

Socio-economic development proposal for south africa



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ACTION:

Increase the benefit to the country of our mineral resources by;

Giving clear certainty over property rights (the right to mine) Any kind of discussion on mining, or any mining related beneficiation including that of the manufacturing of jewelry in south Africa brings irrefutably to the open the legacy of the dispossession of land. gems are discovered by people and they then extract them from the ground on the land. so as to who really owns the land and its products has always been what everyone fought about, it became the source of conflict.

Those conflicts and struggles of the dispossession of land and its ownership goes back to the pre-colonial era, with the colonial era which includes the Apartheid years , where indigenous people such as the koi and san , waged a fight against land dispossession.

It has been 101 years since the promulgation of the Natives Land Act of 1913 which saw blacks being forcefully removed away from commercial land of their birth to the outskirts of the country where they were meant to die without enjoying the benefits of owning own mother land. (Deputy Minister Hlengiwe Mkhize [DMHM], 2013) South Africans have been denied the benefits resulting from mining and mining related activities done on the land that they were removed from. they were denied ownership and benefit except they acted as “ cannon fodder” for the supply of cheap labor.

Government extended normal labor laws and labor rights to mining. thanks to the dawn of democracy it ended the residential restrictions on Africans

that shaped migrant labor. Revenues from taxes the democratic government levy on precious stones and metals production are being used to improve the living conditions for South Africans. A million new houses were built. Before 1994 only half of Africans had electricity, and today, three quarters have electricity. Mining resources have always been the driving force of our economic growth, the government made a billion rand investment on schools and hospitals.

When looking at the minerals cluster, it encompasses all mining and quarrying activities, supplier industries all the way to the mining sector, and downstream beneficiation of the minerals that are mined. The overall share of direct mining activities of South Africa's GDP has fallen from 21 percent in 1970 to only 6 percent in 2010. The number of people employed directly in mining (excluding upstream and downstream industries) declined from 660 000 in 1970 to about 440 000 in 2004 and stayed stable at that level.

(creamer media's mining weekly, 2012) Mining, minerals and secondary beneficiated products account for almost 60 percent of export revenue.

The growth of mining exports depends mainly on global demand, the availability of the mineral, mining technology, access to water and energy, and an enabling and transparent regulatory environment. The relative competitiveness of alternative locations is also a factor. In minerals such as platinum or manganese, South Africa has the main global deposits. Despite this clear potential, the mining sector has failed to benefit fully from the commodities boom over the past decade or more. South Africa must exploit its mineral resources to create employment and generate foreign exchange and tax revenue.

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Mining and mineral beneficiation is energy-intensive in nature, and looking at that, South Africa will need to invest heavily in helping the industry to reduce its carbon footprint. at the same time the mining sector needs to use water more efficiently. Concerns about the impact of a resource curse should not be confused with an essential commitment to expanding minerals production and exports.

As most of these activities are energy intensive, electricity is a bigger constraint, As long as electricity is scarce, there will be a trade-off between beneficiation and other more labor absorbing activities. In general, beneficiation is usually capital intensive in that case, it is not panacea, contributing little to overall job creation.

There is this explicit requirement from mining companies to participate in local development, and they must have the resources to do so in South Africa and the region. If the mining charter was aligned to these goals the mining sector could stimulate local economic development more substantially. More could be done on local economic development and procurement and human-resource development

Professor Hlengiwe Mkhize deputy minister of economic development at the 50th anniversary of the French association of gemology in Paris, France, invited the French to invest in our country especially its mining sector told them on how we boast significant deposits of rich mineral resources from which companies based in their home countries stand to benefit through huge extraction opportunities. In turn South Africa will also benefit from the technology transfer that will attend their investments. She mentioned that

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Working together in partnerships, will enable new entrants, not only to acquire basic knowledge and skills but also to enter the global value chain

Increasing rail, water and energy infrastructure

Capital intensive industries, that's where South African manufacturing strength lies in the context of high unemployment, growth would ideally be sourced through expanded contribution of labor. However, to compete, the country's cost structure requires an emphasis on productivity, products and logistics.

The most vital contributions to manufacturing growth will be in relation to the business environment. Challenges relate to the availability and cost of electricity, how efficient the logistics platform is, fast-rising administered pricing for electricity, transport, fuel, and fertilizer. And the quality of telecommunications, a constrained skills supply also poses great challenges.

An unstable and sometimes overvalued currency affects both exports and those inputs that are imported. Half of South Africa's manufacturing exports lie in capital-intensive processed minerals, metals and chemicals. Intensive support to the motor industry has had a substantial effect on expanding both imports and exports of vehicles, the stimulation of assembly, and some backward linkages, but vehicle retail sales generate most employment.

Other major opportunities for manufacturing should be considered in relation to clusters of activity and are discussed in other parts of this section – such as supplier industries to construction, the energy sector, waste reutilization, mining inputs, downstream processing of metals, and others.

Structure a taxation regime that is fair, equitable and predictable and that recognizes the non-renewable nature of mineral resources.

National Planning Commission's (NPC's) development strategy for SA again leans heavily on the contribution of the mineral resources sector, naming security of tenure as a key requirement for increasing the sector's contribution towards the growth of the country's economy.

The NPC, chaired by Minister in the Presidency Trevor Manuel, on Wednesday released its revised National Development Plan (NDP) – a framework on the policy directives South Africa needs to fast-track economic growth. The strategy seeks to provide ways on how the economy could sustainably grow at an annual rate of 5% to attain the elimination of poverty by 2030. (Morning Live Business breakfast on the ANC Manifesto Nelspruit, 2014)

The executive summary of the NDP sets no specific targets for mining, but says the strategy aims for the creation of 11 million job opportunities in South Africa's economy in addition to the existing 13 million.(miningmx, 2013) It recognizes that poor infrastructure and policy uncertainty have in recent years hindered the growth of the sector. “ South Africa holds large global shares in platinum group metals, gold, diamonds, manganese, coal, iron ore and uranium.(Morning Live Business breakfast on the ANC Manifesto Nelspruit, 2014)

Yet over the past decade, domestic mining has failed to match the global growth trend in mineral exports due to poor infrastructure, alongside

regulatory and policy frameworks that hinder investment,” read the report. It <https://assignbuster.com/socio-economic-development-proposal-for-south-africa/>

listed three key imperatives needed to maximize the benefit of the country's mineral resources, of which the first is the provision of "clear certainty" over property rights. Second to this is increasing rail, water and energy infrastructure; while it also calls for a taxation regime "that is fair, equitable and predictable and that recognizes the non-renewable nature of mineral resources".

Cautioning against the temptation to address social and governance ills with a revision of policies, the NPD said policy instability in South Africa was a major concern, not only for mining but also other spheres of the economy. "While there are cases where policy must change, government often underestimates the disruptive effect of major policy adjustments on service delivery," it read. "A balance has to be struck, and at present that balance is missing." (Morning Live Business breakfast on the ANC Manifesto Nelspruit, 2014)

South Africa would remain reliant on coal for its electricity needs over the long term, despite existing imperatives to bring renewable sources into the energy mix, a situation which necessitates the prioritization of infrastructure development in the Waterberg area.

Objective:

The NDP proposes that the unemployment rate should fall from the current rate of about 25 percent to 14 percent by 2020 and to 6 percent by 2030. This, states the Plan, requires an additional 11 million jobs. We should all be mindful of the fact that such growth will require an average annual GDP

growth of 5.4 percent. (Morning Live Business breakfast on the ANC Manifesto Nelspruit, 2014)

According to our president Jacob Zuma in the ANC manifesto, everybody will need to work hard and play their part, to move South Africa forward and ensure that we achieve the prosperous society we all desire. The time for sitting on the fence and pointing fingers will need to stop. We have a country to build, together. That is the spirit of our Manifesto – united action to move South Africa forward. We have adopted a good plan, the National Development Plan. There is sufficient consensus on the Plan. It is supported by an overwhelming majority of stakeholders.

The government is looking into expanding the Public Works and Community Work programmers. These programmes have created five million work opportunities for unemployed people since 1994, and 40% of these were young people. In the Manifesto they have set a target of 6 million work opportunities in five years, through expanding existing programmes such as the Community Work Programme. (Morning Live Business breakfast on the ANC Manifesto Nelspruit, 2014)

Through this, they aim to provide initial exposure to a work opportunity to at least four million young people. Some activities within the community works programme include the Mass Literacy Campaign and the National Rural Youth Services Corp, home based care, early childhood development, working for water and other environmental programmes.

They are also looking to the infrastructure programme, which creates both decent jobs and work opportunities during the building or refurbishment of dams, schools, universities, clinics, roads and other infrastructure.

The government proposes that in the infrastructure programmes, 60% of jobs on new infrastructure projects should be set aside for young people and also state that public agencies responsible for co-operatives and small enterprise development will be required to develop special programmes targeting youth co-operatives and youth enterprises.

The private sector is encouraged to make use of youth employment incentive schemes to employ young people. Old workers should under no circumstances be made to feel insecure due the youth employment incentive scheme. The government will introduce new regulations to ensure there is no displacement of unsubsidized workers to avoid a multi-tiered labor market within the same sector in respect of both wage categories. All relevant stakeholders will be consulted in implementation. The impact of the employment incentive scheme will be evaluated within two years.

Amongst our job creation programmes is the promotion of local manufacturing and procurement. The state must buy at least 75% of its goods and services from South African producers. The states buying power will support small enterprises, co-operatives and broad-based black economic empowerment. (Morning Live Business breakfast on the ANC Manifesto Nelspruit, 2014)

They meaning the government will ensure that large public entities such as Eskom and Transnet buy specified goods for the infrastructure build
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programme locally. They have stated that we will intensify the fight against corruption and those public servants and public representatives will be prohibited from doing business with the state. They said that all corrupt officials will be made individually liable for all losses incurred as a result of their corrupt actions.

There are many other aspects of our Manifesto dealing with various aspects of socio-economic development. The government urges all stakeholders to familiarize themselves with it and engage on it, so that we can prepare to move South Africa forward together.

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