

**Address by the Minister of Social Development, Dr Zola Skweyiya on the occasion of the debate on the President's State of the Nation Address, Parliament, Cape Town**

13 February 2007

Madam Speaker,  
The President and Deputy President of the Republic,  
Honourable Members,  
Distinguished guests,

South Africa has entered its second Decade of Freedom with the strengthening of democracy and the acceleration of the programme to improve the quality of life of all the people. We recognise that we are at the beginning of a long journey to a truly united, democratic and prosperous South Africa, in which the value of all citizens is measured by their humanity, without regard to race, gender and social status.

Inspired by the Freedom Charter and the principles enshrined in the Reconstruction and Development Programme, we continue with our social transformation programme, informed by the democratic principles of the people-centred and people-driven state and a value system based on human solidarity. These pillars are the attributes of a caring society and it beckons us to forge a social compact ? made up of all races ? that has, as its central objective a social policy, the preservation and development of human resources and ensuring social cohesion.

At this point as the African National Congress (ANC) we reaffirm our commitment to redress poverty and inequality. We have correctly declared 2007 the year of intensifying the struggle against poverty. On the back of macro-economic stability, we will develop an anti-poverty strategy that addresses income, asset and social poverty with the objective of eradicating poverty and creating employment. In terms of our commitment to the Millennium Development Goals (MDG), to halve poverty and unemployment by 2014, we should move hastily towards fulfilling and realising the other Millennium Development Goals in terms of education, healthcare, accommodation and the provision of basic services.

The emphasis on quality education and health must be recognised, in the context of our continued resolve to challenge underdevelopment and eradicate poverty and against the background of the huge investment in infrastructure and its attendant possibilities. We need educated and skilled citizens who are healthy and therefore productive to benefit from the Accelerated Shared Growth Initiative and the diverse economic opportunities and possibilities that are now available to our citizens. Education and health are prioritised as the core elements of social transformation.

Our attack on poverty must seek to empower people to take themselves out of poverty, while creating adequate social nets to protect the most vulnerable in our society. A combination of policies around a social wage, social grants, as well as programmes aimed at engaging people in the reconstruction of our communities can make a meaningful contribution towards the eradication of poverty.

On attacking poverty and the comprehensive social security:

\* Government must continue with its plans towards a comprehensive social security system, through consolidation and ongoing review of all social security

measures such as Unemployment Insurance Fund (UIF) and social grants.

\* Government has taken bold steps in establishing a National Health Insurance Scheme and must finalise its plans within the next twelve months.

\* Huge strides have been made in the delivery of free basic services and continued support through Project Consolidate and other mechanisms must be strengthened to ensure delivery especially in municipalities that serve the rural poor.

\* Noting the expansion of the child support grant for children up to 14 years, steps must be taken to support vulnerable children above the age of 14 years.

\* We must all continue to campaign to ensure that all children eligible for grants to access it and assist in the removal of obstacles including non-registration and the lack of proper documents. However, the huge strides that have been made in this regard must be accelerated as some 8 million children are currently the beneficiaries of grants.

\* We must continue to deal with the effects of unemployment through the Extended Public Works Programme which is linked to the Urban Renewal and Integrated Sustainable Rural Development Strategy. The implementation of the National Youth Service Programme creates huge opportunity for our unemployed youth and must be sufficiently expanded. The Expanded Public Works Programme and Sector Education and Training Authorities (SETAs) pay particular attention to the skilling of practitioners in the Early Childhood Development and the Adult Basic Education and Training (ABET) sector.

\* We must continue with the significant implementation of the integrated food security strategy (as adopted by Cabinet in July 2002) and to further develop a sustainable food policy strategy that ensure food security at all times (especially during the times of vulnerability as a consequence of natural disaster, price hikes, etc.) and which directly impacts on food prices for the poor, with a specific focus on women, the elderly, people with disabilities and children.

Honourable Members, as a caring State, we have to support our poverty alleviation programmes with efficient and effective welfare services. We have to ensure that the destitute and vulnerable in our society find refuge and comfort in the State, until they are able to survive on their own if they are young and able-bodied. We will explore the possibilities of using the local government sphere in the provision of welfare services, as municipalities are closest to the people.

Among the welfare services that remain a priority is the development of children and to protect them from malnutrition and poverty. In addition to the child support grant, more than 330 000 children access the Foster Care Grant. We are also exploring the expansion of alternative care services, for example children's homes. According to the costing report for the Children's Bill, there are currently 14 000 beds in children's homes, whereas the present demand is projected as 155 000.

A lot has been said about crime and its impact on our society. As ANC we have stated our belief that the ANC, government and society in general should respond to crime vigorously and practically based on a clear understanding of its causes. The abuse of drugs, alcohol and other substances are common denominators in many criminal activities, and are a symptom of other underlying social challenges in our communities.

As we speak, social development MECs, local and international drug experts and government officials are meeting in Johannesburg at the first biennial Summit on Substance Abuse. Madam Speaker, South Africa inherited a social security system that was underdeveloped by international standards. It is characterised by policy gaps, duplication in delivery and fragmented institutions. It does not fully meet

the needs of vulnerable groups who face risks such as poverty, ill health, disability, unemployment and injury on duty, hence the reform process.

In seeking to provide comprehensive poverty alleviation and developmental services, the provision of social grants to over 11 million South Africans is complemented by the provision of education, which is free to the poor, free healthcare and free basic services. The South African Social Security Agency was established to improve the efficiency and effectiveness of the national grants administration system.

South Africa does not have a fully developed 2nd Pillar or system of social insurance. History and experience have proved that the role of the State is critical in providing the platform for a social insurance system to ensure the pooling of risks and to achieve social solidarity objectives.

The State cannot simply assume the role of consumer protection and watch failures of private providers such as we are now witnessing in the unfolding Fidentia saga. While reviewing some policies and improving delivery by a number of agents such as the Unemployment Insurance Fund, work has been underway to look at best practices for the various components of the social insurance system.

To date we have made significant progress on unemployment and maternity benefits with the inclusion of more than one million farm and domestic workers in the Unemployment Insurance Fund. The system has over the last 3 years become solvent and has significant reserves unprecedented in the Fund's history.

On Health Insurance, Government has increased the number of people contributing to medical aid schemes; it has set up its own employee medical scheme and has also introduced measures to prohibit adverse selection by the private industry.

The President also referred to the urgent need to reform the country's retirement provisions. In South Africa, only half of 12 million employed persons contribute to some form of retirement savings, using more than 14 500 funds. Many people end their membership to a retirement fund as a result of factors such as early retirement, lump sum withdrawals, retrenchments, poor investment performance, collapsing of funds and serious fraud.

Our view is that Government needs to make the participation in retirement vehicles mandatory, to prohibit early withdrawals, provide for portability and preservation of funds, and set up institutional arrangements for delivery. The reform must meet international best practice criteria of adequate coverage of employed persons and affordability for individuals and government. It must also be fiscally and financially sustainable and robust and there must be better replacement rates that protect the poor.

The system must link benefits to contributions of employees and provide for ancillary benefits of disability, survivors, and old age medical requirements. My colleague, the Minister of Finance will address the financing aspects in the Budget speech. Madam speaker, all the developmental and anti-poverty initiatives depend on adequate numbers of social workers, social auxiliary workers and community development practitioners in both the government and the Non-Governmental Organisations (NGO) sector.

In addition to executing statutory functions, social workers are the first port of call for many families and individuals in distress, and are a source of information with regards to government services. We are currently providing scholarships to social work students, while promoting the profession amongst the youth. In addition, the provincial departments will further train Social Auxiliary Workers to relieve the workload of social workers. In promoting and developing the profession, we will be honouring the memory of many social workers who have served the poor and vulnerable with distinction, such as the ANC icon Charlotte Maxeke, the first black social worker in our country.

Madam speaker, honourable members, working together with our partners in civil society, we will be able to meet the goals outlined in the State of the Nation Address. Let us strengthen this broad front for development and toil together to build our country.

I thank you.

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