

**State of the Nation Address of the President of South Africa, Kgalema
Motlanthe, to the joint sitting of Parliament, Cape Town**

6 February 2009

Madam Speaker of the National Assembly;
Mr. Chairperson of the National Council of Provinces;
Madam Deputy President;
Deputy Speaker and Deputy Chairperson of the National Council of Provinces;
Chief Justice Langa;
The former Deputy President of the Republic of South Africa and President of the ANC;
Premiers of Provinces;
Members of Cabinet and Speakers of Provincial Legislatures;
The Former Chief Justice and Former Presiding Officers of Parliament;
Your Excellencies, Ambassadors and High Commissioners and visiting foreign dignitaries;
Honourable Leaders of Political Parties and Members of Parliament, Traditional leaders;
Your worship the Mayor of the City of Cape Town;
Religious leaders and representatives of civil society;
Comrades and friends;
Distinguished guests:

I am privileged to address the Joint Sitting of the Parliament of the Republic of South Africa, at the beginning of this last session of our Third Democratic Parliament.

I stand before the people of South Africa with humility at the opportunity I have had to occupy the highest office in the land as a consequence of the unique circumstance arising out of the decision of the leading party in government to recall the former President.

Mine is a responsibility, within a matter of a few months, to lead the National Executive in completing the mandate accorded the African National Congress in the 2004 elections, and in laying the foundation for the post-election administration to hit the ground running.

That we were able five months ago to ensure a seamless transition and continuity in the systems of government is thanks to the maturity of our constitutional system, reflected in part in the co-operation of members of the Executive – old and new – and the steady hand of our public sector managers.

As we look back over the past fifteen years, I wish to acknowledge the commitment and hard work of Presidents Nelson Mandela and Thabo Mbeki and the many women and men who played their role in steering the ship of state under democracy: in the Executive and the administration, the legislatures across the three spheres of government and the Judiciary; driven by the desire to improve the quality of life of all South Africans.

Above all, I stand before you with pride and confidence that the South Africa we celebrate today – worlds apart from the divisions, conflict and exclusion of a mere 15 years ago – is a product of the labours and toils of South African women and men from all walks of life.

These South Africans represent the hope and resilience that characterise our nation.

Within the galaxy of outstanding South Africans are Members of our democratic Parliament to whom we had the misfortune since last February to bid the final farewell.

They include Brian Bunting, Billy Nair, Ncumisa Kondlo, John Gomomo, Joe Nhlanhla, Cas Saloojee, John Schippers and Jan van Eck.

To these, I would also like to add Ms Helen Suzman, a truly distinguished South African, who represented the values of our new Parliament in the chambers of the old.

It is these and other patriots who should take the greatest share of the accolade when we pronounce that – whatever economic storms may pound our shores, whatever political uncertainties may visit our collective consciousness in a transition – our nation is in a good state.

However, we should not underestimate the challenges we face. The global economic meltdown does pose serious dangers for our economy in terms of job losses and the quality of life of our people.

Naturally, the uncertainties of a political transition can pose more questions than there are currently answers.

As a consequence, some of us may be mesmerised by the transient waves of stormy weather and hunch our shoulders in the face of these headwinds of economic turbulence and political tumult.

But ours is a journey of hope and resilience.

We may even say that, in a strange quirk of fate, many aspects of our constitutional order have been tested in the recent past; and everyone of them has passed the test to reveal a democracy that is exceptionally resilient.

Our democracy is healthy. It is steadily growing stronger, underpinned by a Constitution hardly equalled in the world.

Indeed, the robustness of our political engagement during this season of electoral contest – which we all agree should be dignified and peaceful – is the surest guarantee of the continued survival and deepening of our democracy.

It is South Africa's people who have ensured its progress; and it is they who shall secure our democracy in the years to come.

Allow me, Madame Speaker and Chairperson, in this context to urge all eligible South Africans to register and to vote in the coming national and provincial elections, so that we can shape our destiny ourselves.

This we should do every working day in the municipal offices, before the voters' roll is closed. But we should also take advantage of the special registration weekend arranged by the Electoral Commission of South Africa (the IEC) tomorrow and Sunday, the 7th and 8th of February respectively.

I should also take this opportunity to indicate that I will in the next few days conclude consultations with the Electoral Commission and the Provincial Premiers and announce the date of the elections.

Honourable Members;

We owe our being as a democracy to the people of South Africa who, on 27 April 1994, for the first time collectively took their destiny into their own hands.

Through that simple but profound act of casting a ballot for a government of all the people of our country, we turned our backs on a past that dehumanised us all.

It is therefore appropriate on this occasion to celebrate the 20th anniversary of the adoption of the Declaration of the OAU Ad-hoc Committee on Southern Africa on the Question of South Africa adopted in August, 1989 – commonly known as the Harare Declaration.

That initiative laid the foundation for global consensus, through the United Nations, on the approach to negotiations in South Africa.

Within South Africa, it also informed the content of the 1989 Conference for a Democratic Future – bringing together patriots from virtually all walks of life.

All this led to the negotiations process which culminated in our first democratic elections in 1994.

In this regard, we should salute the late President of the African National Congress, Oliver Reginald Tambo, for initiating and piloting through continental and world bodies what became a compass for the peaceful resolution of the conflict in our country.

That courageous step to devise a framework that would seek peace and reconciliation, in the place of war and conflict, reversed for good the false dawn of a hundred years ago: that is, the conclusion in 1909 of the National Convention which presaged the formation of the Union of South Africa.

While that Convention defined the territorial integrity of South Africa as we know it today, it was based on racial oppression and exclusion.

And so, 15 years into our democracy, we can assert that the fear, the insecurity and the loathing that 100 years ago generated an exclusive and illusory peace among colonial masters, were not only unfounded; but truly misplaced.

Those fears and insecurities gave rise to decades of resistance. In this regard, we salute that brave son of our people, Solomon Kalushi Mahlangu who went to the gallows 30 years ago with his head held high, in the proud knowledge that his blood would nourish the tree of freedom.

Allow me to acknowledge Lucas Mahlangu, brother of Kalushi, representing the Mahlangu family.

Solomon Mahlangu was continuing a tradition of the warriors of yesteryear, among whom we count those under King Cetshwayo who in 1879 defeated the British army in Isandlwana, in defence of the freedom of the indigenous people of our country and the sovereignty of their lands.

A hundred and thirty (130) years on, we can only marvel at the hope and the resilience that infused those stout hearts.

In the centres of learning, the same resistance fuelled the rekindling of mass struggles during the cold winter after the banning of the liberation movement and the imprisonment of most of its senior leadership.

A group of valiant students broke away from NUSAS to found the South African Students' Organisation (SASO) 40 years ago.

Within this generation are the early leaders of SASO, which included: Strini Moodley, Professor Barney Pityana, Steve Biko, Onkgopotse Tiro, Harry Nengwekhulu, Themba Sono, Mapetla Mohapi, Mosioua Lekota, Johnny Issel and Mthuli ka Shezi. For inspiring hope in a period of despair, we salute them. In this regard, we wish to acknowledge Onkgopotse Tiro's cousin, Pat Tlhagwana.

In this context we also wish to acknowledge the late Ephraim Mogale, the founding President 30 years ago of the Congress of South African Students (COSAS), and his peers.

In the towering memory of these students of yesteryear resides an abiding message, that the thirst for freedom and knowledge burns even stronger in the bosoms of our youth.

The message of their heroic deeds rings true today as it did those many years ago, that we should together expand the frontiers of opportunity; that we should indeed, in the words of the Freedom Charter, open ever wider "the doors of learning and of culture"!

We call to mind these organisations and leaders to emphasise the spirit of hope and resilience that infused the democratic struggle even when everything looked bleak; to underscore the responsibility that rests on our shoulders to advance the ideals that so many sacrificed for, refusing to be cowed by setbacks and hardships.

And so, Madame Speaker and Honourable Chairperson, we should ask ourselves: how have our actions defined the path of South African society's evolution in the fifteen years since the birth of our democracy; and how have we advanced the cause of human development and human dignity since the 2004 democratic mandate!

We do have today a well-functioning democratic system, based on principles of transparency and openness, with numerous platforms for public participation and independent institutions mandated by the Constitution to support democracy.

Over the years, we have steadily improved the structures of governance. We have built a system of healthy inter-governmental relations across the spheres, and improved integration within and among them.

Indeed, government can be proud that we have changed the demographic composition of the public service, which in virtually all respects approximates the character of our society.

However, while women constitute about 34% of all senior positions in the public service, this falls short of the target of parity that we had set ourselves.

At the level of the national and provincial legislatures, indications are that the nation will this year surpass the 32% women representation level achieved in 2004 and hopefully, even the 40% achieved in the 2006 local government elections.

We hope that all political parties will, as they finalise their electoral lists, make their contribution to this noble endeavour!

Though some progress has been made, at 0,2%, the situation is less impressive with regard to people with disability employed in government, measured against the 2% target we set ourselves.

On both counts, the private sector is lagging far behind.

Various measures have been put in place to improve the efficiency of the public service, including financial management, Thusong Service Centres and other service delivery innovations, izimbizo and, as currently in the Department of Home Affairs, firm leadership.

However, much more needs to be done to improve the service culture and orientation of some public servants, especially those at the coal-face of direct interaction with the public.

As Honourable Members will be aware, our government has made the fight against corruption one of the core areas of focus.

This is reflected, among others, in legislation, rules and regulations governing public servants and political office-bearers alike, partnerships with civil society and the business community, as well as anti-corruption hotlines.

It may as well be that the systems of preventing and punishing corruption are still inadequate; but from the point of view of government systems, we can draw solace from the fact that over 70% of cases of corruption reported in the media become public because government has detected the wrongdoing and is in fact acting against it.

The same challenges confront the private sector. In the end, the challenge is as much about regulation; as it is about consistent enforcement.

Honourable Members;

I am certain that we are all agreed that the well-being of our society depends, critically, on the progress we make in expanding the nation's wealth and ensuring that the benefits of economic growth are shared by the people as a whole.

It is common cause that, after the economic stagnation of the late 1980s and early 1990s, South Africa has experienced the longest period of sustained economic growth since the recording of such statistics started in 1940.

In the First Decade of Freedom, economic growth averaged 3% per year, and this improved to 5% per year on average from 2004 to 2007.

While the consumer boom, impelled by rising employment and incomes and low inflation and interest rates, played its part in this regard, we are encouraged by the broad canvass of opportunities for further expansion going forward.

These include, in the first instance, higher rates of investment by both the public and private sectors. In this regard, some five years ago, we were hovering around 16% of gross fixed capital formation as a percentage of Gross Domestic Product (GDP). Such has been the acceleration in investment that today this figure stands at 22%, closer to the 25% that we projected to attain only in 2014.

This is in part a consequence of deliberate programmes by government to expand public infrastructure.

It is also a result of policies to improve the climate for private sector investments; and to conduct fiscal and monetary policy in a manner that expands access to services and reduces the inflationary burden while at the same time ensuring macroeconomic stability and sustainability.

The focus on micro-economic reforms in the past decade, and the efforts, especially since 2004 more systematically to remove the variety of obstacles to growth have had a positive impact.

It is in this context that the Accelerated and Shared Growth Initiative (AsgiSA) is being implemented, ensuring that all the critical blockages such as infrastructure bottlenecks, integrated industrial policy and programmes, the skills challenge, regulatory gridlocks and efficiency of government services are addressed in a focussed and systematic manner.

Our economy has become more open, and since 1994 it has steadily become integrated into the global system. Our financial institutions are a force of good example which has somewhat sheltered us from the global economic storms.

Yet, the extent of their reach within our society remains far below expectations. Our economy remains largely reliant on mining and agriculture for exports. Except for the services sector, we have not seen a large enough expansion in critical sectors, especially manufacturing.

As such, the rate of growth in exports has not been as high as in comparable countries. It is precisely this weakness which accounts for the large Current Account deficit particularly when we entered higher ranges of growth.

And because we have a low savings rate, we have had to rely on short-term capital flows to finance the deficit as well as our investment programmes.

These are challenges that our country will certainly have to address going forward.

Of critical importance is the question: what in fact should economic growth be about? Wealth is created in order to improve people's quality of life.

Thus, the question whether growth is equitably shared should form a central pillar of all our economic considerations.

Importantly, sharing the benefits of growth should entail labour-absorption, ensuring that there is decent work.

Indeed, it is a matter of proud record that between 1995 and 2003, the economy created about one-and-half million net new jobs; and even more remarkable, about 500 000 jobs a year between 2004 and 2007.

In this latter period, for the first time since the attainment of democracy, more jobs were being created than the number of new entrants into the labour market, thus reducing the unemployment rate from 31% in 2003 to 23% in 2007.

Of course, this should not detract from our obligation to continue interrogating the issue of the quality of these jobs, including the rights and benefits that workers enjoy.

Sharing the benefits of growth should also include accelerated implementation of affirmative action, including Broad-based Black Economic Empowerment.

This is not in pursuit of a so-called racial agenda. In reality, a country that does not ensure the involvement of all of its population at all levels of economic activity is certainly going to perform well below its actual potential.

The fact that the private sector lags behind in changing the demographics of management and skilled occupations, in enterprise development and so on in part makes our country a laggard in the high growth stakes.

Sharing the benefits of growth also means an efficient and equitable role for the state in using the fiscus as an instrument of redistribution and sharing the burden of providing public goods.

Honourable Members will be familiar with most of the data on matters relating to the social wage. I will however cite a few instances again to sketch out the nature of the progress we have made and the challenges that we face.

Government is painfully aware that abject poverty is still too widespread in our society; and the level of inequality is too high.

We have in the past 15 years done our best to attack this scourge through the social wage. To quote work conducted by a team of academics at the University of Stellenbosch, led by Professor Servaas van der Berg:

"Firstly, money-metric poverty declined substantially since the turn of the century. The reduction is to a large extent due to a dramatic expansion in social grants expenditure from 2002 onwards. This improvement is mirrored in access to basic services – a rapid decline in asset poverty even preceded the decline in money-metric poverty. Secondly, although the reductions in poverty have been substantial, aggregate inequality increased during the 1990s. Thirdly, the dynamics underlying the poverty and inequality trends determine the broad policy outlook...[P]overty has decreased since the transition, but ... inequality has not improved."

(Poverty since the transition: What we know, p8: van der Berg *et al*, August 2007)

On a critical matter of detail, the researchers further observe:

"...Among households that include children (defined as those aged 17 and younger), the number of households reporting that a child went hungry declined dramatically (from just over 31 per cent to 16 per cent) between 2002 and 2006. This suggests that the poverty situation has improved remarkably, particularly among people experiencing the greatest degree of welfare deprivation. The prevalence of hunger among children has virtually halved over four years."

(Poverty since the transition: What we know, p25: van der Berg *et al*, August 2007)

Indeed, these observations are confirmed by our own research, which shows that income poverty especially among African and Coloured communities has declined, partly as a result of higher rates of employment and access to social grants. While the number of grant beneficiaries was 2,5-million in 1999, by 2008 this had increased to 12,4-million.

This is largely a result of massive expansion in access to the Child Support Grant, which increased from 34-thousand beneficiaries in 1999 to 8,1-million in 2008.

As part of the contribution to the income of the poor, the target for 1-million work opportunities through the Expanded Public Works Programme was attained in 2008, a year earlier than envisaged in the 2004 electoral mandate. This has created the possibility massively to expand this programme and improve its quality.

With regard to household access to basic services, the figures speak for themselves. For instance, access to potable water has improved from 62% in 1996 to 88% in 2008; electricity (58% to 72%); and sanitation (52% to 73%).

Evidence of the social wage is also seen in massive improvements in access to primary health facilities. 95% of South Africans now live within 5 kilometres of a health facility; and we are informed that all clinics now have access to potable water. Child immunisation coverage has steadily increased to about 85%; and malaria cases have massively declined.

We are also heartened that research into HIV prevalence demonstrates stabilisation and a slight reduction in rates of infection.

Further, our antiretroviral treatment programme is not only the largest in the world; but it is expanding all the time, with over 690 000 patients having been initiated on antiretroviral treatment since the commencement of the programme.

Yet many health facilities do not always have the required medicines, appropriate staffing levels, and constant supply of basic services such as clean running water and electricity. In some of these facilities, management is poor and staff attitudes need improvement.

In education, we have seen a drop in the educator: learner ratio; almost universal access in terms of enrolment at primary school level; and an improvement in the number of pupils passing mathematics, to quote a few examples.

At the same time, much effort has been put into improving infrastructure in poor areas.

Of course we do know that the drop-out rate particularly at secondary and tertiary levels is unacceptably high, and the educational system has yet to produce the requisite kinds of skills needed by society.

In addition, trends in performance, both in terms of teaching and learning, show a worrying persistence of the social divisions of the past.

Ironically, precisely where education is most needed to help break the cycle of poverty, is where infrastructure, administrative and teacher capacity are least impressive.

Government's social programmes have also improved the asset base of the poor, in the form of housing – with 2,6-million subsidised houses provided.

We should of course acknowledge that the land redistribution programme as well as post-settlement support could have been handled faster and better.

Overall, we are proud of the advances in our social programmes. But we cannot satisfy ourselves merely with quantitative change.

Be it in education, health, housing, water or sanitation, the central question that confronts us every day is how to improve the quality of these services! On this we still have some way to go.

Honourable Members;

The scourge of crime remains a major source of insecurity for South Africans. Daily experience, in poor and affluent neighbourhoods alike, is one of apprehension at the possibility of violent attack.

Within public and private institutions, the possibility of nefarious schemes siphoning off resources through corruption is always a source of great concern

Of course, the overall crime rate, having peaked in 2002, has consistently declined. All kinds of statistics can be cited to attest to this.

But we do know that the reduction has not been fast enough, not even at the 7-10% rate that we set ourselves for various categories of contact crime. The fact that incidents of violent robberies in households and businesses have been on the increase; and crimes against women and children have not abated in any significant measure, is a matter of great concern.

This points to weaknesses in our neighbourhoods, especially in building the bonds of community solidarity that would assist us in preventing and combating crime. It points to systemic weaknesses in the criminal justice system, from investigation of crimes to rehabilitation of offenders. It points to weaknesses in the efficiency of the court system, both in terms of technical and other infrastructure and management.

These are the issues that the comprehensive revamp of the criminal justice system has started to address.

Yet, in being brutally self-critical, we should not lose sight of the fact that what we are assessing is a system that enjoys, by far, better legitimacy than ever experienced in our country.

This is because of the transformation these institutions have undergone, in terms of their doctrines based on a human rights culture, their demographic composition, and their systems of accountability.

But let us not delude ourselves: as with the rest of our social life, such transformation is still at its nascent stages. We still have a long way to go.

I am certain that Honourable Members will agree that the humanity of our democratic dispensation should find expression in the extent to which we pay attention to the most vulnerable in society.

In this regard, we have through legislation, international conventions, regulations and campaigns ensured that concrete efforts are made to improve the conditions of children, women, people with disability and the elderly.

Through advocacy campaigns and indeed as a result of the partnerships we have built with organisations representing these vulnerable groups, we have improved awareness around issues that affect them; and progressively encouraged the mainstreaming of these concerns.

It is a matter of proud record that, for instance, female-headed households have received a bigger-than-average share of the social wage including housing and health care; and that among the most successful programmes have been campaigns on child immunisation and nutrition.

Yet access to employment weighs heavily on rural women, youth and people with disability. HIV impacts most severely on young women. Violence against women and children is much too high.

All these are assignments for the coming period.

Madame Speaker and Honourable Chairperson;

These then are some of the advances that democracy has brought; and the progress that government has made in fulfilling the mandate of the electorate.

There is no gainsaying that, by any measure, the progress made since 1994 has been impressive. But neither can there be doubt that the challenges remain immense.

It is apt therefore to remind ourselves of that instructive observation of hope and resilience, continuity and change, by former President Nelson Mandela, in his biography, *Long Walk to Freedom*:

"I have walked that long road to freedom. I have tried not to falter; I have made missteps along the way. But I have discovered the secret that after climbing a great hill, one only finds that there are many more hills to climb. I have taken a moment here to rest, to steal a view of the glorious vista that surrounds me, to look back on the distance I have come. But I can rest only for a moment, for with freedom comes responsibilities, and I dare not linger, for my long walk is not yet ended."

In a few months from now the people of our country will pronounce on the leadership they prefer to carry forward the noble work of this great freedom fighter and other founders of our democracy.

While our approaches may differ, the objectives that we need to aim for are clearly and unambiguously set out in our Constitution: to create a united, non-racial, non-sexist, democratic and prosperous society that plays a positive role in building a better world.

Six years ago, leaders of our people came together in a Growth and Development Summit and reached agreement on the tasks all of us should undertake to improve the quality of life of South Africans, particularly to halve unemployment and poverty by 2014. These include:

creating more jobs, better jobs and decent work for all through higher rates of investment, public works programmes, sector partnerships and strategies, local procurement, small enterprise promotion and support for co-operatives;

addressing the investment challenge by improving savings, appropriately deploying resources from pension and provident funds, housing, financial sector contributions and black economic empowerment;

advancing equity, developing skills, creating economic opportunities and extending services; and

local action and implementation for development, including provision of infrastructure and access to basic services.

I am certain, that, as part of and in addition to, these objectives South Africans would hardly differ regarding the need to improve our education system; to provide efficient,

decent and equitable health care; to develop our rural areas and ensure food security; and to intensify the fight against crime and corruption.

I cite these issues not because they are all-encompassing nor that by identifying them we would cure all the ills of our society. Rather, I have chosen to do so to emphasise the point that South Africa does not suffer the poverty of visions. Our challenge is to translate these visions into programmes and projects for effective implementation.

These ideals are shared by virtually all of humanity, as reflected in the United Nations Millennium Development Goals.

And yet humanity today faces the danger that the attainment of these objectives could be postponed by many years, if not decades, as a consequence of the economic crisis that has engulfed the global village.

What, on the surface, started off as a financial crisis among a few lending institutions has exploded into a global credit crunch, with severe consequences for actual production and trade.

We can decry the greed, the short-termism and the carelessness of managers of big corporations which precipitated the crisis. We can condemn the policies of governments which took their eyes off the ball and allowed the rapacious licence of unregulated markets to wreak havoc on financial systems. We can do all this; and we will be perfectly justified.

Yet our central and immediate task is fully to appreciate the consequences of these developments on our own economy and our region, and devise responses that will minimise their impact especially on the most vulnerable sectors of our society.

What we do know is that the regulatory environment in our country and the counter-cyclical budget policies we adopted have helped us avoid the worst impact of the crisis.

But we are all too aware that, because we are strongly integrated into the world economy, demand for our exports has declined; access to finance and inflows of capital have turned for the worse; lower demand has precipitated a scaling down of production; the creation of jobs is negatively affected and in some sectors retrenchment has become a reality.

These difficulties have coincided with a period in which inflation and interest rates are still too high. Our thanks to the Governor of the Reserve Bank who yesterday announced a 1% reduction in the rate of interest.

Combined, these developments bode ill for the revenues we need to expand the provision of services and to implement our infrastructure projects. As such, we have been forced to tone down our forecasts in terms of growth and job-creation.

We know too that South Africa is less severely affected than many other countries. Indeed, in a period in which others are experiencing or projecting recessions, South Africa and the rest of the continent are still poised for growth, even if at a slower rate.

In this regard, Honourable Members, I am happy to report that in the interactions between The Presidency and leaders of various social partners, we agreed jointly to devise interventions that would minimise the impact of this crisis on our society. The task team dealing with these matters is still hard at work; and the following broad categories of responses are under discussion:

Firstly, government will continue with its public investment projects, the value of which has increased to R690-billion for the next three years. In this regard, where necessary, we will find creative ways to raise funds.

This will include support by our development finance institutions and loan finance from international agencies, as well as partnership with the private sector and utilisation of resources controlled by workers such as pension funds.

Secondly, we will intensify public sector employment programmes. On the one hand, plans to expand employment in sectors such as health, social work, education and law-enforcement agencies will continue. On the other, we will speed up the introduction of the next phase of the Expanded Public Works Programme.

Thirdly, mitigating actions can be undertaken within the private sector to counteract an excessive investment slowdown and unnecessary closures of production lines or plants.

On its part, government will adapt industrial financing and incentive instruments to help deal with challenges in various sectors, and also encourage development finance institutions to assist firms in distress because of the crisis.

Alternatives to layoffs will be explored, including longer holidays, extended training, short time and job-sharing. This will be combined with promotion of the Proudly South Africa campaign and stronger action on illegal imports.

Fourthly, government will sustain and expand social expenditure, including progressively extending access to the child support grant to children of 18 years of age and reducing the age of eligibility for old age pension to 60 years for men.

In addition, we will more widely utilise the Social Distress Relief Grant and food security measures specifically also to target those either unprotected by the Unemployment Insurance Fund or who have exhausted their benefits.

We shall also continue to pay special attention to the challenge of anti-competitive behaviour on the part of some of our corporations. In this regard, we wish to commend the Competition Commission for the firm hand that they are showing to ensure that culprits are brought to book.

We do hope though that civil society will enhance its own level of activism to ensure, among other things, that as input prices decline, the benefit is felt by the population.

These immediate measures will be informed by the principle of a counter-cyclical fiscal policy. However, we will ensure that the levels of borrowing by government are prudent and sustainable. This also implies a rapid reduction in government debt levels whenever conditions turn for the better.

Our efforts will also be informed by the appreciation that measures to protect the environment and mitigate the impact of climate change can also contribute to job-creation.

Both in the G20 meetings and other interactions in multilateral institutions, our government has argued for appropriate and urgent interventions particularly in the developed countries whence the crisis originated and where it is most severe. We believe that the time has come to strengthen domestic regulation and supervision of the financial system; but beyond this, that stronger surveillance and action on a global scale have become unavoidable and necessary.

Critically, we should also safeguard the integrity of the world trade system, complete the current negotiations on the Doha Round of world trade negotiations, and ensure that development aid is not scaled down.

The abiding lesson from this experience is that we need stronger partnerships among economic role players on a domestic and global scale, not only to stem the impact of the crisis; but also to put in place measures that would obviate a recurrence.

In our own country, we will embark on these undertakings as part of the process of setting our society on a higher growth and development path. The length of time towards attaining a higher trajectory may have been stretched somewhat. But we are not in doubt that that moment will yet come sooner rather than later.

In this regard, how we position our country to take advantage of unique opportunities that have come our way, will be of paramount importance. I refer here in particular to the FIFA World Cup in 2010 as well as the Confederations Cup a few months from now. Virtually all the projects and plans are completed or nearing completion – from stadia, transport infrastructure, security measures, issues of accommodation, to health and immigration plans – confirming the confidence of the global soccer fraternity that ours will be a truly successful tournament.

And we believe that, after five consecutive wins, the national soccer team is now more confidently gearing itself to perform above expectations!

But beyond this, the true legacy of this spectacle will be in our ability to showcase South African and African hospitality and humanity – to change once and for all perceptions of our country and our continent among peoples of the world. That depends on all of us; and to that we can attach no price!

We also wish in this regard to congratulate all our sporting teams which have asserted South Africa's pursuit of excellence over the past year. Special accolades are due to our cricket team which has climbed to the apex of global rankings.

We are of course Rugby World Champions; Giniel de Villiers and his team have won the Dakar Rally; our Paralympians continue to do us proud; and our under-20 soccer team did quite well in an extremely competitive environment.

Madame Speaker and Honourable Chairperson;

Just two weeks ago, South Africa completed with Mali part of the archives to preserve the ancient manuscripts of Timbuktu.

This rich heritage points to Africa as a beacon of science and literature, philosophy and commerce, interrupted by the slave trade and the scramble for Africa's wealth.

This initiative should spur us on to act in concert with other countries on our continent and further afield to better the human condition.

Indeed, over the past 15 years we have spared no effort to ensure that Africa experiences her renewal in what should in actual practice be the African Century. Steadily but surely, our continent is progressing towards her renaissance, with the interest of her people rising to the top of their leaders' agenda, asserting her hope and her resilience on the world stage.

It is this, and this alone, that has informed our persistence in assisting the people of Zimbabwe to find a lasting solution to the crisis in that country. We wish in this regard to congratulate all the parties in Zimbabwe for concluding negotiations, delivering the ultimate prize that has always been the wish of the people of that country and the sub-continent as a whole: that is, a stable and legitimate government geared to address the challenges that the people face. We are truly heartened that, yesterday, the Zimbabwean Parliament passed Amendment 19 of the Constitution, laying the basis for the installation of an inclusive government.

Special mention in this regard is due to SADC facilitator, former President Thabo Mbeki and the team that tirelessly and patiently helped to bring the process to a successful conclusion.

Now the work of reconstruction can start in earnest; and South Africa stands ready to assist wherever we can. In this respect, there is urgent need to assist in dealing with the humanitarian crisis in that country. We are confident that, because it cares, the international community will partner the people of Zimbabwe as they blaze out along a new trail.

We are also encouraged that, whatever fits and starts may seem to characterise the progress of the people of the Democratic Republic of Congo on their march to stability and prosperity, that progress is inexorable.

The partnership built in the recent period between the leadership of the DRC and Rwanda holds out a promise for advances in matters of security and in dealing with the humanitarian crisis; but, hopefully, also with regard to political dialogue. In the same measure, we will continue to work with other countries and the African Union to pursue these objectives in Burundi, Sudan, Western Sahara, Côte d'Ivoire, Somalia and elsewhere.

As would have been evidenced by various developments in the past few months, South Africa will use the privilege of chairing SADC to strengthen this critical regional institution, with particular emphasis on implementing Summit resolutions and cementing regional strategic cohesion.

At the same time we will improve SADC's interaction with the Common Market of East and Southern Africa (COMESA) and the East African Community (EAC). These initiatives will be undertaken in order to extend rather than weaken the deep set of relations that we enjoy within the Southern African Customs Union (SACU).

We wish on this occasion to extend our congratulations to the people and the leadership of Zambia, Ghana and the United States of America for elections the symbolism of which transcends the narrow boundaries of their nation-states.

We will as always seek to strengthen co-operation with these and other countries in pursuit of that which is good for humanity.

We are privileged that this year we conclude celebrations of the first decade of our diplomatic relations with the People's Republic of China. Over these years, it has become clearer than ever before that there is much mutual benefit to be gained from our partnership.

We also wish to affirm our commitment to the close relations that we have forged with Brazil and India through IBSA; and indeed to the strengthening bonds that our country

has been forging with Russia, and countries in Asia, the Middle East, as well as Latin and North America.

We have on countless occasions expressed our concern at the persistence of conflict in the Middle East in general and in Israel and Palestine in particular.

The depth of our disappointment at the recent escalation of the conflict and massive loss of life, of especially civilians – including children, women and the elderly – indeed defies description.

There can be no justification for such acts of wanton destruction and savagery. And we do hope that this time round, the renewed efforts of the international community to find a lasting solution to this conflict will bear fruit, so Israelis and Palestinians can enjoy peace and security as neighbours within their sovereign territories.

Our special congratulations to the government and people of Cuba on this the 50th anniversary of the attainment of their sovereignty and, with it, the freedom to choose their path of development.

We were able in the past year to conclude further negotiations with the European Union on our strategic partnership; and we do hope that the spirit which informed that engagement will prevail as we finalise the multilateral negotiations on the Economic Partnership Agreements with countries in our region.

We look forward to further strengthening this partnership when we host the South Africa-EU Summit later this year.

Along with other countries of the South we will continue to pursue the cause of the restructuring of the United Nations, the International Monetary Fund and other multilateral institutions so they reflect the changed and changing global reality and operate in a democratic, equitable and transparent manner.

We also commit ourselves to meet the objectives of international agreements, including the Kyoto Protocol and its successors for the benefit of future generations among our own people and peoples of the world.

Madame Speaker and Honourable Chairperson;

Informing these our endeavours are two basic principles: the need for us to complete the mandate accorded this government in 2004; and the imperative to ensure that the government that comes in after the elections finds a ready platform to implement its programmes without undue delays.

In the coming few months pending the national and provincial elections, we will endeavour to complete that popular mandate. As part of the many detailed projects contained in the government's Programme of Action, we will pay particular attention to:

creating the capacity necessary for improved service delivery and better integration within and across the spheres of government, including national strategic planning;

continuing with the War on Poverty campaign and finalising the draft of the Comprehensive Anti-poverty Strategy through the public consultations now under way;

implementing the comprehensive programme we have put in place to eliminate the incidence of cholera in various parts of the country;

continuing research and consultations on the Comprehensive Social Security System, including the matter of National Health Insurance;

intensifying the campaign to save energy, so as to manage the current difficulties and change our own behaviour, while at the same time speeding up the projects to build new capacity and utilise alternative energy sources – recognising that in addition to the consequences of climate change, resources such as fossil fuels and water are declining in the same measure as demand is increasing;

integrating into the work of the relevant Clusters the findings of research on Second Economy interventions such as the community works programme, support for small and micro-enterprises and rural development initiatives;

intensifying efforts to revamp the criminal justice system, including better forensic capacity, rapid increase in the number of detectives, optimal utilisation of information and communications technology, and better management of the courts; and

facilitating the processes aimed at strengthening the machineries dealing with matters of gender equality such as 50/50 representation in decision-making structures, youth development, the rights of people with disability and children's rights – including completing consultations on the National Youth Policy, preparing for the implementation of the African Youth Charter once it has been processed by Parliament, and for the setting up of the National Youth Development Agency; submitting the SADC Protocol on Gender and Development to Parliament; strengthening advocacy on the rights of people with disability; and extending the number of municipalities that have set up Children's Rights Focal Points beyond the current 60%.

These and other programmes, including the Apex Priorities identified in the State of the Nation Address last February, form the bedrock of our efforts to conclude the popular mandate and lay the foundation for the future.

We will intensify our efforts inspired by the enthusiasm, the hope and the resilience of the South African people in pursuit of that which is good for all of us. This, and this in the main, is the source of our confidence when we say that the nation is in a good state. Our democracy is healthy. It is steadily growing stronger.

And so, in the words of former President Mandela, "*[we] dare not linger, for [our] long walk is not yet ended*".

I thank you.

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