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**NATIONAL DEVELOPMENT PLAN: OVERHAULING THE SOUTH AFRICAN ECONOMY**

It was only two decades ago that South Africa was truly in a deep social and economic crisis; the CODESA II (Convention for a Democratic South Africa) political negotiations had broken down and tensions between the then Nationalist government and the ANC (African National Congress) were at a breaking point. Of course we remember only too well the conditions by which many impoverished fellow South African people lived at this time, which was directly as a result of the inequalities created by the previous Apartheid government and system.

At the time, political violence plagued our country and South Africa was very unstable, and foreign investors had successfully 'economically starved' South Africa's growth through economic and political sanctions.

It was only in 1989 that some form of 'normality' was restored in the country, when the then President of South Africa, FW de Klerk, unbanned the ANC and other organisations and released the leader of the ANC, Nelson Mandela. Now over 20 years later, South Africa has enjoyed a relatively peaceful political transition from the previous highly segregated society, where white people predominantly enjoyed all the benefits of the economy. Today we have a country which provides a Constitution that protects the rights of *all its citizens*, black people included, but that's about all.

Although South Africa achieved its democracy in 1994, there are still massive inequalities which exist amongst our people and the gap between the rich and poor has widened since the transition. Just a few months ago, President Jacob Zuma lamented, saying that "we want to have a country where millions more South Africans have decent employment opportunities, which has a modern infrastructure and vibrant economy and where the quality of life is high." Essentially a vibrant, growing, broad based middle class working society is urgently required; rather than a few advantaged 'insiders' and this being at the expense of a larger group of impoverished underclass people desperate for employment.

***"We, the people of South Africa, have journeyed far since the long lines of our first democratic election on 27 April 1994, when we elected a government for us all. We began to tell a new story then.***

***We have lived and renewed that story along the way. Now in 2030 we live in a country which we have remade."***

*Source: Vision Statement: The National Development Plan  
11 November 2011*

Truthfully, the vision outlined by President Zuma is still far off for millions of impoverished people in our country and the undertaking of narrowing the chasm between those 'who have' and those 'who have not', is an enormous and difficult task. In reality, the economic transition has been dragged out mainly by vested interests of a few, who want to protect their existing positions.

Since the dawn of our democracy -- there has been progress brought about in South Africa, evidenced for example, through the improved access for black people to seek decent employment, education, housing, electricity, water and sanitation. The reality is that -- comparatively speaking -- only a very few have *really* benefitted in the new South Africa.

Today South Africa faces many more problems, which have been further exacerbated by the recent global recession. Growing unemployment, poor skills development to service industry needs, loss of experienced leadership, dysfunctional basic services delivery, declining standards and access to health services, and a degenerating basic educational system appears to top almost every local media announcement.

In an effort to turn the situation to one where all South Africans can benefit in an inclusive and functional society, and where all citizens enjoy a better quality of life; a concerted and corrective effort will be



required by all the country's stakeholders. Failure to do so, can only result in chaos, further unrest including possibly one or more repetitions of the recent Marikana tragedy, and ultimately where South Africa is further down-graded by the international rating agencies. That said, South Africa has no option but to rapidly and collectively turn around this situation for the better. Clearly, growing inequality, unemployment, poverty and crime are South Africa's biggest challenges and it is these critical areas -- amongst others -- that the National Development Plan (NDP) seeks to urgently address and which hopefully has the broad support within the ruling alliance.

One of the main objectives of the NDP, formed in November 2011, is to eradicate poverty and reduce the inequalities amongst her people by 2030. The priorities which stand out in the NDP include;

- increasing employment through faster economic growth,
- enhancing the quality of education, skills development and innovation, and
- building the state to fulfill a more developmental and transformational role.

Whilst the NDP contains fifteen chapters of what appears to be a very good social and economic plan, business, labour, civic society and government will need to collaborate closely if this plan has any chance of success. Specifically Chapters 3 and 4 of the NDP cover the economy, employment and economic infrastructure. Large corporates may find many new strategic opportunities as they apply themselves to the details provided within the specific actions that have been addressed. But this will require among other (i) a renewed partnership of trust particularly between big business and the government and (ii) involving small business who are the likely creators of many of the future jobs.

**“The plan we hand over today is about the actions that all of us must take to secure the future charted in our Constitution. The plan is about our dreams and aspirations and detailed actionable steps to achieve them.”**

*Trevor Manuel (Chairperson, Minister in the Presidency)  
15 August 2012*

Similar to the factors addressed in the NDP, the African Progress Report 2012 highlights five key areas which will shape the future of the global and African economy. Understanding the contents of the NDP, as well as the factors contained within the African Progress Report, remains a key area for business to concern itself with. Undoubtedly there will be implications -- to a lesser or larger extent -- upon businesses and their extended supply chains. Such impacts may be caused or exacerbated by:-

- a youth surge into African cities, affecting demography and human urbanisation,
- global food and fresh water shortages, as the world population continues to grow with higher demands on food production,
- massive shifts in economic power, as China rapidly increases its growth opportunities in Africa,
- unprecedented growth in science, technology and innovation, and
- more informed citizens who are individually and collectively empowered to hold governments (and businesses) accountable for poor leadership and poor governance.

The key question is whether SA will be driving and harnessing such change to our advantage or whether our seeming incapability to implement many of the policies will result in us only being observers?

While the NDP provides a good strategic vision for South Africa from now to 2030, the big question many now ask is, “how to get there?” Trevor Manuel, the chief architect of the NDP said on 27 September 2012, “it requires the marshalling of human and financial resources; investment in the development of skills of planners among others; and creating incentives for young people to choose the planning profession. It requires the strengthening of the capacity of governance in planning – ensuring that government is focused on norms and standards and not permit developers to override...The loops in local government democracy need to be closed.” Let us hope and pray it will be implemented.

**ENDS** (Words: 1,138)

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