

**SPEAKING NOTES PRESENTED BY THE MEC FOR
ECONOMIC DEVELOPMENT, ENVIROMENT AND
TOURISM, MR NORMAN MOKOENA, MPL, DURING THE
DEPARTMENTAL STRATEGIC PLANNING RETREAT AT
INGWENYAMA LODGE (16-17 JULY 2011)**

Monday, 16th July 2011

**The Acting Head of Department, Mr Sam Maluleka;
Chairperson of the MGB & MEGA Boards, Mr Jerry
Vilakazi**

**Chairperson of the MTPA Board, Mr Jerry Ngomane
CEO of the MGB, Mr Bheki Mlambo;**

Acting CEO of the MTPA, Dr Nthabiseng Motete;

Acting CEO of MEGA, Mr Jerry Mahlangu;

**Senior Management and officials from the Department
and our Entities;**

Ladies and gentlemen;

Good Morning, Abusheni, Dimashironi, Goie More!

Welcome to this important departmental strategic planning session.

Starting on a sad note, this was a winter season of discontent not only brutally cold but also brutal to the dedet family.

It is with great sadness that we lost two committed public servants, Ms Clara Ramushu who was the Provincial Head of the IDC in Mpumalanga and Mr Nyiko Gordon Mulondobozi attached to dedet Ehlanzeni Region, they passed on during the month of June and July respectively.

May we all rise to observe a moment of silence in honour of the two fallen service delivery cadres.

(May the departed souls rest in eternal peace, Amen)

Secondly, this Strategic Planning Session is held during the most important month in the history of mankind. Not only that I was born in July, but also that on the 18th July a man whose life has been an inspiration in South Africa and throughout the world, to all who are oppressed and deprived, to all who are opposed to oppression and deprivation, the father of the nation, and most renowned international icon the African continent has ever produced, and this is none other than Nelson Rolihlahla Mandela, and with that may I take this opportunity to wish him well on his 94th birthday on Wednesday the 18th July.

However, what is even more profound to me are the values and beliefs Nelson Mandela stood and fought for, values and beliefs he was willing to die for if need be.

His visionary leadership was embraced by values of justice for all, human dignity, peace, selflessness, humility, integrity and consistent modesty, commitment and clarity of mind.

Hopefully these values will be at the centre of a new cadreship of the public service and I will reflect on the importance of these values later on in my remarks, for now I just want to say ***“Happy Birthday Madiba, Ukhule kodwa ungakhokhobi”***

Ladies and Gentlemen it is opportune, and indeed a great pleasure for me to interface with the Leadership of the Department and its agencies at this critical point, which marks the beginning of the 2013/14 planning cycle.

Inherently, the 2013/14 Strategic Planning Session will be required, like all other annual planning sessions, to review our preceding financial year's performance, assess the State of the Provincial Economy within a National and Global Context, review our policies and governance systems aimed at eliminating service delivery bottlenecks (together with agencies) and be in a better position to package our APP guided by the Social and Economic Problem statement within the Medium Term Strategic Framework (MTSF) and provincial priorities.

The over-arching question has always been whether or not our APP (including our agencies) responds to the socio-economic challenges especially in the deep rural poor communities of this Province.

More importantly, let us also keep in mind that this Annual Strategic Planning Session coincides with the year of the Centenary of the ANC characterised by the Legacy of hundred years of struggle for economic freedom, equality and better lives for all South Africans. This calls on all of us not only to focus on the APP template, but to pause and ponder the economic future of the Province and the Country in general over the next 100 years.

I call on you to ask and answer the difficult questions about the outcome and long term impact of our plans and execution strategy.

Economic growth and forecast

In his 2012 “State of the Nation Address,” President Jacob Zuma said “we declared 2011 the year of job creation, and mobilized our social partners, namely business, labour and the community sector, to work with us in implementing the New Growth Path. In the province we are also working with the social partners to implement Mpumalanga Economic Growth and Development Path.

The South African economy, hence the provincial economy, is highly correlated with the global economy. So it is important to briefly talk about global economic prospects. Global economic prospects are gradually improving as compared to International Monetary Fund (IMF) projections in January 2012 following a major setback during 2011, but the downside risks remain elevated. There have been positive economic developments for the United States in the second half of 2011 and improved policies in the euro area in response to its deepening debt crisis have reduced a possibility of sharp global economic downturn.

As the recent positive development are very fragile, there is a need for policymakers to continue to implement the fundamental changes required to achieve healthy growth over the medium term. With negative output gaps in both advanced economies and some emerging economies, there is also a need to design and implement policies with a view to supporting still weak economic growth over the short term.

As of April 2012, IMF projects that the world economy will grow at 3.5% in 2012 and 4.1% in 2013 following a 5.3% in 2010, 3.9% in 2011 and 3.3% for 2012 as projected in January 2012. The SA economy is projected to grow at 2.7% in 2012 and 3.4% in 2013 following a 2.9% in 2010, 3.1% in 2011 and 2.5% for 2012 as projected in January 2012. Accordingly the provincial economy, as per Global insight data, is projected to grow at 3.0% in 2012 and 3.6% in 2013 following a 2.9% in 2010 and 3.1% in 2011

Employment

Recession had more negative impact on employment in the province than at the national level. According to the quarterly labour force survey, our unemployment rate increased from 23% in 2008 to peak at 30.8% in quarter one of 2011.

It has since improved to 27.7% in the fourth quarter of 2011 and increased to 30.3% in the first quarter of 2012 mainly due to seasonality, making us the province with the second highest unemployment rate after the Free State (32.2%). While the South Africa Unemployment rate started at the same level with the Mpumalanga Province in 2008 and peaked at 25.7% in quarter two of 2011, it has since improved to 23.9% in the fourth quarter of 2011 and increased to 25.2% in the first quarter of 2012. Seasonally, employment in the first quarter of the New Year tends to decline as compared to the fourth quarter of the preceding year as workers are hired temporarily in the run-up to the Christmas season in the retail, tourist and other sectors affected by the build-up to the holiday season.

In total 47 000 jobs were created in Mpumalanga in 2011. Even though 10 000 jobs were lost in the first quarter of 2012, mainly for seasonal reasons, year-on-year, 36 000 jobs have been created in the first quarter of 2012 as compared to first quarter of 2011.

A closer inspection of our employment data reveals that within the last year, employment in all industries increased with the exception of the manufacturing and utilities.

In the 2011 year, the industries that accounted for the biggest share of employment in Mpumalanga were trade (222 000 jobs) and community services (163 000 jobs).

As indicated in my 2012 Policy and Budget Speech the National Planning Commission (NPC) has released a National draft plan which sets key targets for the 2030 vision, and this includes amongst others:

- Creating jobs and sustainable livelihoods;
- Expanding infrastructure;
- Transition to a low carbon economy;
- Creating an inclusive and integrated rural economy.

As a Province we have taken care of these long term economic sign posts both in our MEGDP and POA, however, the critical challenge will be the ability of the Department and agencies to interpret and translate these pointers into responsive annual performance plans, but also to **guide** and **monitor** the alignment of plans of other sector departments, and for some strange reasons as dedet we have abdicated the latter responsibility. A case in point is our failure to track jobs created by Government spending in the Province.

Do our plans elaborate how as Provincial Government we are going to intervene in under-performing sectors with the potential to turn the economy of the Province around as identified in our MEGDP and POA.

These are hard core issues which must pre-occupy our thinking processes throughout.

To the contrary my observations since I joined Government is that, often there is an appetite to reduce a departmental or agency strategic planning session to elementary operational issues, which are supposed to be desktop functions. This tendency often occurs at the expense of the high level strategic direction of the organisation.

The ingredients of such a planning session are amongst others:

Silo Mentality

- The bigger picture of the Department and agencies is submerged by narrow competitions amongst programmes characterised by silo mentality.

- Failure to integrate our plans with the work done by Municipalities and other strategic partners in the Provincial economic space such as National agencies and DFIs and MOUs which are already in progress. In this regard our **key role** as the **single window of co-ordination** of **economic activity** in the Province is found wanting.
- Poor preparations by Programme Managers prior to the main strategic planning sessions with low levels of engagements within a unit.

OPTIMAL UTILISATION OF OUR HUMAN RESOURCES

It has also come to my attention that there is a lot of underutilised experience and expertise in the lower ranks of the department and I have since ordered that a complete qualification assessment of the entire workforce be conducted and forwarded to my Office by the end of July 2012.

Hopefully the workforce survey will assist in identifying an able official to conduct research on the economic impact of our plans that have been implemented.

Lack of Research Capacity

There is currently no in-depth research work done on the economic impact of our plans as a basis for empirical evidence that will inform our annual strategic review processes. Our tactical change of strategy is often based on our subjective, emotional, knee-jerk skin saving approach.

Example: It is common knowledge that the mortality rate of co-ops in the Province is very high, all the CRDP Co-operatives which were set up in the 2011/12 financial year are not operating as expected but to date there is no approved comprehensive report in place which seeks to audit this area of our work as a basis for improvement and infusing into our future plans corrective measures. In this regard I am ordering both the department and agencies to compile a diagnostic report on the operations of co-operatives in the Province and I hope to receive such a report before the end of October to enable us to phase corrective measures into the final draft of our 2013/14 APP.

I am also not certain about the extent to which we have aligned our co-operative strategy to the co-operative amendment bill, I pray that this exercise be completed as I have directed in the last financial year.

Ladies and Gentlemen, sustainability of co-operatives and their contribution to the provincial economy constitutes a significant part of our performance score card as a department together with our agencies.

DTI internal communication statement dated 10th July 2012 quoted the Director of the International Labour Organisation Mr Vic van Vuuren, when he said “co-operatives were currently providing employment to more than 100 million people worldwide.” Confirming our position as a province that co-operatives have the capacity to create jobs and eradicate poverty provided both the government and private sector is ready to support them. Our APP therefore should be top heavy with support to SMMEs and co-operatives.

Misalignment of Activities and Projects

Firstly I must underscore the need to focus and concentrate on few priorities and activities which we believe will steer this department towards the fulfilment of its mandate.

However these activities can't be thumb sucked but they should be the function of Government Medium Term Strategic Framework (MTSF) which spells out the electoral mandate period (2009-2014).

What it means, is that your Departmental five year strategic plan must respond and talk to the MTSF priorities.

The annual reviews of this plan must be informed by the new developments and experience in actual implementation. The results of these reviews must then in turn inform the corresponding three year rolling MTEF's and our APP.

Your 5 year strategic plan, MTEF, and APP are tools which must be aligned and retrofitted into our Economic Vision defined by the 2030 draft National Plan, MEGDP and POA.

What I expected in this regard is that your information pack for your strat plan session should contain minimum documents such as MTSF, dedet 5yr strat plan, 2030 draft National Plan, MEGDP and POA, planned activities / projects for 2013/14 APP including projects funded and facilitated by National Agencies within the Province and summary of line up MOU's.

In the absence of this minimum information, allow me to say your first draft of the APP will be shooting from the hip.

Remember that the priorities contained in these documents are in the main derived from the manifesto of the ruling party, my obligation as the political Head of this Department is to ensure that you as technocrats do not take a detour from the **electoral mandate**, because that should and must be an over-arching injunction whether you have got money or not.

So, Acting HOD make sure that without being all over the place all our planned activities for the 2013/14 year are aligned and retrofit the 5yr plan, 2030 draft National Plan, MEGDP & it's POA, planned work for agencies / DFI's for the corresponding financial year and we take into account all lined up MOUs with our strategic partners – to avoid a situation wherein we found ourselves doing work outside our APP.

This alignment relates in particular to the understanding that economic growth and development, including enterprise development the creation of decent work on a large scale and investment in skills development, and the protection of the environment are at the centre of the co-ordination role of our department.

The next challenge facing us is leadership.

Absence of thought leadership

Lack of thought leader managers in critical performance areas such as change management and creation of right organisational culture at all levels is a cause for concern.

A strategic Planning session must find time and space to interrogate the organisational culture and its relation to service delivery. This strat plan must come up with mechanisms or strategies to cut on all identified systematic deficiencies.

How do we deal with individuals who fail to take responsibility for their actions, it is a common sequence that there must be incentives for those who are doing well and consequences for under-performance it can't just be business as usual.

I must acknowledge and pay a special gratitude to those of you (you know yourselves) who are always willing and ready to go an extra mile to serve the nation, we just want to say on behalf of the Provincial Government and the people of Mpumalanga –
THANK YOU! THANK YOU!

Even if we don't find the time to say thank you to you, your work does not go unnoticed.

And to those who are lazy and have lost the moral consciousness of serving the people, the tax payers who put bread on your table we must perhaps warn you that the net is closing.

This laziness and loss of moral consciousness is characterised by:

- Lack of professionalism, ethics and integrity;
- Failure to manage and respect time and deadlines;
- Submission of poor quality of work, as a sign of disrespect, absence of thinking and a negative attitude – because the very same manager is able to produce quality work if he or she wants to.

For whatever reason you might not like me or the HOD but you have an obligation to respect the two offices. You might also not like your counterparts or colleagues but you have a responsibility to respect the office he or she is occupying.

The first element of mutual respect in a corporate environment is to submit to one another quality work and in time, and I want all of us to start there.

Out of a thousand expectations from a professional manager like you, I will set one and only one minimum demand, and I am not prepared to compromise this demand – **Submit quality work, on time!**

Then we can talk about other expectations next time around, and if you don't know what instruments to use to measure the quality of your work, then consider yourselves to be in the wrong position!

Ladies and Gentlemen, the issues I have raised as contributing factors to poor performance are quite critical and urgent. We are going to be facing all these issues head on, and we must act without fear or favour.

We owe it to the people of this province that these issues be tackled without further delay. The conduct I've just described is in stark contrast to the values for which people like Nelson Mandela as I've outlined in my introduction and the people of South Africa fought for, we dare not betray them.

The President of the Republic of South Africa, Mr Jacob Gedliyhlekisa Zuma in his State of the Nation Address clearly articulated this point when he says ***“There is no place for complacency, no place for cynicism, no place for laziness and no place for excuses.”***

Adherence to the right values, with a high performance organisational culture and the right leadership remains a pre-requisite for the successful implementation of our APP. Finally what is it that I would like to see in the APP which is responsive to the electoral mandate.

I’ve already mentioned some of the expectations but I wish to underline the following:

- I want our 2013/14 APP to focus on the Green Economy in line with our MEGDP and POA: We are convinced that the Green economy can also create jobs on a much bigger scale, if we invest in new economic opportunities through environmental protection, remediation and restoration within the green growth path.
- As indicated earlier on our plans should be top heavy with support to SMMEs and co-ops in respect of financial and non-financial support.

- The 2013/14 APP to show how we are going to put into effect the MOUs we are finalising in this financial year (CSIR, Stats SA, North West University, Correctional Services, Oman, Tiger brands)etc.
- Our APP should also provide for a Funded Strategic Framework aimed at facilitating collaborative partnerships with national agencies, DFIs, Municipalities, Sector Departments and other key stakeholders in the Provincial Economic Space.
- We need to develop a sustainable tool to monitor job creation and job losses both in the public and private sector within the Province, including building a data of the unemployed and their skills.
- CRDP as a flagship programme must be elevated.
- Perhaps we must identify in our APP two or three high impact projects as our anchor focus for 2013/14.
- This financial year, we must begin to define a research agenda for the Province.

Chairpersons of the Agencies, the Acting HOD, CEO's and Acting CEO's, Ladies and Gentlemen, I wish to conclude by posing the following questions:

- What are the capacity requirements for the implementation of the MEGDP, POA and our APP's, what is your strength as a department or agencies, what are the sustainability measures needed to be put in place?
- Is the information readily available on the nature and quality of existing capacities in the department and its agencies?
- What kind of innovations put in place to sustain and maximise the utilisation of the existing capacities.
- Do we really know the root causes of the service delivery bottlenecks in both the department and its agencies, and how should these be addressed in a comprehensive and integrated manner?
- Do we have the correct architecture, temperature and pressure needed to transform the organisational culture I talked about?

If we successfully answer these questions, we shall have completed a critical component of a strategic planning session over and above populating an APP template.

Before I close I would like to remind the house of the Exco Lekgotla resolutions from the November 2011 Lekgotla so that we can all be reminded of expectations and also take stock of what has been done in order to achieve these resolutions in the 7 months that have passed since that session:

OPENING REMARKS PREMIER

- The Provincial Growth and Development Path should be finalized to guide and align Provincial Departments' and Municipal plans.
- The Exco Lekgotla should indicate whether efforts at job creation, provision of health care, education, basic services, rural development initiatives, and crime prevention strategies are yielding desired results.
- Infrastructure roll out should be exploited as an area that has a potential to create more job opportunities.

KEY ISSUES FROM CABINET LEKGOTLA

The role of SoEs in job creation needs to be elevated both provincially and nationally

MID-TERM REVIEW AND MTSF PROGRESS REPORT

- DEDET and COGTA should explore prospects of using utilities as an area to create jobs.

BUDGET AND EXPENDITURE REVIEW

- The MEC and HOD for **DEDET** should deal with the challenge of expenditure outside its APP.

JOB CREATION

- The presentations by MEGA, MTPA, DEDET and ESKOM should indicate the number of jobs created against those that have been lost. There should also be a linkage between job creation and skills demand.
- Jobs created should be defined along the EPWP phases indicating gender, disability and the youth.
- To prevent duplicating number of jobs created, a single window of reporting is crucial. DEDET should coordinate and reporting be done through OTP.

- MEGA should work closely with DARDLA on agricultural projects for accountability purposes especially on MAFISA loans.
- DEDET should reflect jobs created by both private and public sector.
- There is a need to reflect progress in terms of youth employment and where they come from.
- The job creation initiatives should be packaged in line with the comments made and presented at Special PCF led by DEDET. The Office of the Premier should capture the data for presentation.

NEW GROWTH PATH

- The Growth Path is adopted.
- Further refinement should be concluded and the final document presented to the Executive Council for approval.
- The detailed implementation plan of the Growth Path should be developed to ensure the MEGD Path is implemented.
- Focus on the active labour market should not be lost.
- A profile of unemployed persons and their skills should be kept.

CRDP

The general thrust of CRDP should be the empowerment of small business particularly the Co-operatives.

AGRICULTURE

Development of a Policy stance / posture on Mining and Agriculture spatially to inform Economic development.

Now I ask you all to think about how many of these directives from the Executive Council have been achieved.

On that note, let me take this opportunity to thank all the hard working service delivery cadres in both the department and its agencies including board members for their commitment to share their time and expertise just to ensure that our electoral mandate is achieved.

I wish you well in your deliberations.

I thank you.