

**REMARKS BY THE MEC FOR ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM,  
MRS YN PHOSA, MPL, ON THE OCASSION OF THE SOCIAL ACCORDS PREPARATORY  
WORKSHOP AT PINE LAKE INN, WHITE RIVER.**

**Thursday, 03 April 2014**

Programme Director;

The Head of Department, Dr Vusanani Dlamini;

Officials from the Department and other departments;

Social Partners;

Distinguished guests;

Ladies and gentlemen;

**Good Morning**

Following the general elections in 2009, our government was confronted with economic development challenges owing to the global economic downturn, which resulted in the worst recession in over seventy (70) years. This prompted our government to renew its policies with regards to growth and development of the national economy.

Taking the cue from the national initiatives, the Provincial Administration then set out to enter into a contract with its social partners with regards to the way forward in terms of economic growth and development.

Subsequently, the Province hosted the **Economic Summit in 2009** which brought together government and its social partners (business, labour, civil society) to agree on common priorities for economic development, and thereafter signed a social contract in the form of an **Economic Summit Declaration**. The declaration was committing all the signatories to work together to implement policies which will focus on fostering economic growth in the Province.

This renewed direction was set into motion nationally, with the development of the **New Growth Path** – a strategy to tackle the most pressing triple challenges of **unemployment, inequality and poverty**.

In 2012, the national government further adopted the **National Development Plan** as the overarching blueprint for the country's vision leading towards 2030. As a Province we followed suit by customising this Plan into **Vision 2030 for Mpumalanga**.

It should be emphasised that the MEGDP forms the economic growth and development portion of the broader vision 2030. Therefore in order to build momentum in implementing the MEGDP, the Mpumalanga Provincial Government needs to constantly be in touch with and take along the business, labour and community social partners on board so that buy-in is maintained all the way.

As the Provincial Government, we therefore have an obligation to firstly, in partnership with social partners, take stock of progress made since entering into a social contract in 2009. Secondly, we need to strengthen and renew this contract towards achieving the goals as set out in the MEGDP.

It will therefore be appropriate that once a new administration takes effect after the elections, all parties to the social contract take stock of past progress and commit to building on the foundation that has been laid in strengthening and accelerating the implementation of the path towards the inclusive economic growth and development.

We will need to convene a **Summit** for this purpose. It will then be possible for all stakeholders to renew their buy-in and clarify in greater detail what needs to be done as well as articulate roles and responsibilities by each stakeholder. This will therefore be an appropriate platform for specific social accords to be entered into between all parties.

Ladies and gentlemen;

In order to grow the economy, we need strong partnerships across different sectors as required by the **New Economic Growth Path and National Development Plan**, which are policy documents central to government's vision for economic development and job creation.

Therefore in supporting the implementation of the New Growth Path, a set of specific social accords (on *Education, Human Resource Development, Procurement, Youth Employment, Green Economy, Infrastructure Development*) were entered into between the South African Government and social partners.

We have as a Province, customised the New Growth Path into a strategy that focuses on Mpumalanga. Extensive consultations were carried out with government's social partners, culminating in the adoption of the **Mpumalanga Economic Growth and Development Path (MEGDP)** in November 2011.

The MEGDP is the Province's strategy for medium term economic growth and development spanning the period 2010 to 2020. It is a strategic response to the triple challenges facing the Province namely; **unemployment, poverty and inequality**. Subsequently the Programme of Action for implementing the MEGDP was developed and has identified strategic high impact projects for implementation. Our quest therefore is to partner with social partners in order to meet the goals of the MEGDP.

In line with the signed Accords at national level, we also had to formalise partnerships or agreements which require parties to commit resources in order to attain results on the **four (4) targeted areas** namely, **Human Capital Development; Infrastructure development; urban and rural development; and increased production/business development**.

Under **Human Capital Development**, the emphasis is on, but not limited to support to learner development programmes in the Province, particularly improvement of **Mathematics, Science and Technology, skills development and tertiary education**.

Under **Enterprise Development**, the focus is on developing and promoting small businesses and co-operatives in order to stimulate local economic development. We need to strengthen the capacity of small businesses and enhance procurement expenditure with particular focus on the previously disadvantaged groups.

Regarding **Rural Development and Urban Renewal**, our focus would be on providing economic and social infrastructure in the context of integrated human settlement.

On **Sustainable Development and the Environment**, we need to focus on reclaiming underground water and legal framework looking at regulatory issues.

And lastly on **Research and Development**, our focus will be on the promotion of research and development in order to explore new opportunities for economic growth and job creation.

Ladies and gentlemen;

The Accords are the first in a series brokered across our society and will provide the glue required for us to work closely together towards a common goal.

Five (5) accords at national government level have since been brokered between government, business, labour and civil society, namely:

1. **National Skills Accord;**
2. **Basic Education and Partnerships with Schools;**
3. **Local Procurement Accord;**
4. **Green Economy Accord;**
5. **Youth Employment Accord.**

For this reason, we have invited the National Department of Economic Development as the lead agency in facilitating the implementation of these social accords, and thus they are here to unpack them for us.

Furthermore the Macro-Policy from the Office of the Premier is also here to give an overall Provincial perspective underlining our approach to partnerships.

This preparatory workshop therefore should be able to tease out strategic issues and set the agenda for the envisaged Provincial summit.

Ladies and gentlemen;

Indeed, Working ***Together We Move South Africa Forward!***

On the 7<sup>th</sup> of May, I implore you to vote right.

***I thank you***