

**ELECTION
SPECIAL**



PROGRESSIVE BUSINESS FORUM



DIALOGUE

NUMBER 4

MESSAGE FROM THE PRESIDENT

A challenge to the business community

On Wednesday 22 April, we will go to polling stations across the country to elect our representatives for national and provincial government. We will be exercising a right for which our people fought over many decades, and for which many lost their lives. But this election is not about the past. It is about the future. It is about the work we need to do, together, to further improve the lives of our people.

It is by working together that we have come this far. Since the dawn of democracy we have achieved a lot. We have rescued the economy, and ensured that it has grown consistently. Under difficult conditions, we have been creating jobs at a faster rate. Many of our people have been lifted out of poverty, and millions have for the first time had access to proper housing, water, electricity and sanitation.

We have built a nation that, while diverse, is nevertheless united in its desire for a better future for all.

But this is not enough. There is much that needs to be done.

Many of our people still struggle to find work. There are still people who don't have proper houses or basic services. Many families struggle to make ends meet, many children cannot afford to go to school, and many people still find it difficult to get the health care they need.

Today we are faced with new challenges. The global economic crisis is having an impact on our country. But thanks to the policies of the ANC we have done better than many other countries. We are determined to work together with business and labour to minimise the effects of this global challenge.

The greatest strength we have in meeting this challenge is not simply sound economic management or massive public infrastructure investment. It is our ability to work in partnership. South Africans, when called upon, can rally around a common cause, and work together to overcome what seem to be insurmountable obstacles.

The ANC has a clear and achievable plan over the next five years to improve people's lives further. It focuses on employment creation in a growing economy, health, education, rural development, and fighting crime. But this plan will only produce the desired results if all South Africans get involved in implementing it.



*ANC PRESIDENT
JACOB ZUMA*

Once the election is over, once there is a new government in place, with a decisive mandate, there will be an opportunity for all South Africans – regardless of who they voted for – to contribute to the process of improving the lives of all.

Within that effort, there is a special role for the Progressive Business Forum, as a diverse body of business people with a wide range of experience and insights. This is a challenge that I hope all will be ready to take up. Working together, we can indeed do more.

Jacob G. Zuma

*Jacob Zuma
ANC President*



An opportunity for all to contribute to progress



ANC TREASURER GENERAL
MATHEWS PHOSA

The ANC will emerge as the winner in the elections that will take place on 22 April. Our task, as the party in government, is to make sure we score a resounding victory, but also to ensure that we are ready, the very next day, to carry on with the task of government.

To do that, we have identified five priority areas to focus on for the next five years. They are:

- the creation of decent work and sustainable livelihoods,
- the further improvement of educational infrastructure services,
- the further improvement of health services,
- rural development, food security and land reform,
- the fight against crime and corruption.

It is crucial that we should manage the above priorities in such a way that we deeply involve the local communities in their own upliftment. Given all the costs involved in the transport of workers and accommodation elsewhere, one of our priorities will be to create work and opportunities as close to the workforce as possible.

If we build houses, roads or primary health care centres in an area, we want the local community be involved in such a way that we develop new skills in the project, and also allow the local people to earn money from the development in their own areas.

Our promotion and management of empowerment should develop in such a way that we understand empowerment to mean specifically the way in which we utilise public projects to involve the affected communities to learn new skills and to benefit the development of local entrepreneurs where the projects take place.

We have achieved substantial successes in the past 15 years. We have increased the number of people receiving social grants by more than nine million. From an initial 34,000 children that received social grants, we now have more than seven million children under

the age of 14 receiving such grants.

We have built 2.7 million free houses for the poor, giving shelter to more than 10 million people. Through a number of public programmes we have ensured that new entrants into the employment market have hope of finding jobs.

Our mass literacy programme is reaching more than a half a million people. We have created massive opportunities, jobs and skills

Let's give all South Africans an opportunity to contribute to our national welfare and identity.

through the 2010 Soccer World Cup. We have turned around an economy that was faltering when democracy dawned in 1994.

A good government's work is never done and much more needs to be done in the next five years. We are especially sensitive to the fact that we need to improve and fast-track the quality of health care and education, as well the creation of suitable infrastructure in the two sectors.

One of our biggest challenges as government will be to find innovative solutions to the current loss of foreign exchange as a result of the commodities meltdown and resulting influence of that on other sectors. The implosion of a number of financial services institutions worldwide has also made a significant contribution to some of our challenges.

We are confronted with a number of challenges. The IMF forecast for growth in the world economy has been downgraded five times in recent months, and is currently at 0.5%. The worldwide banking crisis is reconfiguring itself in

This is an edited extract from an address at a PBF Breakfast, Durban, 24 March 2009.

South Africa with an unacceptably high number of house owners due to default on their payments. This places social cohesion and security as well as the principle of ownership at risk.

Declining commodity prices and demand have a serious impact on our exports, which brings its own negative implications for employment. Government revenues will decline because of the above circumstances. Business and consumer confidence are at low levels.

The fact that our own economy shrunk by 1.8% in the last quarter of last year reflects the impact of these external problems.

The question now arises as to what the appropriate policy responses should be in these circumstances. Some of them could be an expanded public works programme; an increased focus on the 2010 Soccer World Cup; an increase in government spending in education, health and housing infrastructure; lower interest rates; promoting external investment; and removing internal hurdles to competition.

In these and other appropriate policy responses, our main aim will be to protect the vulnerable, and to do everything in our power to alleviate poverty.

We need to work diligently with our private sector partners to ensure that we define projects that will bring substantive income to replace the losses, jobs and opportunities that the major stakeholders in that and other sectors have suffered.

We need as a country, irrespective of our political persuasions, to move forward after the elections. To do so, we need to ensure that the following, as some of the building blocks to our future, are in place:

- A sound framework of delivery priorities aimed at alleviating poverty and involving local communities in what we do.
- The development of a national agenda of reconciliation, partnerships between all people, and a national identity as a liberated, democratic society.
- The protection and involvement of minorities in all spheres of life, and the correction of mistakes we made in this regard in the past.
- The improvement of delivery systems at all levels of government.
- The rooting out of corruption in all its shapes and forms.
- The improvement of regional cohesion and structures in Southern Africa.

The ANC will win the election and immediately start the business of reshaping and refining delivery. We will focus our attention on shorter and smarter avenues of delivery after the elections. Economic and social transformation and empowerment remains at the top of the agenda.

Let's engage each other in a constructive way that does not create lasting bitterness and animosity. Let's give all South Africans an opportunity to contribute to our national welfare and identity. Let us put every effort into ensuring that we build productive, profitable and job-creating partnerships between government and the private sector in this time of local and global economic challenge.

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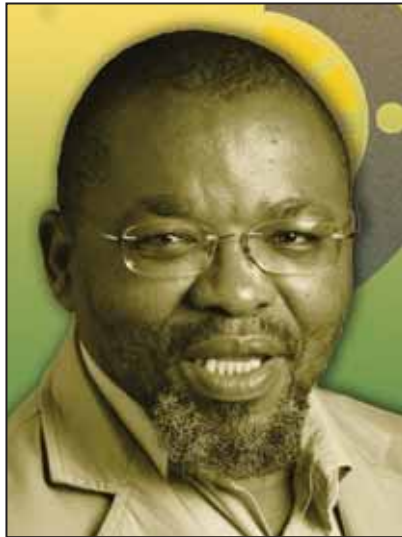
Building on success, learning from failure

Although we are in the silly season of the elections we want to make the question of interaction between the ANC and the people of South Africa an issue that is not an election issue. It should happen whether there is an election or not.

Our manifesto says “working together we can do more”. That theme is the product of a programme that we started in April last year called “Building an inclusive South Africa”. That programme was saying to us that over the last few years a perception had developed in the public eye that the ANC is arrogant, that the ANC does not listen, that the ANC knows it all, and that the ANC talks down to people who do not agree with it. We said that we have to break that perception. There were two reasons for that. The first was that the ANC needs to understand how people think who are not normal ANC constituents – constituents that have been alienated from the ANC and where there is a distance between us and them. We must break down that wall and talk to them.

Secondly, we need them to hear us directly and what we stand for and not develop ideas about the ANC because they have perceptions. They must be able to talk to us and ask questions and we must answer the most difficult questions. And in that way we will have access to ideas and experiences, because there is knowledge located in every institution and structure in society. That knowledge is necessary to build South Africa and make the country work.

That is why we have written this election manifesto a little bit different from what we normally do, because we have invited ideas from the public and we got about three thousand of them. We factored those ideas in and filtered them into our manifesto. So that journey we are walking we believe



ANC SECRETARY GENERAL
GWEDE MANTASHE

is the only journey of interaction across whatever barriers that have been created in the past. That will help us to build a real non-racial and non-sexist democratic and prosperous South Africa when we tap into the ideas of everybody.

That journey has started over the last 15 years and we are reaching the stage where we must integrate society. Those 15 years gave us a detailed understanding of what we need to do. Even if we do some things wrong it is not because we do not understand what should be done. It may be that we do not yet have the expertise and the knowledge. That is why we say let us get out of that net and get that expertise and knowledge to do what should be done. We know after 15 years what should be done. That is why when we did our 15 year review, it showed us a number of things that we did well. Our electricity distribution for example: in 1993 only 40% of South Africans had access to electricity and today it is 80%. That is good work. Today 88% of South Africans have access to clean drinking water from a tap, including in the villages. You can talk about housing – 3.1 million houses have been built. You can complain about quality, styles and all that but what you cannot complain about is that houses have not been built. And 2.7 million of those houses have been given to people for free. People who have been renting houses for years have been given title deeds.

However, that was not the most attractive part of the 15 year review. The most attractive part was the part that made us say “yes, we have done a lot but much more needs to be done”. That was the most interesting part, because that part is not looking backward but it is looking ahead – looking at what we should do as we move on. We build on the successes of the past. We tap into the experiences we gain in meeting problems. Failure is a

This is an edited extract from an address at a PBF Breakfast, Cape Town, 5 March 2009.

stranger you meet in any journey to success. You must not run away from that stranger. You must talk to that stranger because that stranger will actually help you to move from failure to success. That is why we said that much more needs to be done and we asked ourselves what are the major challenges that we can say still remain.

We said that the first one is unemployment, which remains stubbornly high at 22.5%. That is one of the issues that we said we must confront.

The second one is poverty. People in South Africa are poor.

The third is inequality that grows and inequality between black and white that has not been closed. We look at numbers and statistics and it shows that inequality continues to grow. The only development that has happened is the growing inequality among African people and blacks in general. Because they are moving upwards in the hierarchy that inequality becomes de-racialised. The fourth area is health, with particular emphasis on HIV and AIDS.

It was on that basis that we identified key areas on which to focus. The ANC government came up with 24 apex priorities. But we said 24 was too much. So we narrowed them down to 10 priorities, and then five.

We agreed we must focus on creating more jobs, decent work and sustainable livelihoods. 'More jobs' talks to numbers. 'Decent work' talks to the quality of the jobs, because you can have all the jobs you want but if those jobs constitute underemployment, you are creating a burden at household level.

When we talk of sustainable livelihoods it is not only necessarily jobs that deal with the needs of society. It should be anything that gives you access to a living. Whether you are doing informal business or whether something else.

At number two we placed education. Ninety-eight percent of children between seven and 15 are at school. We are very close to what is called universal access to education. But look at the quality of education that comes out of that. The numbers are looking good, but does that first twelve years of

education prepare them for entrance to higher education or the labour market?

It is easy to talk of higher education but if your schooling system does not work you are not going to get it right. That is why there is an idea of separating education into two separate departments, that is a ministry that focuses on the schooling system and another that looks at further and higher education. At this point in time the present system does not give the minister sufficient time to focus on the problems facing education.

The third priority is health. In the

The 15 years of democracy have given us a detailed understanding of what we need to do

last 15 years, around 15,000 clinics have been built. We have taken health to the people, but a problem emerged in the process. If you go to hospitals, the quality has declined. We say that we must pay attention to that issue, including to ensure whether you have the basic medication and the professional staff. That is why the nursing training colleges are being re-opened.

The fourth priority is rural development and land and agrarian reform. Until now development has been urban oriented. When we talk of development we focus only on the major economic centres. Let us re-focus on the rural areas where we have killed infrastructure that was built under the bantustan administrations.

Let us go and re-build it, because infrastructure is infrastructure, irrespective of whether it was built by bantustan leader or a dictator or by a military junta. So we said let us place particular focus on rural development that can lead to food production and food security.

Productive use of land is an issue that should be revitalised and therefore government should be

able to supply tractors, seed, fertilisers, rams and bulls to upgrade their stock.

If you begin to focus on food production and food security in the rural areas your social security and social grants add more value. Your social grants then begin to create money circulation in the local economy. Therefore, the contribution of that small economy and the next small economy on the overall GDP of the country becomes more visible.

The fifth area is crime. It is well and good to focus on this or that small unit, but we need to start looking into the whole criminal justice system. That is why there was an additional budget allocation for the criminal budget system this year to improve the system. It does not help to increase policing if your prosecution and your correctional systems do not work properly. You must look into the whole chain from policing to prosecution, the judiciary, right through to correctional services. Correct that system. They must talk to each other. If we do that we will improve our society.

We must pay particular attention to the question of poverty. Social grants do not eradicate poverty, because people depend on what government gives them. But, it is important for old age and disability grants to keep up with the cost of living.

We said that the age for child support grants must be increased from 14 to 18 years. But it must be linked to school attendance. In addition to the child support grant, the school nutrition scheme should be extended to deserving secondary schools so that a child does not drop out on the basis of the economic state of the household. If that is linked to no-fees schools, the country moves closer to the dream of compulsory and free education in the long term.

If you piece all those things together, you will see that they all talk to the four areas we have identified as the problem. That is what the ANC is offering now. This is not just a manifesto, but it is the continuation of the work that we started 15 years ago. And we are building on the successes, problems and failures of the last 15 years.

SUMMARY OF ANC 2009 MANIFESTO

A clear and achievable plan to improve people's lives

For over 97 years, the ANC has led the struggle to bring about a South Africa that belongs to all the people, black and white. We brought apartheid to an end and set out to re-build and develop our country. We pushed back the frontiers of poverty; and improved the quality of life for millions.

TOGETHER WE HAVE ACHIEVED MUCH

Working together as a nation, we have achieved much in the first 15 years of democracy:

- We have provided support to the poorest and most vulnerable in society. Today 12.5 million people receive social grants, of which eight million are children.
- We have worked to ensure that all South Africans have access to basic services. Today 80% of households have electricity. More 20 million people have gained access to running water.
- Over 3.1 million subsidised houses were built, including 2.7 million free houses for the poor, giving shelter to an additional 14 million people.
- Sound management of the economy and better use of national resources has seen the economy grow every year since 1994, and has seen investment increase.
- In recent years the economy has for the first time been creating jobs faster than the rate at which new people have entered the job market. On average half a million new jobs have been added to the economy every year since 2004, reducing unemployment from 31% in 2003 to 23% in 2007.
- In primary and secondary schooling we are just a few years away from achieving 100% participation by all our children.



The manifesto provides a workable plan to address the major social and economic challenges by harnessing all the country's resources

The participation of girls is one of the highest in the world. About 600,000 children attend crèches and pre-schools. Overcrowding in classrooms has been reduced to the pupil-teacher ratio of 32:1.

■ Free primary health care has expanded and 1,600 more clinics have been built. About 248 out of 400 public hospitals have been revitalised and refurbished. The antiretroviral therapy programme has enrolled more than 480,000 people, making our programme the largest and most comprehensive in the world.

MUCH MORE NEEDS TO BE DONE

The ANC manifesto provides a workable plan to address the major social and economic challenges, by harnessing all the country's resources and its people behind a programme to build a more caring and cohesive society.

It is based on clear objectives and achievable plans drawn up together with the people of South Africa through an extensive consultative process.

The ANC has identified five priority areas for the next five years:

- creation of decent work,
- education,
- health,
- fighting crime and corruption,
- rural development, food security and land reform.

Our priorities will specifically target the needs of the youth, women and people with disabilities. We are also mindful of the fact that many of our elderly people live in conditions of abject poverty and hardship and will also address their plight as part of the broader drive to bring about a better life for all.

MORE JOBS AND DECENT WORK

The ANC government will:

- lead a massive public investment programme for growth and employment creation, expanding and improving rail networks, public transport, port operations, dams, housing, telecommunications and energy generation;
- set up a massive programme on expanded public works linked to the infrastructure programme and meeting social needs with home-based care, crèches, school renovation, etc.;
- implement an industrial policy that provides support to key sectors and strengthen manufacturing, mining, tourism, agriculture and other important sectors;
- ensure comprehensive measures are introduced to promote beneficiation programmes and to ensure that the natural wealth of the country is shared;
- ensure that the mandates of development finance institutions are developmental and that State Owned Enterprises contribute to the realisation of a prosperous and democratic developmental society;
- regulate contract work, subcontracting and out-sourcing, and address the problem of labour broking and prohibit certain abusive practices;
- create an environment for more labour-intensive production methods and procurement policies that support local jobs and building public-private partnerships;
- vigorously implement a broad-based economic empowerment policy and ensure that it benefits more broad sections of our people, especially the workers, youth, women and people with disabilities;
- launch a much larger national youth service programme and a new national youth development agency, focusing on access to funding, education and learning opportunities and employment creation.

QUALITY AND AFFORDABLE EDUCATION FOR ALL

The ANC government will:

- ensure that at least 60% of schools are no-fee schools as part of the progressive introduction of free and compulsory education for all children;
- ensure that illiteracy is eradicated by 2014;

- introduce a sustainable early childhood education system (ECD) that gives children a head start on numeracy and literacy;
- improve the quality of schooling, particularly performance in mathematics, science, technology and language development;
- promote the status of teachers, ensuring the employment of adequate numbers, and improving their remuneration and training;
- review and improve the National Student Financial Aid Scheme (NSFAS) to encourage students of poor families to go to tertiary institutions;
- extend school feeding scheme to all deserving high schools.

ACHIEVING HEALTH CARE FOR ALL

The ANC government will:

- introduce a National Health Insurance (NHI) system, which will be phased in over the next five years, to provide health care that is free at the point of service;
- improve quality standards for both public and private sectors, and improve management skills at all levels of health system;
- upgrade and improve public hospital and clinics, and administrative systems and building so that long queues and waiting times are reduced and the quality of care is improved;
- implement the national HIV and AIDS plan to reduce the rate of new infections by 50% by 2011;
- invest in research and development in the health sector, including infant mortality research, HIV prevention technologies, health status surveys, development of new medicines, and indigenous knowledge systems.

INTENSIFY THE FIGHT AGAINST CRIME AND CORRUPTION

The ANC government will:

- establish a new modernised, efficient and transformed criminal justice system to enhance crime fighting capacity and improve coordination among the police, judiciary and correctional services;
- increase the capacity of the SAPS through recruitment, rigorous training, better remuneration, equipping and increasing the capacity of especially the detective services and forensics;
- establish and strengthen the new

unit to fight organised crime;

- strengthen the fight against gender-related violence by increasing the capacity of the criminal justice system to deal with such violence;
- mobilise communities to participate in combating crime through establishing street committees and community courts;
- step up measures in the fight against corruption within the state and private sector, including measures to review the tendering system to ensure politicians do not take part in the adjudication of tenders.

RURAL DEVELOPMENT AND LAND REFORM

The ANC government will:

- intensify the land reform programme to ensure more land is in the hands of the rural poor, and will provide them with technical skills and financial resources to productively use the land;
- expand the agrarian reform programme to focus on the promotion of agricultural co-operatives;
- introduce proper water and sanitation systems in rural areas;
- ensure that all rural schools and health facilities have access to basic infrastructure by 2014;
- strengthen the partnership between government and traditional leaders to focus on rural development and fighting poverty;
- work together with the farming community to improve the living conditions of farm dwellers, including the provision of subsidised houses and other basic services;
- provide support for organised labour to organise and unionise farm workers.

We have achieved much in the last 15 years, but we are committed to do more. We are committed to a service delivery culture that will put every elected official and public servant to work for our people and ensure accountability.

We will manage our economy in a manner that ensures continued growth, which all our people benefit from that growth and we create decent work for all.

WORKING TOGETHER WE CAN DO MORE!

We are already deep into 2009 and we can report that the PBF has already had a jam-packed programme. All the events have drawn record numbers of attendees; giving credence to the objective of creating a wide-ranging interface between the private sector and the ANC as governing party.

The second half of 2008 was closed off with a series of cocktail briefing functions in Durban, Cape Town and Johannesburg. The Durban event was addressed by senior NEC member and Minister of Housing Lindiwe Sisulu; and the Cape Town and Durban events were addressed by the Minister of Safety and Security, Nathi Mthethwa.

November also saw the launch of the PBF's own glossy magazine, Progressive Leader, which has been fully subscribed and positively received in the market. The PBF also ventured into its first international event, namely a "Seminar & Exhibition on Tourism in South Africa", which was held in Shanghai, People's Republic of China. It was an unqualified success.

2009: MUCH ACHIEVED, MORE TO COME

With the election scheduled for 22 April 2009, the first round of events have focussed on the ANC's election manifesto, with an emphasis on the economic aspects therein. The ANC Treasurer General, Dr Mathews Phosa, addressed both the Durban and Johannesburg events. The Cape Town event was addressed by Gwede Mantashe, ANC Secretary General.



The first Growth Assist programme for the year was held in Johannesburg. It took the form of a "Conference on the Promotion of South Africa / China Trade". A business delegation from the Shaanxi Province joined the conference where South African

businesses were introduced to the Chinese market and businesses, and the China delegates vice versa to the South African market and PBF businesses. Similar events will be held in the other centres during the course of the year.

Recruitment has commenced in the Nelson Mandela Metropole and the launch event is scheduled for May 2009.

A post-election Progressive Leader is also currently in the production phase and promises to be exciting and full issue, inter alia containing an introduction to the new ANC Government leaders.

In addition to the high level functions aimed at promoting dialogue and communication with the ANC leadership and its members in Government, the PBF will host a second round of Growth Assist workshops and will lead a trade delegation to Cuba during the month of June. A number of further international engagements are also on the cards.

GIVE US YOUR IDEAS

As convenors of the PBF we will appreciate you as participants advising us on what topics / engagements you would like the PBF to embark upon. Please send your suggestions to pbfhelppdesk@anc.org.za.

2009 has started with a bang and promises to be full of action. Post the ANC victory on 22 April we look forward to working with you to achieve even more.

Best wishes,

Renier Schoeman

Renier Schoeman
Co-Convenors: PBF

Daryl Swanepoel

Daryl Swanepoel

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