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A GROWTH PATH TO BE TRAVELLED WHERE THERE IS CONVERGENCE . . .

There is no doubt that South Africa has enjoyed a center stage over the past few decades; from having been damned by the world for its previous apartheid policies and then followed with praise and admiration post 1994, when our country demonstrated its first free and fair democratic elections. For some, the 'show' may now be over as the country's citizens continue their lives, many of whom are unemployed with very little hope of ever finding 'decent'* work that will sustain them and their families through their own lifetime. Since our dawn of democracy -- which promised the larger segments of South Africans a better social and economic life -- the gap between the rich and the poor has indeed become wider and a large majority of citizens still remain excluded from the mainstream economy. And while a few elite, as well as businesses in general have benefitted from various government related programmes and policies, the reality of our socio and economic situation belies the fact that -- according to the OECD -- "South Africa's income distribution is amongst the worst in the world". Indeed this dire situation is damning, and certainly a major reason why South Africa needs to urgently address the disparities between the 'first' and 'second' economies**, which are not closing fast enough. Undoubtedly, this situation has fuelled the country's high levels of unrest, crime, unemployment and poverty.

At first, one is inclined to simply point a finger in the direction of government and lay blame on *their* lack of leadership, lack of governance, lack of policies and so forth. However, one must be cautious of the 'blame game' and accept, given South Africa's young democracy and our past one-sided socio-economic policies (which favoured the white population), that much *help* and *partnership* is required by government to rectify the county's woes. Given the length of time to undo the extensive damage in our previous regime, one certainly needs to ask the pressing question as to the extent in which the nation (as a whole) has *truly* stood together to build a prosperous society and where there is trust amongst government and its constituencies? No doubt, many will claim their allegiance to this change and their support of the government's numerous attempts to remedy the facts cited by the OECD about South Africa's worsening social-economic problems. Leaving this situation without a proper, and urgent sustainable rectification, our country will most certainly attract an unwanted world center stage, which may not be too different from that of Libya, Serbia, Zimbabwe and others who had similar patterns to those now in our own back yard.

In reality, might it be possible that many corporates, business leaders and social elites have purposefully stood back, watching the ANC-led government repeatedly blunder in its efforts to rectify decades worth of damage, as they quietly reap yet more rewards through this disarray? Critics argue that government has taken too hard a line in its attempt to reverse the employment policies of the past, evidenced in what has now become clear that broad based black economic empowerment policies have failed, and only benefited a few. Similarly, national initiatives such the *Accelerated and Shared Growth Initiative for South Africa* (ASGISA was an outgrowth of GEAR) and the *Industrial Policy Action Plans* (IPAP 1 & 2) may be categorised as government's noble initiatives, however they too may be doomed if there is no genuine partnership between government, businesses and civil society.

More recently, yet another initiative has been launched -- the *New Growth Path* (NGP) -- which has a number of elements similar to those found in ASGISA. Again, this initiative has hardly begun and it has already drawn sharp criticism from businesses who believe they have not been adequately consulted by government. Indeed, if this sentiment is correct, it would suggest that the NGP may suffer the same ill effects of its predecessor initiatives and not have the desired effect to narrow the many extremes that plague our country, notwithstanding that the NGP speaks of acquiring the creative and collective efforts of all sections of South African society, underpinned by "leadership and strong" governance. In addition to businesses feeling alienated through the lack of consultation, there is also a general consensus that the government has unrealistic expectations of itself, believing it *alone* has the capacity to administer large scale structural changes in the economy. This argument is further bolstered by the poor results found within our public schooling and skills development sectors, failing public service delivery, not least other areas of concern.

Whilst a lot more can be said about what's wrong with the NGP, or its many challenges which could derail this ambitious initiative; the facts pertaining South Africa's slow demise -- be this at a perceptual or factual level both locally and internationally -- indicate that something drastically has got to be done. Before any grand plan is drafted, *partnership* and *trust* remains the two most important elements to get things done. It's quite inconceivable to think that government has the resources and means to miraculously train and provide decent work for the millions who are unemployed. The NGP sets ambitious targets to create 5 million jobs by 2020, yet businesses in South Africa continue to retrench their employees as the economic pressures, and increasingly complex labour laws besiege them, adding to their challenges of remaining profitable. Alarmingly, it is estimated that 42% of our young people between the ages of 18 and 29 are unemployed. This is not only a government problem; it's a national problem which affects all of us. Whilst government has the means to enforce various labour and equity laws and regulations to *superficially* rectify South Africa's past imbalances, they most certainly cannot force private employers (who currently provide the majority of work to the South African working population) to employ and train skilled workers. At present, the incentives for businesses to do this are negligible, and in most cases unprofitable. This is especially true when employees exploit their employer's training programmes to bolster their personal CVs, and then move to another company who derive the benefits at the cost of the other.

In the context of partnership between government and business, and for the NGP to be sustainable and successful, a deal will need to be put on the table where everybody benefits. Recognising the value of partnership; perhaps a good place to start would be to accept that government, businesses and the trade unions have failed each other, and their respective constituencies in that each have pushed their own agendas instead of considering a collective agreement in pursuit of the betterment of all South Africans. It is perfectly clear that the vast majority of South Africans are disgruntled; be this due to crime, lack of basic services, lack of housing, unemployment, political unrest and supply chain disruptions. This situation is also fuelled by the numerous cases of political spats, suggesting a lack of general cohesion at the highest levels of our country and hence the threatening challenges on our Presidency and the Constitution. Indeed, the masses of unemployed or marginalized employees are demonstrating their anger through civil action and strikes, and more notably intensified campaigns which are now bordering criminality. These events will continue against the government, businesses and elitism and is estimated to be costing the South African economy R1-billion per day in a worse case scenario and assuming there is zero productivity for an eight hour day (according to the Free Market Foundation-22 Aug '10). More worrying is the fact that our foreign direct investment is becoming more difficult to attract as our country is more often being referred to as a *'failing state'*.

Whilst there is no silver bullet to fix the employment and skills crises overnight, the country as a whole will need to stand together. The NGP states, "if we can grow employment by five million jobs by 2020, over half of all working-age South Africans would have paid employment and narrow unemployment would drop by 10 percentage points from 25% currently to around 15%." Clearly, this achievement will have great benefits for our country, with obvious positive implications upon the reduction of; social uprising, crime, unemployment, inequalities and poverty to mention a few.

Our nation, representative of government, business and civil society will need to develop a "collective national will and embark on joint action to change the character of the South African economy and ensure that the benefits are shared more equitably by all our people, particularly the poor". Surely, if we could stand together for the FIFA World Cup™ and so many other great South African examples of unity, we can do it again.

* The Decent Work Agenda is defined by the International Labour Organisation (ILO)

****** The concept of the 'second economy' is used to describe economic marginalization in South Africa, and the poverty and social alienation that characterise it.

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