

The Presidency budget vote address by Thabo Mbeki

Cape Town 11 June 2008

Madam Speaker and Deputy Speaker,
Honourable Deputy President,
Honourable Ministers and Deputy Ministers,
Honourable Members:

Thank you very much for affording us this opportunity to address the National Assembly during the consideration of the Budget Vote of The Presidency.

Let me also welcome and congratulate the Deputy President of the ANC, the Hon Kgalema Motlanthe, on his admission as a Member of the House.

The Deputy President will speak to the House on the important matters of the work she is doing on behalf of The Presidency, such as her role as the Leader of Government Business, work on Accelerated and Shared Growth Initiative of South Africa (AsgiSA), including interventions on the Second Economy as well as the South African National Aids Council (SANAC). The Minister in The Presidency will address the House on issues such as gender, children, youth and disability.

We are meeting during the Youth Month and five days before the nation marks the 32nd anniversary of June 16 uprisings. Ideally, we should be observing this month focussing all our efforts on the work we continue to do further to advance the struggle of young people to attain a better life.

Although there is, during this month, the necessary attention to the various challenges facing the youth of our country, we however also had to concentrate our energies on both exogenous and endogenous factors that impact negatively on, and pose a number of serious challenges to our nation.

I am referring here to challenges such as the high rates of inflation and interest rates, the rising cost of fuel and food, the electricity emergency and the criminal and callous attacks on nationals from other countries resident in South Africa by a minority whose outlook and sentiments clearly do not represent those of the overwhelming majority of South Africans.

Undoubtedly, these cowardly attacks have shamed all of us and have soiled the good name of our country, which was earned through centuries of bitter and heroic struggles in pursuit of a humane and just society free of racism, sexism, xenophobia and other forms of intolerance.

Madam speaker,

This coming Saturday, a host of athletes from our country and other parts of the world, young and not so young, will be pitting their power of endurance against one another in the Comrades Marathon in the spirit of brotherhood and sisterhood.

In a way, these athletes also communicate a message to our nation as a whole. That message is that our advance towards the achievement of the goal of a better life for all is a marathon that we must run together in unity, understanding that there will be steep inclines as there will be declines, but that if we persist, as we must, we will achieve our goal.

We wish all the athletes success.

Madam Speaker,

Seven years ago, in 2001, our country was given the rare privilege to host the United Nations' World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance. We were chosen as a country not simply because of the attractions of our beautiful landscape, or our rich flora and fauna, but primarily because of what we as a nation had done to end racist rule and build a non-racial society.

Both through the struggle against apartheid, as well as in the manner in which we defied formidable odds to find a peaceful political solution, we gave hope that it was possible for the peoples of the world to be united in their diversity.

Accordingly, many around the world made bold to declare South Africa a pilot project whose outcome should inform the global struggle against the demons of racism, racial discrimination, xenophobia and related intolerances.

However, events of the last few weeks - of criminal attacks on immigrants - have impacted negatively on our collective standing as front troops in the global struggle for a humane and tolerant world.

Even though these callous actions were carried out by a tiny minority among us, this should however make all of us look ourselves in the mirror to find an answer to the question: *What has happened to our age-old spirit of Ubuntu that at all times enjoins every member of the community to act in solidarity with those in dire circumstances?*

In 2001 we issued an Africa Day message published in the ANC Today, highlighting the complexity and multifaceted nature of this challenge and the urgent steps we needed to take as a nation. I will refer to this message at length because the issues raised at that time are even more relevant today. We said:

"It is a matter of concern that our level of knowledge about our own Continent is not as high as it should be. This is partly the result of the many years of the international isolation of South Africa and the fact that, historically, a significant part of our international relations has focused on interaction with the countries of the North, especially Europe.

"Our mass media has also done very little to inform our population in general about the Continent in a balanced way. As happens with news in general, what tends to get reported are the negative things that do, indeed, occur on our Continent.

"But the Continent also has a very rich culture to which we are not exposed, except, perhaps, in the area of popular music. Nevertheless, a better understanding of these cultures would help us greatly to understand both ourselves and the sister peoples of Africa, with whom we are bound by a common destiny".

"It would therefore seem necessary that we pay some attention to improving teaching about Africa in our schools and institutions of higher learning. This should relate not only to such subjects as history and geography, but also to the matters to which we have referred, of culture and current political and socio-economic activity, as well as languages.

"Our youth should grow up knowing that they are African first before they become citizens of the world. This should help further to strengthen the commitment of the new generations to active involvement in the promotion of friendly relations of cooperation and solidarity with the peoples of our Continent and the achievement of the objectives of the African Renaissance".

"Apart from anything else, our intimate relationship with the rest of our Continent is illustrated by the significant numbers of fellow Africans who have sought to settle in South Africa since 1994. Undoubtedly, this trend will continue, adding a new richness to our own society...

"Necessarily, we must continue to be vigilant against any evidence of xenophobia against the African immigrants. It is fundamentally wrong and unacceptable that we should treat people who come to us as friends as though they are our enemies..."

"To express the critical importance of Africa to ourselves, both black and white, we should say that we are either African or we are nothing. We can only succeed in the objectives we pursue if the rest of our Continent also succeeds. We sink or swim together".

The challenge today is to move with speed to implement the measures we identified in the 2001 message so that all of us understand that whatever we do, as Africans across the continent we will swim or sink together.

Honourable Members, I would like to take this opportunity to thank the many South Africans who have united across the country to take a stance against these attacks, thus affirming our Ubuntu and Pan-African values that made our country worthy of hosting the UN conference against racism.

I am also encouraged that some affected communities stood firm against the instigation of this violence and even went a step further to protect their immigrant neighbours. At the moment, the challenge is to create conditions for the displaced people to be integrated into communities.

As the world prepares for the Geneva conference to be held next April to review progress in the implementation of what we had committed ourselves to, in Durban in 2001 at the anti-racism conference of the UN, we should use this process not only to review our own progress in this area, but also to engage in a healing exercise that will ensure that never again in this country do we experience what we witnessed recently.

Government will play its role, but the best results will be achieved when we act together in our various formations and communities to make intolerance of any kind a thing that our country will not tolerate.

Madam Speaker,

I have referred to the challenges of rising inflation, driven by fuel and food prices, as well as the electricity emergency. It was in this context that during the State of the Nation Address we called on all South Africans to engage these and other challenges with all hands on deck and in a spirit of Business Unusual.

As government, we identified 24 Apex Priorities the successful implementation of which would address both the long-term objectives of transformation and attainment of a better life for all; as well as ensuring that we complete the popular mandate given to government in our third democratic elections in 2004.

I wish to report that government, in the spirit of Business Unusual, is hard at work to implement the Programme of Action we announced in this House some four months ago. In July of this year, Cabinet will conduct a mid-year review of our work and we will report more comprehensively after that Lekgotla. I am certain that the Budget Votes by the Ministers over the past few weeks have given Honourable Members an indication of the extent to which the Ministers and the civil servants have put shoulders to the wheel to meet our obligations to society.

In commending the budget of The Presidency, I will reflect on a few of the issues pertaining to the functions of this Office, some of which, as I said earlier, will be addressed by the Deputy President and the Minister in The Presidency - recognising that this Office is called upon to act as the strategic management centre of government.

As Honourable Members are aware, in many of the past Budget Votes of The Presidency, we have consistently reported to parliament on the on-going work of government on the transformation of the

state, principally aimed at ensuring that our democratic state is able effectively and efficiently to implement programmes that will have the effect of bettering the human condition in our country and, where possible, beyond our borders.

This process of building a developmental state with the necessary capacity and with a public service that is adequately skilled and driven by the principles of Batho-Pele has happened simultaneously with social transformation.

Of course we are the first to admit that there are a number of challenges, especially on the need further to improve the performance of all state organs in providing services to the population, building economic and social infrastructure, progressively ensuring community safety and security, and contributing to the realisation of social progress across the board.

Part of this challenge further to improve performance of the South African state relates to the need to improve integration beyond the formality of Ministerial and Director-General Clusters and other such structures. It relates to the need to acquire and retain skilled personnel. It applies as much to management in the headquarters of departments as it does to the proper running of educational, health and other agencies at the coalface of interaction with the public.

Among the critical matters to which we have continued to pay attention is the challenge of monitoring and evaluation. We have over the past financial year improved the integration of monitoring and evaluation systems across national departments and in relation to the provinces.

Training programmes have been intensified; and the system to monitor the implementation of the government Programme of Action has fully been placed on an electronic platform. In order to improve the executive management of national government, we have introduced an additional instrument aimed at assessing the functionality of departments and Ministries.

In this context, we shall better be able to deal with poor and at times corrupt management of various aspects of service delivery, including instances of inadequate maintenance of infrastructure, disregard for public property, insensitive handling of citizens in government offices as well as health and other centres. Even though transgressors may be in the minority, the reality is that they dishonour the public service and lower the standing of government in the eyes of the public.

However, these weaknesses should not make us lose sight of the achievements of the past fourteen years in many areas of the lives of South Africans, including provision of infrastructure and services in the face of huge backlogs inherited from the past. While we should acknowledge the weaknesses, we need to affirm that the South African state is not faced with a crisis of incapacity. Rather, we need to learn from the fourteen (14) years of experience further to improve the state's capacity to meet its obligations.

The improving capacity of the state is reflected for instance in progress in the fight against poverty and in building a better life for all. The South African Advertising Research Foundation reports that between 2000 and 2007 there was a significant decrease in the number of people in the poorest categories with regard to average monthly income and an increase in the growth of the middle strata.

Some of the significant interventions against poverty have been the expansion of social grants, employment creation, special interventions to ensure more participation of black people in the economy and support for the SMME's.

Further, to improve the comprehensive social security, the National War Room for the war against Poverty announced in the State of the Nation Address, has been established, led by the Deputy President.

While social assistance and the social wage are important, the challenge still remains with regard to reducing unemployment as well the high levels of inequality between the rich and the poor, which in part is a function of another major challenge in South Africa today - the scarcity of skills, on which the Deputy President will elaborate.

Indeed, across most measures of human development, there is welcome progress in improving people's quality of life. Honourable Members may recollect that during the course of 2007, The Presidency released a mid-term review publication, detailing trends in 72 human development indicators. We intended then to ensure that these data are updated on an annual basis; and we are happy to report that in the coming month, the 2008 update will be released. We do hope that Honourable Members and the public at large will engage the information contained in this publication, so that our collective assessment of the state of our nation is based on fact rather than conjecture.

Of all the three spheres of government, local government is at the coalface of delivery and as such calls for ongoing efforts to refine it into an effective machinery to respond to the needs of communities.

Last week, the Minister for Provincial and Local Government, the Hon. Sydney Mufamadi, informed the House about some of the progress made to improve the functioning of this sphere of government.

To achieve our objectives in this regard, we have in the past few years engaged actively with councillors, officials and the general public through the Izimbizo Programme, the better to understand the challenges faced by this sphere of government; to identify weaknesses that hamper delivery; to seek ways of strengthening important structures such as Ward Committees and to solicit community views regarding various local challenges.

The Presidency has also been carrying out work to ensure alignment among the planning instruments across the spheres of government. Informed by the National Spatial Development Perspective, the harmonisation of Provincial Growth and Development Strategies and municipal Integrated Development Plans continues, with 23 districts either completed or presently engaged, and 15 more being enrolled.

Currently, The Presidency is leading the preparatory processes for the July Cabinet lekgotla. Among the issues that will engage the mind of Cabinet in this regard are the Fifteen Year Review and Scenario Planning, conducted by The Presidency with the support of various Clusters. At the same time, work is continuing to develop options for the setting up of long-term planning capacity, having, as government, come to the conclusion that South Africa needs this instrument to ensure integration of all strategic objectives, programmes and projects, including road, rail, electricity, human settlement and other infrastructure.

Madam Speaker,

Improving the capacity of the state also implies strengthening supervision of activities of State-owned Enterprises and alignment of these with the work of departments. While recognising that much of this work has ably been handled at line-function level, it was however deemed necessary that engagement across the line functions was critical to ensure effectiveness of service provision.

In this respect, The Presidency conducted the first such engagement during the course of last year.

Beyond this, government highly values interactions with various social partners, as part of the endeavour to mobilise all of society in pursuit of our common objectives. Pursuant to this objective, we have in The Presidency continued to strengthen these engagements as well as those with friends from abroad, through the Presidential Working Groups and other forums.

As part of our on-going efforts further to improve the performance of our economy, we have had several meetings with representatives of Commercial Agriculture, Trade Unions, Big Business, Black Business, BUSA and Joint Working Groups.

Through these meetings we continue to work together in a number of areas that are critical to the different sectors of our economy. These include:

- Land and agricultural reform programme;
- Food security, food prices and relief for the poor;
- Disaster and Emergency Aid to farmers;
- Land reform and the security of tenure of farm dwellers
- Collaboration between government departments and the private sector regarding the development of programmes aimed at addressing the needs of vulnerable communities;
- Challenges around energy and the need to work together;
- Partnerships in the fight against crime;
- The need for accelerated investment in skills development;
- Addressing the challenge of investment in strategic sectors such as infrastructure, ICT and others;
- The need to broaden black people's participation in the economy while expanding the base of the economy and ensuring economic growth, including reflections on BBBEE Codes of Good Practice, preferential procurement, and monitoring of the implementation of employment equity;

Implementation of the commitments made at the Growth and Development Summit. The review of SETAs so as to align them with the National Industrial Policy Framework.

In our engagement with the religious working group we agreed to:

- Ensure better coordination between all spheres of government, including the Department of Education, and religious community in the implementation of the Early Childhood Development Programme;
- Work together on Social Housing;

Work in partnership so as to promote social cohesion;

- Collaborate on skills development;
- Coordinate our work on community and home-based care; and,
- Build practical partnerships in various localities to strengthen the offensive against crime.

Further, in our engagement with the Working Group on Higher Education we emphasised the need for our education system to be responsive to the needs of both our developmental state as well as our economy.

The Presidency continued to engage with working groups on women, youth, as well as the leadership of provinces and SALGA through The Presidential Co-ordinating Council. With regard to the youth in particular, we were able last Friday to complete the consultative process around the National Youth Policy. We are confident that, in the coming few weeks, the critical instrument to guide programmes for youth advancement will be formally adopted for immediate implementation. We are also proud that we will in the coming month submit to Parliament the African Youth Charter for ratification.

The Presidential Co-ordinating Council, the next of whose meetings takes place in two days' time, continues to offer us an important additional platform to monitor work done at both provincial and local spheres of government with regard to such important matters as delivery of infrastructure and services as well as the better utilisation of Community Development Workers.

We have also benefited from the valuable advice from the Presidential Advisory Panel of Economists.

Again, during the course of the past financial year, we engaged our international friends on the best possible ways of growing the economy and increasing rates of investment in the country and improving the image of South Africa abroad.

In this regard, the meetings with the Presidential International Investment Council reflected on an overview of the economy. This includes looking at broad macroeconomic developments; implementation of AsgiSA and the Industrial Policy Action Plan; Second Economy initiatives; preparations for the 2010 FIFA World Cup; and other matters.

We also engaged the Presidential International Advisory Council on Information Society and Development. This Working Group continues to help us in our efforts to become a leading player in respect of building an inclusive Information Society. In this regard, we have agreed to strengthen the e-Skills Council so that it contributes to the objectives we have set ourselves.

Honourable Members,

The Presidency, on behalf of government and indeed our nation as a whole, had the opportunity to honour both South Africans and our friends from abroad who have contributed to our democracy as well as doing exceptional work to advance the objectives of our transformation.

These outstanding individuals have been honoured in the six categories of our National Orders, which are: The Order of the Baobab, The Order of Luthuli, The Order of Mendi for Bravery, The Order of Ikhamanga, The Order of Mapungubwe and The Order of the Companions of O.R. Tambo.

We have also continued to discharge our international obligations, especially with regard to the challenges on the African continent. We do this within the framework of the African Agenda, at the core of which is the renaissance of our continent.

Accordingly, we strengthened the New Partnership for Africa's Development through financial and logistical support. We are happy that together with the Public Investment Corporation (PIC) we have helped to launch the Pan African Infrastructure Development Fund to mobilise resources for Africans to fund their own development.

We continuously do our best to ensure the success of the programmes of the African Union. One of the focus areas, in the past year, was the need for faster integration of the continent with the Grand Debate in Accra, Ghana, directing all of us to concentrate our efforts on regional integration as a necessary step towards greater unity.

For us in this region, the integration of the Southern African Development Community (SADC) is of paramount importance. South Africa will continue to do whatever is possible to accelerate this process, especially when we assume the chairpersonship of SADC in August this year.

Further, our work to strengthen democracy and post-conflict efforts in the Democratic Republic of Congo and the Republic of Burundi continues, as we continue to follow developments in Côte d'Ivoire.

Again, we directed our efforts towards peace in Sudan, including the deployment of the hybrid force as well as capacity-building in the south of Sudan.

With regard to Zimbabwe, our SADC mandate is still on track. In this regard, our facilitation helped to ensure, among others, that the March 29 elections were generally adjudged to have been credible.

At the moment, we are doing whatever we can to ensure that we do not experience major problems in the Presidential second-round elections set for 27 June. We are at one with SADC and most of the international community that the incidents of violence and reported disruption of electoral activities of some of the parties are a cause for serious concern and should be addressed with all urgency. SADC has also resolved to strengthen its observer mission in that country.

We do hope that friends of the people of Zimbabwe, who seek nothing more than freedom for the people of that country to elect a government of their choice and overcome the current socio-economic crisis, will work together in pursuit of these objectives.

We have done what we could further to strengthen our South-South relations, including the India-Brazil-South Africa Forum.

We were privileged to have been afforded the opportunity to be a non-permanent member of the UN Security Council, a tenure that ends in December this year, as well as chairing some of the Security Council's sessions. At all times we sought to discharge our responsibilities in a principled manner and in accordance with the Charter of the UN as well as in the interests of our nation, of Africa and of the countries of the South.

In this regard, part of the work we are doing is to ensure that the UN Security Council works in collaboration with regional institutions as well as other bodies of the United Nations and that matters appropriately mandated to specific UN structures are handled by the relevant bodies.

Madam Speaker,

I would like to take this opportunity to thank the Deputy President, Phumzile Mlambo-Ngcuka; the Minister in the Presidency, Dr Essop Pahad; Director-General of the Presidency, Rev. Frank Chikane; Director-General for the Policy Co-ordination and Advisory Services, Joel Netshitenzhe; Chief Operations Officer, Trevor Fowler; advisors and all the staff for executing their duties with dedication and commitment.

As South Africans work together to realise our collective aspirations -amid the difficulties that we have had to endure in the recent period -let us all remember that we are indeed running a marathon, which demands endurance, stamina, a refusal to be defeated even by the most difficult parts of the course, and the need always to keep our eyes on the noble goal we pursue.

Together, as the elected representatives of the people present here we should all say, in word and deed, beyond serving our people, we have no other ambition. And with all hands on deck, we know we shall overcome!

I am honoured to commend the Budget of The Presidency to the House.

Thank you.