

THE TIDE HAS TURNED BUILD A PEOPLE'S CONTRACT FOR A BETTER SOUTH AFRICA

Government's Programme of Action for 2003

Constantly changing the lives of the people

Government's partnership with the people of South Africa, as part of a national effort to build a better life for all, is beginning to bear fruit.

Communities throughout the country have in the past year heeded the call to participate in the *Letsema* volunteer campaign, by selflessly volunteering their services to improve other peoples' lives.

Through the *Imbizo* outreach programme, government, including the President, Cabinet Ministers, Premiers, Members of Executive Councils (MECs), mayors and councillors have been interacting with communities throughout the country.

The progress that has been made is the basis for further advances that are needed to meet our goal of eradicating poverty and transforming our country into a just and prosperous society.

This Programme of Action was outlined in the President's State of the Nation Address in Parliament and subsequent briefings by Ministers.

PROGRESS IN IMPROVING THE LIVES OF ALL SOUTH AFRICANS

- **Economic progress:** Gross Domestic Product grew by an estimated 3,1% during 2002 – the 10th consecutive year of growth, and manufacturing by 5,4% – the fastest year since 1995. In the first three quarters of 2002, household consumption expenditure increased by 3,2% on average and disposable income by over 3,5%.
- **Boosting the income of citizens:**
- **Tax relief and minimum wages:** Tax changes since 1999 have increased citizens' income by R38,1 billion. The introduction of minimum wages for domestic and farm workers will help raise the income of these vulnerable workers. This will continue in a few other sectors.
- **Social transfers:** Two social grant increases in April and October 2002 made R1,5 billion available to the most vulnerable – this year will see further increases. Over the last decade, real expenditure on social services grew by 4% per annum.
- **Addressing food prices:** Measures to deal with the emergency of high food prices included establishing the Food Monitoring Committee and providing R400 million for such relief as food parcels and agricultural starter-packs.
- **'Social wage':**
Lives are being improved by increased water and electricity connections, improvements in school teaching and learning, acceleration of the Land Restitution and Redistribution Programme, primary health care and free housing.

Freedom has brought progress

Output of government programmes - 1994 to 2002	
People gaining access to clean water (Community Supply Programme)	8,339,054
Number of connections to the electricity grid	3,803,160
Subsidised houses completed or under construction	1,462,628

(from reports by departments)

Increasing access to services	1995	2000
Households living in formal housing	65,8	72,6
Households using electricity as main source of lighting	63,5	71,7
Households with tap water as main source	78,5	84,3
Households flush or chemical toilet	56,9	58,3

(from Statistics South Africa's 1995 October Household Survey and 2002 Labour Force Survey)

PROGRAMME OF ACTION FOR 2003

'With regard both to changing the lives of South Africans for the better, and building relations of human solidarity with the peoples of the world, the tide has turned. Our task is to take this tide at the flood, further to progress towards the achievement of the goals for which so many of our people sacrificed.

"This is the perspective that will inform our work as we strive to meet our obligations to our people, and the peoples of Africa and the world."

– Pres Thabo Mbeki

Expanded service provision

- **Social security:** Steps to reach the most vulnerable will include extension of the Child Support Grant to children up to 14 years: this year those who turn eight will be included, in 2004 those who turn 10 and in 2005 those who turn 14. Unemployment insurance will include domestic, seasonal and agricultural workers. A Comprehensive Social Security System and the Social Health Insurance Scheme will be finalised this year.
- **Free basic services:** There will be free health care for persons with disabilities. Free basic water will be extended to those who are eligible but still lack access. Poor households in areas connected to the grid will receive up to 50kW of free basic electricity, while those in non-grid areas will receive a subsidy of up to 80% of the market cost of connection to the grid.
- **Comprehensive response to health challenges:** Work will continue to eradicate malaria in South Africa and other Southern African Development Community countries by 2007, and further efforts will be made to reduce the incidence of tuberculosis. Working with the South African National AIDS Council, Government will continue to implement its comprehensive strategy on HIV/AIDS. This includes prevention, home-based care, anti-retrovirals for prevention of mother-to-child transmission and rape victims, and an approach to comprehensive treatment.

A more efficient Public Service

"Without an efficient and effective public service, it will be impossible for us to register the advances that we are capable of." - Pres Thabo Mbeki

- **Auditing Public Service personnel:** A national and provincial audit will be done by mid-year to inform steps to ensure that the Public Service has the right number of people with the right skills, at the right places.
- **National Social Security Agency:** Accelerating the setting up of this Agency will help overcome problems in the distribution of social grants.
- **Community development workers:** A new public service corps of multi-skilled community development workers will maintain direct contact with the people where they live. This is intended to change a situation which obliges the people to come to government even when they do not know what services government offers and cannot afford transport to government offices.
- **e-Government access for citizens:** Using technology to bring government closer to the people, the setting up of a government-wide Call Centre will be speeded up. This year will see the first phase of an e-Government Gateway, that in time will give one-stop electronic access to government services, and function as an electronic version of the Multi-Purpose Community Centres.

Investment in social infrastructure

"Further improvement in the quality of the lives of our people also requires that we take new measures to increase the volume and quality of our investment in the social infrastructure." – Pres Thabo Mbeki

- **Enhanced access to social infrastructure:** Additional resources will be set aside to further expand access and improve quality in housing and municipal infrastructure, hospitals and clinics, schools, roads, water, electricity and government facilities. There will be particular, but not exclusive, attention to the nodal points of the Urban Renewal and Rural Development Programmes.
- **Expanded Public Works Programme:** To address this investment in social infrastructure, government will launch an Expanded Public Works Programme. It will draw significant numbers of the unemployed into productive work, and ensure that they gain skills while they work.

Interventions to encourage economic growth and development

"Despite continuing improvements in the capacity of the economy to create new jobs, the issue of unemployment remains one of our major challenges. The solution to this problem is dependent on our achieving the necessary rates of economic growth and development. Accordingly, everything we have said about the economy also relates directly to the issue of job creation." – Pres Thabo Mbeki

- **Growth and Development Summit:** The Summit, scheduled for May 2003, should address issues of higher rates of investment, job creation, economic restructuring and improved efficiency and productivity, and greater social equity. All the social partners will have to indicate what they will contribute to tackling these challenges.
- **Building on microeconomic reform successes:** The Government's microeconomic reform programme, taking advantage of the stabilisation of South Africa's macroeconomic environment, has seen successes in key growth sectors such as agriculture, mining, tourism, cultural industries, information technology, clothing and textiles, vehicle manufacturing and chemicals. New growth sectors are aerospace and call centres.

To build on export successes there will be changes to the Export Marketing Assistance Scheme, upgrading of our representation in strategic markets abroad, and work on using a simplified tariff book as an instrument of industrial policy.

- **Key economic investment projects:** Over R100 billion has been set aside for capital expenditure in the Medium-term Expenditure Framework period, including R55 billion for infrastructure at national level. Major state corporations plan at least R32 billion for 2003.

Key infrastructure projects include construction of the John Ross highway to Richards Bay, a dam on the Olifants River in Limpopo to provide water for platinum-mining and agriculture, construction of the Coega Port, and concessioning of the Durban Container Terminal. Improvement of infrastructure on the KwaZulu-Natal coast includes the relocation of Durban International Airport to La Mercy and the establishment of the Dube Trade Port.

Massive investments will be dedicated to upgrading and acquiring railway rolling stock, as well as taxi recapitalisation, which should start in 2003.

Black Economic Empowerment (BEE)

“The Government will lay greatest stress on black economic empowerment that is associated with growth, development and enterprise development and not merely redistribution of existing wealth.” – Pres Thabo Mbeki

- **Transformation Charter:** A law will be introduced into Parliament to establish a framework for BEE and allow for the publication of the Strategy Document and Guidelines, all of which will make up the Global Transformation Charter. This approach will allow flexibility in different sectors of the economy, in the best interests of a modern and globally competitive economy. But it will also make it clear that meaningful economic transformation is fundamental to our collective prosperity.
- **Small and medium business and the co-operative sector:** More resources will be committed to developing this sector, which is a priority for government. There will be increased support for business organisations and expansion of the Business Mentorship Programme. Women-owned businesses will receive additional support through the South African Women Entrepreneurs’ Network, launched in 2002.
- **Micro-credit:** Government has established an Apex Fund to provide micro-credit to people at grassroots level. As soon as discussions with institutions in this field are concluded, funds set aside will start to reach people in need.
- **Communal land:** The finalisation this year of the Communal Land Bill will bring certainty in the ownership of assets by families in rural areas, including women, and encourage small-scale and co-operative agricultural production and improved food security. This will be done in such a way that elements of culture consistent with democracy and human rights are not undermined.

Human resource development to help reduce unemployment

“We are convinced that sustained and correctly focused work in the area of human resource development, together with the varied economic interventions we have mentioned, will help the country in the effort to attend to the important challenge of unemployment.” – Pres Thabo Mbeki

- **Employment Strategy:** Government will present to our social partners a Framework for an Employment Strategy – including emphasis on skills development – to ensure that we create the best possible conditions to reduce the levels of unemployment.
- **Sector Education and Training Authorities (SETAs):** By the end of last year, over 23 000 learners had participated in SETA training programmes, ranging from entry-level programmes to professional and post-professional training. To increase access to these programmes by the unemployed, government will take the lead in bringing more of these

into its own training programmes, and encourage the private sector to do the same. 50 000 learnerships involving mainly young people are to be established by March next year.

- **Expanded Public Works Programme:** This will provide on-the-job training, concentrating on the section among South Africa's working people that is marginalised by virtue of low educational and skills levels.

An improved Criminal Justice System for a safer South Africa

“Over the past three years, our security agencies have been hard at work implementing the National Crime Combating Strategy targeted at priority crimes and policing areas with the highest incidence of serious crimes. We can say with confidence that definite progress is being made. Since 1999, the rates of serious crime in targeted areas has either been reduced or stabilised. Murder has been reduced by almost 17%. Case backlogs and the number of awaiting trial prisoners have been reduced.” – Pres Thabo Mbeki

- **Reducing illegal firearms and weapons:** The campaign to reduce the number of illegal firearms and weapons will continue, with a particular multi-sectoral focus on the most marginalised sections of our population among whom a considerable proportion of crimes against the person takes place – including murder, abuse of women and children, assault with intent to cause grievous bodily harm and common assault.
- **Stricter border control:** Border control will be strengthened, requiring, among other things, improving the capacity of the Department of Home Affairs to carry out its tasks. This will include the implementation of the new immigration law. It will be necessary to upgrade the Population Register, and deal with corruption across the board, including security at the Government Printing Works where identity and other documents are produced.
- **Reducing court backlogs:** The programme to deal with case backlogs will continue, including more Saturday and specialised courts. The *letsema* of legal practitioners outside government has made an important contribution to this.
- **Rooting out corruption:** Taking advantage of the Jali Commission's findings, a determined programme will be launched to root out the corruption and mismanagement found in sections of Correctional Services.

Africa's renewal in a more peaceful world

“We speak in favour of peace because our people prefer peace to war. They yearn for peace because they know from their experience that without peace there can be no development. Without development we will not be able to realise the goal of a better life for all. Without peace we will fail in the effort in which we are engaged, to transform ours into a country of hope, and revert to the past on which we have turned our backs, a past of misery and despair.” – Pres Thabo Mbeki

- **Promoting eradication of weapons of mass destruction:** After discussion with the Secretary-General of the United Nations (UN) and the Government of Iraq, a South African team of experts, who led the programme to destroy our nuclear, chemical and biological weapons of mass destruction, was sent to Iraq. Their task was to share experience relevant to the mission of the UN and Iraq to eradicate such weapons under international supervision.
- **Strengthening relations with the rest of the world:** Strengthening our relations with the countries of the South, and improving relations with the developed world will include continued trade negotiations with Mercosur, China, India and the United States. South Africa's international role is enhanced by the responsibility to take forward decisions of the African Union (AU), which we chair, and to assist the UN in realising the

commitments of the World Conference Against Racism and the World Summit on Sustainable Development which we hosted.

- **Advancing the AU agenda:** As conditions for peace and development take shape in the Democratic Republic of the Congo, Burundi, Sudan and Angola, we will remain ready to assist to ensure peace, prosperity and national reconciliation. South Africans serving in our National Defence Force are working in a number of African countries to contribute to peace as a critical condition for development.
- **Accelerating formulation and implementation of the first projects of the New Partnership for Africa's Development (NEPAD):** Progress last year in cementing partnerships within Africa and further afield will allow the translation of NEPAD, without delay, into concrete projects. The NEPAD Implementation Committee will finalise criteria, standards, institutions and legal instruments for the Peer Review Mechanism, pending the setting-up of relevant institutions within the AU. Work continues in various regions of the continent to identify and start implementing projects that will give practical meaning to Africa's renewal.
- **Assisting Zimbabwe to solve its problems:** South Africa continues to do what it can to assist Zimbabweans to solve their problems. There will be more interaction in coming months with the government of Zimbabwe and civil society to help them deal with their political, human rights and economic problems. South Africa does not approve of violence, whoever is the perpetrator, and any reforms should be within the law. We hope Zimbabweans will find lasting solutions in dialogue among their leaders.

“As we enter the last year of the First Decade of Freedom, we will heed the lessons of these first ten years and build on what has been achieved... we must together approach the Second Decade of Freedom (2004 – 2014), as one in which the tide of progress will sweep away the accumulated legacy of poverty and underdevelopment”.

The tide has turned. The people's contract for a better tomorrow is taking shape.'