing business and the unnecessarily high cost of intermediate inputs. Work is proceeding to address all these constraints, including the limited domestic market and monetary and financial issues.

ASGISA has once more confirmed the need for us to expand our small, medium and micro enterprise (SMME) sector, paying particular attention in this regard to Broad-Based Black Economic Empowerment, and the development of women and the youth.

We will therefore take the necessary measures to ensure the effectiveness of such existing programmes as the Apex (Micro-credit) Fund, Mafisa (for agricultural development), SEDA (the Small Enterprise Development Agency), Khula, the Msobomvu Youth Fund, the IDC Small Business Initiative, and so on. We will also intensify our engagement of the Financial Services Charter signatories to help generate the necessary resources for the development of the SMME sector.

Our experience with regard to the development of this sector indicates that we must pay particular attention to issues of access to capital, entrepreneurial training, assistance with marketing, and the development of cooperatives. Further, to contribute to the growth of the SMME sector, the government will reform its procurement programme to access some of its goods and services from small and medium businesses, ensuring that it pays for what it purchases promptly.

We will also speed up the consultative process to determine the measures we must take to improve the regulatory climate to facilitate the expansion of this sector. This intervention will form part of the overall programme to introduce a regulatory impact assessment system to enable the government regularly to assess the impact of its policies on economic activity in our country.

The years of freedom have been very good for business. I believe that this should have convinced the investor community by now that, in its own interest and as part of the national effort, it has to invest in the expansion of that freedom, especially by actively and consciously contributing towards the achievement of the goal of halving poverty and unemployment by 2014.

ASGISA, which builds on the results of the Growth and Development Summit, offers this investor community an excellent opportunity to respond to this challenge in a deliberate and consistent manner, in its own interest.

Similarly, and also as part of the national effort, the trade union movement and civil society as a whole face the challenge to translate into action the commitment they made with the other social partners at the Growth and Development Summit “to a common vision for promoting rising levels of growth, investment, job creation, and people-centred development.”

ASGISA provides a golden opportunity for the social partners to undertake the “collaborative action” they visualised at the GDS focused on “Promoting and mobilising investment and creating decent work for all.”

The impressive growth rates achieved by our economy in the current period have been driven in good measure by high consumer demand, significantly financed through credit. This has increased our imports more than our exports. Despite high commodity prices, the resultant balance of payments deficit has been financed by inflows of foreign capital.

Through ASGISA we will increase the significance of the supply-side drivers of our growth. A corollary of this is, of course, that we must ensure the international competitiveness of the goods and services we produce.

This speaks directly to the common objective agreed by the social partners at the Growth and Development Summit, to “promote rising levels of growth, investment, job creation, and people-centred development.”

I have already mentioned the fact that to meet our developmental objectives, which must respond to the high expectations of our people, we will pay special attention to the critical task of strengthening local government.

Our government considers this to be especially important at this stage of our evolution. After the March 1st local government elections, all three spheres of government will therefore continue working together to ensure that each and every District and Metro municipality is properly positioned to discharge its responsibility to the people.

In particular, this will mean that each of these municipalities has a realistic Integrated Development Plan, a credible Local Economic Development Programme, and the material and human resources, as well as the management and operational systems to implement these IDPs and LEDs.

Integration of planning and implementation across the government spheres is therefore one of the prime areas of focus in our programme for the next term of local government. In this regard we will be guided by the Inter-Governmental Relations Framework Act.

We must in practice respect the system of cooperative governance, and within this context ensure that we empower local government to discharge its development and service delivery obligations, drawing on the lessons provided by Project Consolidate.

As many of us are aware by now, Project Consolidate has identified serious capacity constraints in many of our municipalities arising from a shortage of properly qualified managers, professional and technical personnel. We have taken the necessary decisions to attend to this urgent matter.

To improve the ability, particularly of local government to meet the needs of the people, by March this year we shall have deployed 3 000 Community Development Workers.

Even as we implement the programmes focused on accelerated and shared growth, with its important element of job creation, we cannot forget that the social wage plays a vital role in our continuing efforts to address the challenge of poverty.

For instance 7 million children now receive the child support grant. A total of 10 million of our citizens receive social grants. Real social expenditure per person increased by 60% between 1983 and 2003. Detailed evidence from a study conducted by Haroon Borat, Prakash Naidoo and Carlene van der Westhuizen indicates that there has been a consistent shift in expenditure in favour of poorer households.

To improve delivery in this area, we will continue to implement our comprehensive anti-fraud strategy. Already many of those who have been stealing social grants have been brought to book. This work will improve with the launch of the National Social Security Agency.

In the area of health, over 1 300 clinics have benefited from the upgrading programme and more have received additional equipment; and the programme to revitalise hospitals is proceeding apace. The extension of Community Service to a range of health professionals has ensured that at any one time over 2 000 such professionals are available in public health institutions. Our future plans in this area include the further expansion of the health infrastructure, the refurbishment of existing clinics and hospitals, and the re-opening of Nursing Colleges to increase the numbers of these important professionals.

To improve service delivery in our hospitals, by September this year we will ensure that hospital managers are delegated authority and held accountable for the functioning of hospitals, with policy issues regarding training, job grading and accountability managed by provincial Health Departments which themselves will need restructuring properly to play their role.

The Operational Plan for Comprehensive Prevention, Treatment and Care of HIV and AIDS has resulted in the upgrading of hundreds of facilities. To date, over 100 000 patients are receiving Antiretroviral Treatment and, combined with patients in the private sector, South Africa has one of the largest such treatment programme in the world.

During the course of this year, in addition to accelerating the expansion of our housing stock to address the needs of the homeless, we will take concrete steps to ensure that housing development contributes to eliminating the duality of living spaces inherited from apartheid.

Already, the Ministry of Housing and the South African Local Government Association have reached an agreement on the sale of land for housing development. Through this agreement, municipalities will allocate land close to economic centres for housing development for middle and lower income people.

In addition, as part of our effort to help the poor to access housing finance, the National Housing Finance Corporation (NHFC) will be transformed into a Housing Corporation that will provide finance to the poor and middle-income groups.

In this context, we expect our Minister of Housing and the leadership of the Financial Institutions to reach final agreement without further delay on the modalities for utilising the R42 billion set aside by the financial institutions for housing development for poor and middle-income groups thus contributing to the National Effort.

This is central to the attainment of a society free of shack settlements in which all our people enjoy decent housing. In this context, I should also mention that government has decided that we must completely eradicate, in the established settlements, the “bucket toilets” by the end of 2007.

Land reform and land restitution are critical to the transformation of our society. Accordingly, the state will play a more central role in the land reform programme ensuring that the restitution programme is accelerated, further contributing to the empowerment of the poor, especially in the rural areas.

The Minister of Agriculture and Land Affairs will, during 2006:

- review the willing-buyer willing-seller policy;
- review land acquisition models and possible manipulation of land prices; and
- regulate conditions under which foreigners buy land. This will be done in line with international norms and practices.

The Minister and the Department will also ensure that the land redistribution programme is aligned to the Provincial Growth and Development Strategies (PGDS) as well as the Integrated Development Plans (IDP) of municipalities, as well as attend to the proper use of the funds that have been made available for the productive utilisation of the land.

When we talk about the land question, we must not forget that this year we will commemorate the Centenary of the Bambata Uprising in the present day KwaZulu-Natal, which was occasioned by the imposition of a poll tax to drive the people off the land, forcing them to join the ranks of the proletariat. In praise of Bambata it was said:

Ingqungqulu eshaya amaphiko  
Kwadilika izixhobo eHlenyane.

Izulu eliphose umbane phansi eHlenyane,  
Kwacandeka imisululu.  
Kwadilika izindonga.

Usibamba nkunzana  
Ekade beyesaba  
Ngoba ebambe abamhlophe  
Umhlane ubelethe amagwala!

In this year of the 30th anniversary of the Soweto Uprising, we shall ensure that the focus on youth development is intensified in all spheres of government. Among other things during the next financial year we will set up 100 new Youth Advisory Centres, enrol at least 10 000 young people in the National Youth Service Programme and enrol 5 000 volunteers to act as mentors to vulnerable children.

We will also expand the reach of our business support system to young people and intensify the Youth Co-operatives Programme. We will closely monitor the impact of our programmes on youth skills training and business empowerment as an integral part of our National Effort.

The ASGISA process has also helped us greatly by exposing us to the concerns of women with regard to their economic prospects. Among others, the women have pointed to the need for us to focus on issues of access to finance, development of co-operatives, fast-tracking women artisans and providing “set-asides” for women in government and public enterprises procurement programmes.

I believe that the very fact that this year we will celebrate the 50th anniversary of the Women’s March underlines the need for us to ensure that these issues receive the necessary attention in the implementation of our development programmes.

The government will continue to focus on the critical challenge of further improving our criminal justice system. Among other things, we will focus on integrated law enforcement operations in priority areas, reducing the number of illegal firearms and ensuring better processing of applications for firearm licences, reducing drug trafficking and substance abuse, and implementing social crime prevention measures.

We will further improve case-load management in our courts, building four additional correctional facilities, reduce the number of children in custody, and implement the recommendations of the Jali Commission.

Other important matters include the post-TRC management of cases pertaining to conflicts of the past, processing of legislation on matters pertaining to the rationalisation of our courts, consideration of the recommendations of the Khampepe Commission on the Directorate of Special Operations, and strengthening our intelligence structures to support law enforcement agencies and ensure the security of the state and its citizens.

Perhaps, needless to say, the government will remain focused on the challenge to fight corruption in the public sector and in society at large. We will continue to intensify our offensive on this front, fully aware of the fact that much that happens in our society encourages the entrenchment of a value system based on personal acquisition of wealth by all means and at all cost.

Five months from now, the FIFA Soccer World Cup tournament, hosted by Germany, will come to its triumphant end with the passage of the host's baton to our country. From then on, until 2010, the whole world will watch us carefully to judge whether we will be a worthy host of this prestigious tournament.

I am afraid that our performance in the current African Cup of Nations in Egypt did nothing to advertise our strengths as a winning nation. However, starting today, the nation must bend every effort to ensure that we meet all the expectations of FIFA and the world of soccer, so that we host the best Soccer World Cup ever.

Simultaneously as we work together to restore the sport of soccer in our country to full health, and prepare a winning national team, we must ensure that we work full steam ahead to get everything else ready for a successful Soccer World Cup.

This will encompass the stadia, broadcast facilities, including high-definition television, the necessary transport and hospitality infrastructure, safety and security, popular support for soccer and the World Cup, and selfless dedication by the local organisers of the tournament.

The 2010 Soccer World Cup will make an important contribution to our effort to accelerate our progress towards the achievement of the goal of a better life for our people. Similarly, as an African Soccer World Cup, it will give additional impetus to our struggle to achieve Africa's renaissance.

In return for these irreplaceable benefits, we owe it to FIFA and the rest of the soccer world to prepare properly for 2010. I trust that the domestic world of soccer will respond to this challenge with all necessary seriousness, commitment and patriotism.

During 2006 we will continue to engage the African challenges, focusing on peace and democracy in the Democratic Republic of Congo, Côte d'Ivoire and Sudan, the strengthening of the African Union and the acceleration of the process of the implementation of the New Partnership for Africa's Development (NEPAD) programmes. In this context we have to ensure that we conduct a successful self-assessment process as we prepare our national report for the African Peer Review Mechanism.

As the current Chair of the G77 + China we will do everything possible to advance the interests of the South, including in the context of the continuing WTO negotiations, and the urgent challenge to reform the United Nations, including the Security Council.

We remain actively engaged to help find solutions to the various matters relating to the Israel/Palestine and the Iranian issues. We are committed to the pursuit of negotiated agreements in this regard, consistent with our long held views in favour of the formation of a State of

Palestine, security for Israel, non-proliferation of nuclear weapons and the use of nuclear technology for peaceful purposes.

Two anniversaries that we will commemorate this year will serve to emphasise the bonds that tie us to the rest of the world. These are the Centenary of Satyagraha, the non-violent struggle started by Mahatma Gandhi in our country in 1906 and continued in India, and the 20th anniversary of the violent death of President Samora Machel in our country in 1986, in a plane crash that still requires a satisfactory explanation.

Next week we will host a meeting of the Progressive Governance group, which will bring to our country important leaders from all corners of the globe. Their presence in our country will communicate the message that we cannot and will not walk away from our internationalist responsibility to add our voice to global effort to create a better world of peace, democracy, a just world order and prosperity for all nations.

Clearly the masses of our people are convinced that our country has entered into its Age of Hope. They believe that the country they love, their only homeland, will not disappoint their expectation of an accelerated advance towards the day when they will be liberated from the suffocating tentacles of the legacy of colonialism and apartheid.

They are confident that what our country has done to move us away from our apartheid past has created the conditions for them to appropriate God's blessing to the Prophet Isaiah:

For you shall go out with joy,  
And be led out in peace;  
The mountains and the hills  
Shall break forth into singing before you,  
And all the trees of the field shall clap their hands.

It is up to all of us, through our National Effort, to build a winning nation, to do all the things that will ensure that the mountains and the hills of our country break forth into singing before all our people, and all the trees of the field clap their hands to applaud the people's season of joy.

Thank you.