



**economic
development**

Economic Development Department
REPUBLIC OF SOUTH AFRICA

Speech

By

The Deputy Minister of Economic Development,

Prof Hlengiwe Mkhize, MP

**During the Charlotte Maxeke Memorial Engagement – Economic
Participation of Women within the New Growth Path**

Date: 05 July 2012

Venue: Walter Sisulu University, Umthatha

Time: 16:00

Comrade Nosipho Ntwanambi, Deputy President of the ANC WL

Comrade Maggie Sotju, Deputy Minister of Police

MEC's in our mist

2nd Vice President of Cosatu, Ms Zungisa Losi

Ms Bulelwa Thunyiswa, Gender Commission of the SACP

Senior Government Officials

Distinguished delegates,

Comrades and friends

We extend a special word of welcome to representatives of other Political Parties, COPE, PAC and UDM.

Introduction

Firstly, I would like to thank our leadership, Comrade Baleka Mbete, the Convenor and Comrade, Ambassador Noluthando Mayende-Sibiya, Co-Convenor, who have developed the Progressive Women's Movement of South Africa (PWMSA) to a point where it is a critical mature platform for high level talks. I am fascinated by the way in which our leadership has initiated a conversation around the memory of our political leader, Mme

Charlotte Maxeke, in pursuit of equality and justice through women's economic participation.

Using the Charlotte Maxeke memorial lecture to give an impetus to poverty eradication should strengthen our resolve and political will towards creating an inclusive and equal society.

We are also reflecting on Mme Maxeke's memory at the back of the historic Policy Conference of the ANC, which launched the second phase of our National Democratic Revolution, with a clear message that we have to double our efforts in terms of ensuring that men and women of South Africa equally participate in economic and political rights.

Our Conference is taking place at the height of our Centenary celebrations and many leaders have said,

***“The Centenary gives us an opportunity to celebrate the lives of outstanding women, like Mme Maxeke.*”**

On the 5th of February 2012, the President of the Republic of South Africa, Mr J.G. Zuma, addressed the joint ANC Women's League Fundraising and ANC Centenary Gala Dinner at the Suncoast Hotel in Durban, where he said:

“While consolidating the gains made politically, we have to work towards achieving true economic emancipation for women. Women in rural villages, townships and informal settlements must be able to share fully in the country’s wealth.”

He went on to say,

We have begun that second struggle and working together, we will succeed and the memory of Charlotte Maxeke should inspire all women.

Mme Maxeke has long been one of my personal heroes. Her many accomplishments include graduating as the first black South African woman in science, under the tutelage of the great African American intellectual, Dr WEB Du Bois. Above everything, we stand on her shoulders, as the freedom fighter for defending black South Africans’ right to their land.

As I mentioned, Mme Maxeke earlier on took an interest in economic participation by establishing an employment agency, with an aim of assisting the discriminated against. That interest reflected the critical importance of the fact that access to economic opportunities, outside the home especially for women is key in creating sustainable growth.

Inclusion of both men and women in developing the economy is a prerequisite to sustainability and competitiveness.

The ChallengeThe challenge for all of us here is to ensure that the initiatives undertaken to create a more inclusive society, indeed provide the greatest possible benefits to the most marginalised – that is, to women and especially poor and working women, women in the rural areas, the townships and informal settlements, women who never finished matric or if they finished, have never found the occupation and career they deserve.

All our statistical data shows that black women, as a group, remain the most marginalised and exploited across the economy.

Since we established the democratic developmental state in 1994, the South African economy has grown at the average for all middle-income economies, if we exclude India and China. But the legacy of Apartheid in terms of joblessness and inequality, to which mainly black women are subjected, has been much more difficult to overcome.

From the late 1980s through 1994, our country saw virtually no growth in employment. As a result, by 1994 only two out of five South Africans had a job, compared to the international norm of three out of five. Employment creation improved after 1994, but only enough to keep up

with the growth in the labour force. As you all know from your own experience and that of your families, joblessness, especially for black women, remains a major challenge of our times.

Inequalities have also persisted mostly because of the reproduction of apartheid wage scales, and concentrated ownership that lets a few companies capture South Africa's rich mining rents and returns from the booming financial sector.

Today, South Africa still ranks amongst the most unequal countries in the world. The richest, 10% of the population, gets over two fifths of household income; the poorest, constituting about 60%, gets under a seventh.

While women make up over half the population, they constitute just over a third of the formally employed. That does not mean that the other women do not work. One in five African women, works as a paid domestic worker, which does not count as formal work. These are some of the most underpaid and under-appreciated workers in the country, with a median income of R1000 in 2010. That is, half of all domestic workers earned less than R1000 a month in that year.

More often than not, virtually all women, whether they count as employed or not, are engaged in unpaid labour in the household, looking after their families and houses, cooking and cleaning and making sure their children get to school on time. Women also take on the responsibility of caring for those who are elderly and ill.

We as women often welcome the chance to care for our families and contribute to our communities. But the unequal division of labour in the household undoubtedly reduces women's ability to earn an income outside the home. This burden is aggravated where houses lack running water, sanitation and electricity, including for cooking. It is largely women who spend the extra hours fetching wood and water as well as labouring over coal, paraffin and wood fires.

The Apartheid system exploited women's unpaid labour. The system of so-called homelands and migrant labour kept African women in particular far from economic opportunities outside the family. They were expected to provide the social security network that the state denied our people. They cared for children and the elderly and produced some of their own food in regions that had little in the way of water, mineral resources or investments.

To this day, 45% of African women live disproportionately in the former homelands. Just over a third of the population lives in these regions, but

over half of Africans aged under 15 and over 65 also still live in these regions, as well as over two out of five African women of working age. This age profile in itself tells us about the burden of care on women in the rural areas.

We know that these regions, where women predominate, have by far the highest rate of joblessness and the greatest dependency on social grants. In the first quarter of 2012, less than one in five working-age women in the former homelands had paid work, compared to two out of five in the rest of the economy. In contrast, while only slightly more men than women had paid work in the former homelands, in the rest of the country men were far more likely to have income-earning employment.

As a result of these discrepancies, overall 45% of working-age men had paid work, compared to 32% of women.

Furthermore, on the whole, women who had paid employment were more likely to be streamed into low-paying jobs relative to their qualifications, and to have less access to promotions and advancement.

Also, women face extra hurdles around access to assets and education. Under Apartheid, black women were largely barred from access to credit, land ownership even in the former homelands, home ownership and, in consequence, business ownership. These inequalities tend to

reproduce inequalities over time, so that women tended to be poorer, more likely to be economically dependent and consequently more vulnerable than men.

The New Growth Path

Colleagues and friends,

To address job creation, poverty, elimination and inequality more vigorously, in 2010 the Government adopted the New Growth Path, under the leadership of Minister Ebrahim Patel, the Minister of Economic Development. The purpose is to shift the whole economy onto a new, more employment-friendly, equitable and inclusive growth path – one that offers every South African, from every part of our country, real opportunities and a share in our growth and wealth.

We have recognised that the key to empowering women, black South Africans, workers, the rural population and the young people is to provide them with real economic opportunities in decent jobs, access to resources, and entrepreneurial opportunities in meaningful self employment, and through the social economy.

The Department of Economic Development published the New Growth Path only around a year and a half after the 2008 global financial crisis pushed the international economy into a sharp downturn. In the resulting

Great Recession, South Africa lost a million jobs while the economy was on a decline.

This situation has begun to turn around. During the first quarter of 2012, the economy created over 300 000 new jobs and national production grew by just over 3%.

We need however to do far more. On the one hand, employment remains below 2008 levels and joblessness is still unacceptably high. The European economy in particular remains fragile. That could still damage global growth. It means that we need to redouble our efforts to strengthen our economic prospects by finding new markets overseas, especially in the global South. Even more, we must expand domestic and regional sources of growth. These sources are rooted in efforts to upgrade living conditions and provide employment for our people.

The framework provided by the New Growth Path is unambiguous. It places employment creation and other measures to achieve overall equity at the heart of our economic policies.

The New Growth Path proposes some key areas – the Jobs Drivers – to generate five million jobs by 2020. Cabinet has prioritised infrastructure, the agricultural and mining value chains, manufacturing, tourism and

high levels services and rural and regional development amongst these drivers.

The commitment to improve employment will certainly improve the position of women. The challenge is to ensure that, as we shift onto this New Growth Path, women gain as much as possible. Given the deeply entrenched systems that marginalise women, we need to counter the risk that even with the best intentions interventions and programmes leave them out.

South Africa needs to re-industrialise off the back of the opportunities identified in the New Growth Path. Women should identify sectors which they can participate in and identify product niches which they can develop. South Africa has access to a number of markets with which these can be traded. Our recent inclusion in BRICS opens opportunities for South African women to find opportunities in the fast growing economies of China, India and Brazil.

It is about time that women become formidable forces in global trade so that they are no longer only designated to small enterprises at the back seat but rather, significant players at the forefront of international markets.

I cannot review all the programmes and projects which have been undertaken in the implementation of the New Growth Path, suffice to say that the Growth Path constitutes a key means to address the income inequalities in our society. It places decent work at the centre of the fight against inequality but also includes measures such as skills enhancement, small enterprise development, wage and productivity gain –sharing policies, addressing the excessive pay gap between top and bottom, progressive taxation and support for the social wage. I will just focus on one of the most important – the infrastructure development programme.

Infrastructure is defined as basic physical systems of an economy or a community, like roads, rail, water, sewage, electricity and telecommunications. These things are critical both to support economic growth and employment on a broad scale, and to provide basic services to households – all of which are particularly important for empowering women.

Providing infrastructure for the economy and communities is one of the means through which the government can bring about inclusive growth. Quality, affordable infrastructure raise economic productivity, permitting economic expansion.

The growth in public investments will empower our people economically by increasing overall productivity and increasing social capital; creating thousands of construction jobs; opening new opportunities for our people and communities; and increasing demand for inputs from other industries.

To take advantage of this potential, the President of the Republic of South Africa, Mr J.G. Zuma, personally chairs the Presidential Infrastructure Co-ordinating Commission or PICC. The Commission includes all the relevant Ministers and Premiers. It is backed by a strong political secretariat as well as a technical team drawn primarily from the state-owned enterprises as well as government departments.

As a first step, the PICC has put together an Infrastructure Plan that aligns a host of projects based on an extensive analysis of the economic and social needs of our country. Many of these projects have already been initiated; others are new targets.

We identified over 600 infrastructure projects in this process. They have been brought together in 17 Strategic Integrated Projects or SIPS.

The **Infrastructure Plan** includes five regional SIPS, which aim to improve core logistics for the economy; open up the rich mining belt in

the North of our country; and lay the basis for accelerated development in the Eastern Cape and North West Province.

There are also three energy-related SIPS, geared to support renewable energy; accelerate investment in new generation capacity; and improve transmission to reach even the poorest communities. Another three spatial SIPS will see the upgrading of municipal infrastructure and the densification of urban space. This process should vastly improve women's lives and their access to economic opportunities. In addition, we have included investment in agricultural needs, such as irrigation and fencing in poorer regions as a spatial SIP.

The three SIPs for social infrastructure will bring about an expansion in hospitals and clinics, schools and universities. Again, these will both support employment as well as improve their lives directly by reducing the burden of care.

We have included **two SIPs** that are designed to strengthen South Africa's knowledge base. One is the **Square Kilometre Array**, the **massive radio telescope** that will lay a basis for stepping up South Africa's knowledge base. The second targets an expansion in access to broadband in ways that will overcome the digital divide while improving logistics across the country.

The 17th SIP is geared towards enhancing African regional integration by improving regional water supply and the electricity and transport grids.

Our challenge in relation to the above mentioned growth path is that direct employment in infrastructure is in construction, a sector historically dominated by men. We need to ensure that there are more women in this industry, from engineers to bricklayers, architects to welders. That in turn requires continued work with schools and training institutions, as well as introducing targeted bursaries.

Our responsibility is to continuously monitor the implementation of the initiatives under the New Growth Path so as to ensure that women are included at all levels.

“South Africa: It is Possible” ...our Country Slogan states.

As we are gathered here today, the world is watching in wonder, as one of three top black women marine pilots, Ms Bongiwe Mbambo is steering the biggest vessel to dock in a South African port. Print media reports that, when grasping the opportunity, Bongiwe said, “It is going to be a big day for me but I’m more than prepared to take up the challenge and also help other women to understand that the sky is the limit”(see Daily Dispatch, July 5, 2012, Page 5.)

The CEO of the South African Maritime Safety Authority has consistently and passionately created awareness that South Africa has not begun to explore economic opportunities in this sector, beyond building the ports. There is a promise of thousands and thousands of jobs in this sector, such as in fishing, water, tourism and so on.

In positioning ourselves, we have to start a conversation about what is holding women's advancements in economic participation.

At this point I cannot help but to pause, and take a moment to reflect on Mme Charlotte Maxeke and her ideals. The Progressive Women's Movement of South Africa can in doing its work draw inspiration from Mme Charlotte Maxeke who in forming the Bantu Women's League ensured that there was a protection of Women's rights. As its president, her League succeeded in many petitions drawn up to defend the black women's rights.

I would just flag a few issues with the hope that during discussions we could all articulate the vision which will help us break down all the barriers.

1. Access to Finance and Funding of Women's Economic Participation.

Progress in consolidating womens' economic power is too slow and there is no coherent strategy against which we can continuously monitor and evaluate ourselves in terms of impact and sustained freedom from want. There have been calls for a women's Fund, a need to dismantle access barriers and of late there are even emerging voices which are calling for the women's bank. We have to use each and every economic forum to articulate the best model .The answer might be in gendering all our budget votes.

2. Inheritance and ownership.

We have not done well in terms of fast- tracking women's inheritance and ownership. There is a huge potential for rural women in particular, to own land for Agricultural and Mining purpose so as to break the generational cycle of poverty.

3. Under-utilization of continuing vocational adult education and skills development amongst women.

For women to sustain seized opportunities, we should actively guide our girls to take maths, science and technology at school. Our girls should be assisted to acquire enterpreneural skills.

Countries like Germany and Sweden invest hugely in the training of artisans , recognizing prior learning, administering trade tests and issuing trade certificates.

Conclusion

Colleagues and friends,

Allow me to conclude by emphasising a few points:

1. Let us make a commitment to cultivate the leadership required to introduce new ways of thinking about inclusive financial systems.

We need to continuously explore business opportunities and innovations so as to escalate the scale of economic participation to women at all levels, including rural women. One of the obvious emerging sectors is the green economy.

2. It is about time, we put women in decision making positions, within all financial institutions. As Oliver Tambo said, no nation can be free until its women are free. And freedom is the ability to make decisions, to take responsibility, to work with others to change our society.
3. Access to capital remains one of the biggest challenges facing entrepreneurs, despite the existence of development finance

institutions. There are many lessons to be learnt from countries who are growing their economy around financing of small, medium enterprises in an accessible, simple and user-friendly for new entrants.

I thank you.