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## KWAZULU-NATAL YOUTH-IN-CONSTRUCTION SUMMIT

Remarks by the Honourable **M.B. Gwala-MPP**

Minister of Public Works: KwaZulu-Natal

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**ELANGENI HOTEL, DURBAN**

**JUNE 30, 2006**

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Programme Directors: **Mr Z. Ndlela** (Manager: eThekweni Region) and **Ms. Thembi Biyela** (Deputy Manager: EPWP).

The Acting Premier of KwaZulu-Natal, the **Honourable M. Mabuyakhulu** ( who is also the Provincial Minister of Local Government, Housing and Traditional Affairs) who gave this gathering the words of encouragement and blessings ; my counterpart in the Eastern Cape Province, the **Honourable C. Martin**; the Deputy Director General and the Head of Department of Public Works in KwaZulu-Natal, **Dr. F.B. Madlopha**.

Our Distinguished guests: **Mr. D.S.D. Shabalala** ( Superintended-General and Head of Department of the Provincial Treasury); **Ms L. Bici** (DDG: National Public Works); **Mr. T. Mufamadi** (Executive Chairman, Lehotsa Holdings); **Mr. M. Kekana** (CEO: UMsobomvu Youth Fund); **Mr N. Ntombela** (Chairperson: KZN Youth Commission); **Mr. V. Sibeko** (Regional Manager: Construction SETA); Members of the Provincial Legislature present, and Representatives from the **Standard Bank**.

Public Works General Managers; Managers and Deputy Managers; members of staff; the media; the YOUTH (who are the main VIP's today) as well as the delegates present, Ladies and Gentlemen. **Good Morning, Sanibonani, Molweni!!**

Today marks a turning point in the history of youth development in KwaZulu-Natal, especially in the Construction Sector. In the past, issues of youth development were not included in the Government's Agenda. Today's event is significant for me as the Minister for Works in the KwaZulu-Natal Government, because I fulfil a major promise I made when I took office in 2004 the Premier of our Province honoured me with this position.

The promise I made as a Minister maiden speech in Parliament was to mobilize our Youth towards hard work and entrepreneurship within the sphere of my duties and responsibilities. During my brief mission as a Minister, I have addressed a good number of Youth meetings in both urban and rural areas of our Province and I have relentlessly advocated the active role of our youth in growth, development and entrepreneurship that will ultimately lead to redistribution of wealth.

In his seminal works on the relationship between these concepts and their implementation, the Nobel Prize winner economist Professor Kenneth Galbraith stipulated that the role of entrepreneurship in the growth and development of a nation should not be an empty letter or a pure promise, but it must become the heart of individual and collective achievement.

I undertake sincerely in front of this heart warming gathering to stand by the youth, to galvanise them, to respect and cherish them as the builders of our nation. This will not do only through empty promises, but through tangible deeds.

For years now, we have been flying high the flag of development and redistribution, but many people have raised the question: **what redistribution, where is redistribution directed at, who benefits, how much is redistributed, and who is redistribution leaving out?**

I will say categorically that these are hard hitting, but fair questions that need open and honest answers. We all know that redistribution has been unequal for the youth, a vulnerable, yet dynamic section of our society. I state publicly today that my Department is committed, to be instrumental and pro-active in addressing and correcting the imbalances and inequalities of the past and the present, to be a pioneer of the future.

Recently, the Construction Empowerment Charter, aptly named the “**bricks and mortars charter**” was successful concluded, but as always the key issue in question is effective and efficient implementation of the plans and strategies advocated in it. I stated repeatedly in my speeches, both in Parliament and the public meetings that our country has some of the most progressive and path breaking legislation in the world. However, when implementation suffers, growth and development suffer.

The 2005 Global Entrepreneurship Monitor Report shows that our country’ s level of entrepreneurial activity has in fact decreased since the 2004 similar survey ( **at present we rank 25<sup>th</sup> out of 35 developing nations**). Hence, it is our objective to mobilize our youth in the construction sector, so they can exercise and channel their zest, enthusiasm and creativity for the benefit of themselves, their families, communities, our Province and the nation at large.

In this gigantic effort we are committed to achieve, the increase of 30% of economic interest in the construction sector by 2013. For this we call upon the youth to be the pioneers, the torch bearers and the initiators.

Transformation is synonymous with the continuous strength of the industry, but the synergy, cooperation, and unity of all stakeholders and role players, women, youth, professional bodies, big business, SMME's, Government. Labour and communities are of paramount importance for these objectives to be achieved.

Our Department has paid very serious attention to proactive public participation amongst our communities and youth, and we commit ourselves to continue in this path. We need to consider now some of the major challenges facing our department, the construction sector, and the youth in our collective and relentless effort to achieve transformation, empowerment and entrepreneurship.

One of the key issues and challenges we face is that of “**fronting**” in terms of Black Economic Empowerment, especially regarding the youth. Fronting is a shameful, yet very prominent strategy that destroys broad based economic empowerment aspiring to implement redistribution within Black Society. According to the 2005 reports of the Association of BEE Verification Agencies (ABVA), fronting is the Achilles heel of BEE, especially in terms of new SMME entities.

The Codes of Good Practices of BEE are key ingredients of the regime, but the youth needs to be vigilant, be solid, believe in yourselves, be independent, do not sell your independence to those who pretend to be your saviours. Government needs the youth to be instrumental in benefiting from the State's R100 Billion budget, because this budget is designed to meet the millennium goals, to boost transformation and to enhance development and growth.

This amount needs to be used to destroy the myths of alienated, destructive and vulnerable youth, to create a youth of exuberance, belief, dedication and entrepreneurship.

The youth need to struggle and sweat in order to create sustainable business in the construction industry and reject fronting outright, they must believe in themselves, because we are with them. My Department is determined to help the youth to get involved and reap the benefits in the construction industry, but we need to rectify some of the serious impediments in this process.

Access to finance has been historically difficult, and at present a major barrier to youth and Black development. This leads to fronting and the unlocking of finance is one of our priorities. We need to utilize the Empowerment Investment Grant (EIG) to assist the new youth-lead SMME's who have difficulties in raising initial finance, especially through providing seed-capital.

My Department undertakes to mediate seriously on such initiatives and transition. The grant needs to be supplemented by loan finances sourced from financial institutions which can be guaranteed by Khula Enterprises. Additionally, we need to improve the capacity of young entrepreneurs in project management and financial literacy, and management at all levels.

These are vital tools in the sustainability of new youth enterprises. We strongly believe youth entrepreneurship and development must spread more widely in our rural areas. As James Ngobeni, the President of South African Black Technical and Allied Careers Organisation has stated, it is much easier to establish youth SMME's in urban rather than the rural areas.

One has to ask however, a key questions...**If you do not create opportunities for young people in the rural areas, how can we stop the relentless urban migration of the youth, how can we stop the haemorrhaging of our rural areas, how can we hope and aspire to develop them equally?**

We need to take care of our potential clients, we must ensure efficient and effective delivery for our clients, because the relationship between the young emerging construction sector entrepreneurship and the client needs to be based on mutual trust, confidence and respect.

The youth must develop and grow as robust, solid and powerful players in the construction industry. Empowerment and transformation is the name of the game that ensures that future initiatives such as the development associated with the 2010 Soccer World Cup, the maintenance of our existing infrastructure, the building of schools and other government properties becomes a tangible success.

There are billions upon billions of rands that have been allocated to make our country the envy of the world today. I call upon the youth of KwaZulu-Natal to become energetic and active players in the Construction Industry that is worth over R42 Billion and also employs over 500 thousand people.

While I commit myself and the Department in helping the youth to develop themselves economically, my task will be incomplete without warning the youth, **our future leaders** about the scourge of HIV/AIDS, our efforts will become meaningless. I urge the youth to be in the forefront in the fight against this deadly disease. Always remember to **ABSTAIN**, to **Be FAITHFUL**, and **Condomise**.

**Let us build our communities, our Province and our Nation together. We have no other choice.**

THANK YOU !!