

**Keynote Address at the Joint Durban Chamber of
Commerce and Industry and the National Planning
Commission Business Dinner**

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Programme Director, Ladies and Gentlemen, Good Evening.

Thank you for taking time to join us this evening to share ideas about how accelerate the implementation of the National Development Plan. It is our only programme for responding to the pressing socio-economic challenges facing our country. It is also our building plan for constructing a future that is many times better than the present.

American Author, Alan Lakein once described planning as follows:

“Planning is bringing the future into the present so that you can do something about it”.

The National Development Plan makes the future less of a mystery and something we can influence through our actions. If the next twenty years

turn out to be a disaster politically, environmentally, economically, it will not so much be because we did not know what to do.

When we completed the National Development Plan in August 2012 and handed it to President Zuma in Parliament, we were handing it over to Government and to the nation at large. We did this because the President had tasked the Commission to develop a plan for the nation, not just a plan for Government or a plan for the ruling party.

As a plan for the nation, it is the responsibility of everyone to make the National Development Plan come alive, and become a reality in the various sectors. We believe that the questions that should occupy the strategy sessions of all organisations, government, business, civil society, unions and churches is: “how can we contribute to the implementation of the National Development Plan”?

At the risk of sounding a bit trite, allow me to remind us the six pillars of the National Development Plan.

The **first** is to unite all South Africans around a common programme to fight poverty and inequality and to foster a spirit of unity.

The **second** pillar is active citizenry. Working individually and collectively with others in the community, citizens have a critical role to play in their own development and in the development of our country.

The **third** pillar is a growing and inclusive economy. Without faster and more inclusive economic growth, it will not be possible to deliver on the objectives that we have set for ourselves.

The **fourth** pillar of the plan addresses the urgent need to build capabilities. These include human capabilities through addressing the education, skills, health needs of the nation; physical capabilities through investing in economic and social infrastructure; and institutional capabilities.

The **fifth** pillar is a capable and developmental state that is capable of intervening to correct historical inequalities and to create opportunities for more people. A critical building block of a capable state is a public service that is professional, competent and responsive to the needs of all citizens.

The **sixth** pillar is the responsibilities of leadership throughout society to work together to solve our problems. To achieve the South Africa that we all desire, we require leaders – wherever they are - to put the country first, to put the future ahead of today.

From the 15th of August, the NDP became a plan that everyone must own and implement in their respective organisations and sectors. More than two years down the line, we need to reflect on how much we have

achieved; we must identify obstacles to accelerated progress; and we must jointly seek solutions.

Let me remind you. Some of the targets we set ourselves in the National Development Plan are to:

- (a) Eliminate extreme poverty,
- (b) Expand employment by creating 11 million more jobs by 2030,
- (c) Reduce inequality by increasing the share of national income earned by the poorest 40% households,
- (d) Make sure that everyone is able to achieve a decent standard of living, and
- (e) Increase investment as a share of gross domestic product to between 25% and 30%.

To achieve these goals, the economy would have to grow by more than 5% on average.

Various data releases tell us that we are underperforming relative to these expected levels. Growth is sluggish, unemployment persists at unacceptably high levels, and infrastructure bottlenecks remain a constraint.

To be sure, we did not expect to see major changes in these variables in a short two-year period, but we expected the trends to point in the positive direction. The fact that some of these variables indicate significant underperformance must be cause for grave concern for all of us.

One of the major constraints to higher levels economic growth is energy. Economic modelling estimates that removing the energy constraint would enable the economy to expand by 3.5%, removing other infrastructure bottlenecks, skills and labour unrests would push growth above 5%.

Energy is a major input into production, especially in Mining and Manufacturing. The unreliability of supply poses a risk for producers in these sectors and makes the country unattractive for investment. Producers have to put in place contingency measures such as diesel generators which produce electricity at a much higher cost. Other cost drivers include transport and other logistics, skills and general labour costs. These cost drivers also influence the cost of raw materials.

Taken together, these cost drivers, including lack of competition in certain sectors make South African products very uncompetitive in global markets. Under these conditions, trade and in particular exports which are generally regarded as the engine for growth of small open economies become an unviable strategy.

Addressing these constraints must be an absolute priority and the private sector has a much greater role to play.

Why is it that with all the knowledge that we have about the challenges and the necessary actions, we do not seem to act swiftly to address them?

The trust deficit between government, the private sector and unions has become one of the overarching constraints to our ability to solve problems.

There are many things that Government can and should do to accelerate the implementation of the NDP. Similarly, there are many actions that require the agency of the private sector to undertake individually. And there are actions that all key stakeholders need to take collectively.

Imagine for a moment a situation where a group of people are aboard a small boat at sea; one side of the boat starts to leak and lets water in very slowly; imagine that they have tools inside the boat to fix the leak; as rational human beings what do you think they would do? Would they all move to the side of the boat that is unaffected and celebrate that there is after all a section of the boat that is dry or would they join hands and fix the leak?

Common sense suggests that they would put whatever differences they have aside and work together to fix the problem because they understand that moving to the unaffected side only provides temporary relief but in the long run, the boat would go under, taking all of them with it.

In conclusion, I know that given a chance you can all recount harrowing tales about how you have tried to work with Government and were turned away. I do believe that this is a challenge we have to pay attention to and identify more effective ways of addressing it. Adopting a wait and see attitude or walking away from it is not an option. What will your contribution be to plugging the hole in the boat or put more positively, how will you contribute to the realisation of the goal of the National Development Plan

Thank you