

# CREATING WORK, and growing the economy



By Ndivhuwo Khangale

**C**reating work and fighting poverty – this is what voters in the 2004 elections told Government to do, to continue and speed up the progress made in the first ten years of democracy. Although the lives of millions of South Africans have changed for the better, many still live in poverty. Although a lot has been done to create jobs and grow the economy, many people are still not employed. Billions of rands of grants have made all the dif-

ference for many poor people. But grants cannot go on increasing at the same pace. We need to grow faster.

## ■ Fast growth needed

From last year the economy has been showing signs of the faster growth needed to improve the lives of all. But we have to make sure it continues to grow faster and that everybody benefits.

So earlier this year in July a Cabinet Lekgotla asked the Deputy President, Phumzile Mlambo-Ngcuka to lead a team to work on this. Their task is to see what more we need to do to speed up



growth to reach about 6 per cent a year between 2010 and 2014. If we get the economy to grow that fast, and in a way that creates still more jobs, then we can succeed in cutting down unemployment and poverty by half in the second decade of freedom.

## ■ Government consulting

In October the team reported to the Cabinet that it was making good progress in putting together this Accelerated and Shared Growth Initiative for South Africa (ASGI-SA). Now government is busy consulting with its social partners, labour and business, so that what finally comes out gets everyone working together.

## ■ What needs to be done

What the team has been doing is finding out what has been holding us back and how we can take advantage of our strong economy to overcome the problems. The main kinds of action they are looking at include:

- Building infrastructure
- Strengthening key sectors of the economy
- Education and skills devel-

opment

- Making government more efficient

They are also working on how to make many more opportunities for people in the Second Economy, who are finding it hard to get proper jobs – or any jobs at all. As President Thabo Mbeki said in his message to *Vuk'uzenzele* readers in October: "This is because they were denied the education and the skills that would have given them the possibility to find proper job or start their own businesses."

## ■ Improve lives

Support to small farmers, for people benefiting from land-reform, and for co-operatives are some of the programmes government has introduced to create opportunities for the poor to improve their lives. So have programmes for Skills Development and the Expanded Public Works Programme.

Can programmes like this be stepped up to create still more opportunities and open the way to more regular jobs in a growing mainstream economy?

That is the kind of question be-

## Did you know?

According to the Labour Force Survey conducted by Statistics SA, half a million more people were working in March this year than a year before.

During the 1990s unemployment grew even though jobs were being created.

This was mainly because the number of people looking for work grew even faster than South Africa's population.

For many people, especially women from rural areas, freedom has meant the chance to become part of South Africa's economy.

ing asked by the team working on Accelerated and Shared Growth Initiative for South Africa.

President Mbeki is expected to announce details of the Accelerated and Shared Growth Initiative in his State of the Nation Address. 📧

## How the economy has been growing

In the last years before democracy was achieved the economy was in crisis.

But it has been turned around and has grown for a longer stretch of time than ever before. From 1994-2004 it grew on average about 2% a year. Since then it has sped up to about 3,5% to 4%.

The Accelerated & Shared Growth Initiative aims for about 6% in the years 2010 – 2014.