



**REPLY BY PRESIDENT CYRIL RAMAPHOSA
TO THE DEBATE ON THE STATE OF THE NATION ADDRESS**

**CAPE TOWN CITY HALL
16 FEBRUARY 2022**

Speaker of the National Assembly, Ms Nosiviwe Mapisa-Nqakula,
Chairperson of the National Council of Provinces, Mr Amos Masondo,
Deputy President David Mabuza,
Ministers and Deputy Ministers.
Honourable Members,

As I concluded the State of the Nation Address last week, I called on every South African to rally together in our fight against corruption, in our fight to create jobs, and in our fight to achieve a more just and equal society.

I called for a new consensus to unite our country, in a moment of great crisis, behind an agenda for change and renewal.

In the debate over the last two days, several members of the two Houses of Parliament have answered this call.

Although they represent different parties and different perspectives, many of the Speakers in the debate affirmed their commitment to this shared goal.

We have heard many valuable contributions on how we may more effectively address the many challenges our country faces.

But we have also heard a lot of vitriol.

There is no need to respond to insults because they do not contribute to a meaningful debate about the challenges the country faces.

Instead, I am motivated to reflect on the constructive criticisms and sincere suggestions that have been put forward with a view to improving the state of our nation.

I refer here, for example, to the contribution on behalf of the Hon Buthelezi on the characterisation and appropriate response to state capture.

I refer to the suggestions by the Hon Whitfield on moving the SAPS into the 21st century by introducing modern, cutting-edge training for police officers and the more effective use of technology.

I refer to the call by the Hon Malema for the industrialisation of cannabis in a manner that benefits local farmers in places like the Eastern Cape, Limpopo and KwaZulu-Natal.

I refer here also to the comments by Premier Ntombela on rural infrastructure and development, and the suggestions by the Hon Letsie on solutions for youth unemployment.

Another example of valuable suggestions were those made by the Hon Nodada on the prioritisation of reading, writing, language and numeracy in the foundation phase, and on ways of assisting those learners that have dropped out of school.

We appreciate the call by the Deputy Chair of the NCOP, the Hon Lucas, for government to develop the necessary tools to accelerate the implementation of the Gender Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Framework.

We agree with the Hon Herron that whilst other people want to move offshore there is still room for opportunity in South Africa.

The Hon Hlengwa makes an important point that since all development is local, municipalities should be empowered through increased budget allocations to meet the demands of development.

These are some of the contributions that have made this debate worthwhile, and I expect that Ministers and government officials have taken note.

As I began the State of the Nation Address last week, I said that the speech would focus on the measures we are taking to enable faster economic growth and the creation of employment.

This is because fixing the economy is our most pressing challenge at this moment, and is essential to progress in almost every other area of life.

Our focus on the economy does not, however, diminish the importance of the many other areas of government's work.

Many of these issues have been raised in the debate and will be dealt with in greater detail in upcoming budget votes and public engagements by Ministers.

As we reflect on the state of the nation, and as we look to the year ahead, we should always remember where we have come from and what our country has endured.

We cannot escape the basic truth that we have an economy and a society that is still largely defined by its colonial and apartheid past.

Despite the great progress that has been made in the last 28 years to address the legacy of dispossession and exploitation, the material divides between black and white, men and women, rural and urban, still persist.

The steady economic recovery, expanding employment and increasing investment that followed the advent of our democracy was disrupted by the 2008 global financial crisis, by falling commodity prices, by severe energy constraints, by inefficient network industries and by the impact of state capture on so many vital public institutions.

At the same time, our economy has become less and less competitive.

We could not sustain investment in economic infrastructure.

As public spending rapidly increased, the benefits of increased spending declined, to a point where the cost of servicing our debt has been crowding out social spending.

This was the situation that this administration was elected in 2019 to correct, and we took several decisive measures to turn the economy and the country around.

Yet, just as we were emerging from more than a decade of low growth and deepening unemployment, and from the era of state capture and the assault on the institutions of the state that accompanied it, we were hit by the worst global health crisis in more than a century.

We cannot disregard the fact that the pandemic has caused our economy severe damage that will take years to repair.

Unless we appreciate these facts, unless we characterise the current situation correctly, our response may well be ill-considered and misdirected.

It is wrong to say that there has been no action as a number of people who spoke here said.

We have achieved remarkable progress in spite of the constraints of the present and the challenges that have accumulated over many years.

Confronted with the worst global health crisis in a century we were able to rise up to the challenge and protect our people.

In less than a year, we have undertaken the most extensive public health campaign in our country's history, constructing new hospital bed capacity in many locations, deploying dedicated health workers to care for the sick throughout the country and administering more than 30 million COVID-19 vaccine doses to over 18 million people.

At the beginning of the pandemic, we increased social grant payments and, within the space of only a few weeks, established a brand new grant that initially reached 6 million South Africans and now reaches some 10 million South Africans.

We mobilised a national effort, working with industry and public research institutions, to build ventilators and produce hand sanitisers, medical-grade face masks and gloves, therapeutic drugs and cutting-edge vaccines.

We introduced an unprecedented social and economic relief package – which amounted to some 10 percent of our GDP – to provide vital support to businesses in distress, to workers facing retrenchment, and to households threatened with deepening hunger.

Our collective actions in response to the pandemic saved tens of thousands of lives and kept millions of people out of dire poverty.

While most of the Members of these two Houses of our Parliament are firmly committed to building a united, equal and prosperous nation, others have different interests and priorities.

Where some preach despair, we see hope.

We see that hope in the 10 million people who now receive the Social Relief of Distress grant.

We see it in the new work and livelihood opportunities created by the Presidential Employment Stimulus that will soon reach over a million people.

We see it in the bridges that are being built so that children can go safely to school.

We see it in the sector master plans that are driving new investment which creates new jobs and the revival of key industries.

That is what progress looks like.

Where some create doubt, we see renewed confidence.

We see it in the most significant reform of our energy system in nearly a century, creating conditions for cheaper, cleaner and more plentiful electricity.

We see it in the long-delayed reforms – like the spectrum auction and the revised critical skills list – that are being implemented by this government.

We see it in the concrete steps that we are taking to modernise our ports and rail infrastructure, and to get our passenger rail services back on track.

That is what progress looks like.

Where some are determined to sow division, we are working to unify our country in the fight against corruption.

We have strengthened the ability of the NPA to pursue those responsible for state capture and corruption, rebuilding its capacity and establishing a dedicated unit in the Investigating Directorate.

We are already seeing the results of a strong, independent prosecuting authority in several cases brought to trial.

Let me be clear, yet again, on the matter of prosecution.

It is not within the power of the President – and it shouldn't be within the power of the President – to initiate criminal proceedings against anyone.

That is the sole responsibility of the relevant director of public prosecutions.

Our task as the Executive is to capacitate the NPA and make sure that it has all the resources that it needs to prosecute wrongdoing as an independent authority.

As government, we have supported the State Capture Commission to complete its work, and enabled the commission to share vast amounts of information with investigators and prosecutors.

We are taking disciplinary action against government officials implicated in procurement irregularities and have started to recover billions in looted funds.

We have put in place capable leadership at previously-captured state-owned entities and public institutions, and have reversed the decay at SARS, the PIC, Eskom, Transnet and many others.

That is what progress looks like, for those who care to look.

We are on a long and difficult journey to renew the promise of our democracy.

At times, it may seem that the path is too long, that the climb is too steep, that the risks are too great.

But it is at precisely that moment the courage and resilience is required.

Even though we disagree in this House, across society, there is broad agreement that as we grow the economy, create employment and fight poverty and hunger, no person should be left behind.

We have a responsibility, first and foremost, to those South Africans who are poor, marginalised and vulnerable.

This informs all our policy choices and all the programmes that we pursue.

This is the hallmark of our developmental state.

Honourable Members,

Leaving no one behind means focusing on small, medium and micro enterprises, small-scale farmers and on the informal economy.

It is in these enterprises that most jobs will be created and through which poor South Africans will be able to earn a livelihood.

We are removing constraints on the establishment and growth of these businesses and providing them with access to finance.

This explains the work being done by the Department of Small Business Development to lower barriers to entry and remove impediments to growth through, among other things, a review key legislation like the Businesses Act.

It explains the redesign of the 'bounce back' loan scheme so that small businesses can more easily access the funds that they need.

And it is our focus on small business that informs the expansion of the employment tax incentive to make it easier for small companies to hire more people.

The work that is underway to reduce red tape will have benefits for companies of all sizes, unleashing investment and growth.

The establishment of a team in the Presidency to tackle red tape, which will be headed by Siphso Nkosi, is similar to initiatives taken by governments around the world.

It is located in the Presidency because red tape is not found only in one department and there is no single department that can tackle red tape on its own.

Not only does red tape increase the costs of doing business, but it also constrains South Africans in their everyday lives and in many of their interactions with government.

Whether it is a matter of getting a building permit, a driver's licence, a title deed or a marriage certificate, all South Africans have to carry the cost of bureaucratic inefficiency and excessive regulation.

While all businesses will benefit from these reforms, it is small and informal businesses that will benefit most, whether from a stable electricity supply or cheaper data, simpler regulations or a more efficient state.

But in the end, it is our people who will benefit the most.

Our commitment to the transformation of the economy so it benefits all South Africa's people is unwavering.

We will not abandon our commitment to the protection of the workers, to supporting and growing black business, and to affirming black people and women in the workplace.

We will not abandon our support for the poor and the working class, nor our commitment to build a more just and equal society.

As this government, we are quite clear about where our policies come from.

Our policies did not form over a few months or a few years, but are defined by a constant progressive thread that spans the decades.

The programme of action that I outlined in the State of the Nation Address is founded on seminal documents like the Freedom Charter, the 'Ready to Govern' document, the Reconstruction and Development Programme and the National Development Plan.

As this government, we are quite clear what our mandate is.

We have a manifesto – for which the people of this country demonstrated overwhelming support – that is a bold and coherent plan to achieve a better life for all.

My call for a new consensus for change and renewal is informed by the challenges of the present and guided by the strength of that electoral mandate.

The focus on job creation which I outlined in SONA has given rise to a useful debate across society on the relative roles of the state and the private sector in fostering economic growth and creating employment.

Some speakers have taken a crude and self-serving approach to a complex issue, but for the most part, commentators have engaged meaningfully with one of the most important questions facing our country today.

They have earnestly sought to answer the central question of who will create the jobs for the 11 million unemployed people in South Africa.

The state has a clear role to play in job creation – through state owned enterprises, public employment programmes, industrial policy, competition policy, infrastructure investment and indeed through the employment of the public service itself.

The reality in our country – as in most other countries – is that the private sector creates the most jobs. The private sector employs some three quarters of South Africa's workers and accounts for over two-thirds of investment and research and development expenditure.

In South Africa, the number of people employed in the public sector increased from 1.9 million in 2002 to 2.8 million in 2017.

Over the same period, the number of people employed in private sector increased from 8.2 million to 13.5 million.

South Africa is not alone in seeking to rapidly expand our productive capacity by unleashing the potential of the private sector.

One just needs to look, for example, at the approach taken by China under Deng Xiaoping to mobilise private capital and promote private enterprise to meet the country's developmental needs.

As noted by Prof Tshilidzi Marwala of the University of Johannesburg in an article published yesterday:

"In 2018, 87 per cent of urban employment in China was from the private sector compared to 18 per cent in 1995.

"At the same time, the total GDP increased from \$734 billion in 1995 to \$13 trillion in 2018."

We therefore do not accept that we must make a choice between a developmental state that drives economic and social transformation, and a vibrant, expanding private sector that fuels growth and employment.

We do not agree that by recognising the role of business in creating employment that we diminish the central role of the state in coordinating, planning and guiding the development of the economy.

As is evident from the programme that I outlined in SONA, we envisage both a capable developmental state and a dynamic and agile private sector, which work together and complement each other.

This is what we mean when we talk about a mixed economy that draws on the resources, strengths and capabilities of both public and private sectors.

Fellow South Africans,

Leaving no one behind means expanding opportunities for young people, women and persons with disabilities to participate in the economy.

We are focusing on the economic empowerment of women.

Not only is this an important part of the fight against gender-based violence. It is also a fundamental matter of social justice and essential if our economy is to draw on the potential of all our people.

We are determined to make greater progress on the decision to set aside at least 40 per cent of government procurement for women-owned businesses.

This year, we will ratify the African Union Protocol on the Rights of Persons with Disabilities, which among other things, includes the right to work. It places a responsibility on government to promote opportunities for persons with disabilities to initiate self-employment, entrepreneurship and to access financial services.

The Employment Equity Amendment Bill has been tabled in Parliament to regulate the setting of sector-specific targets for representation of blacks, women and persons with disabilities.

Leaving no one behind means supporting those who are unemployed.

One of the most important successes of the Economic Reconstruction and Recovery Plan is the Presidential Employment Stimulus.

As I reported in SONA, this initiative has provided work and livelihood opportunities for over 850,000 people in the 16 months since its establishment.

The Presidential Employment Stimulus is making a real difference in the lives of many in our society whose potential would otherwise be lost to unemployment.

It includes the more than 100,000 small-scale farmers who have received vouchers to expand their production.

We have announced that we are massively increasing the scale of this programme to reach a quarter of a million small-scale farmers and transform our rural landscape.

It includes the artists, musicians and film producers who have received grant funding to continue their work and the museums and cultural institutions saved from closure.

It includes the many thousands of people who have been employed to build and maintain rural roads, enabling better access to services and to markets.

And it includes the young people whom we are helping to access opportunities through the Presidential Youth Employment Intervention.

We have implemented these programmes – and continue to do so – in the face of severe fiscal constraints because we have seen the social and economic value that they create.

If we had more resources available, we would scale this initiative up further to reach hundreds of thousands more unemployed people.

Through these and other measures, we are supporting the dreams of millions of young people and, even in the most difficult of conditions, finding opportunities for them to take flight.

It is worth noting that this programme is being coordinated from the Presidency, bringing together 14 departments to implement the largest and fastest expansion of public employment in our country's history.

This is not the work of a bloated Presidency.

It is not a parallel state.

This is a Presidency at work to drive a coherent and effective programme of action across government.

This is a government elected by the people, for the people and which carries the trust of the people.

This is a government that remains united around a common goal and programme of action and that will not be deflected from its course.

I preside over a Cabinet of Ministers that are committed to their responsibilities, Ministers in whom I have the greatest of confidence, and from whom the people of this country have the highest expectations.

Honourable Members,

Leaving no one behind means expanding social protection to reach those who are in need.

While we have focused in this SONA on growth and employment, millions of South Africans face the immediate challenge of feeding themselves and their families.

It is estimated that food poverty affects some 5.5 million households.

Without monthly grants for children, the elderly and persons with disabilities, many people in South Africa would face destitution.

We know that grants have provided an effective system for income redistribution and poverty alleviation, in a society with unacceptable levels of inequality.

Given the scale of unemployment and the impact of the pandemic, the interventions we are undertaking to create jobs will take many years to reach all 11 million South Africans who are unemployed.

We are extending the R350 Social Relief of Distress Grant for another year precisely to reach these people and to stave off hunger.

We are doing this within a fiscal environment that has been badly worsened by the pandemic.

We need to do so while making sure that we do not further weaken our macroeconomic position and that we do not allow our debt service costs to further crowd out social spending.

As a country, we nevertheless need to fill the gap in social protection to achieve a minimum level of support for those who cannot find work.

Finding a sustainable, affordable and effective solution must be one of the central pillars of the renewed social compact that we have undertaken to build.

There are several other aspects of social protection that are receiving attention.

This includes strengthening our child protection services in areas such as adoption, foster care, and the protection of the rights of children.

The Risiha Programme, for example, is a community-based programme to protect orphans and vulnerable children, including those living in child-headed households, and those living and working on the streets.

This is all part of our efforts to develop a comprehensive social protection system that leaves no one behind.

Leaving no one behind means improving the quality of our education system.

To achieve the transformation of our economy in the long term, we must improve our education outcomes.

It starts with early childhood development.

The Presidential Employment Stimulus has provided support to close to 60,000 ECD practitioners that were affected by the pandemic.

With the transfer of responsibility for ECD into the Department of Basic Education, we are now better able to manage the transition from early childhood development into pre-school and into schooling.

There is significant work under way to strengthen basic education through addressing the school infrastructure backlog, training and equipping teachers to promote early grade reading, and bringing new teachers into the system through the Funza Lushaka programme.

The appointment of over half a million young people as education assistants in over 22,000 schools across the country has been welcomed by teachers and school management as a valuable contribution to the quality of learning and teaching.

We will be continuing this programme into the next phase of the Presidential Employment Stimulus.

The expansion of access to higher education is a great achievement that will benefit the economy and the country for many years to come.

Together with the work being done to strengthen basic education, the growth of post-school education will ignite the skills revolution that we have so often spoken about.

Importantly, this skills revolution will have the greatest impact on children from poor and working class families, helping to break the cycle of poverty.

To ensure that skills training is linked directly to the demand in the economy, we are pioneering a fundamentally different approach to skills development for unemployed youth.

This approach links payment for training provided to placement of candidates in a job opportunity.

The first phase will provide training to 4,500 unemployed youth to secure employment in the digital and tech sector, with funding from the National Skills Fund, SETAs and the UIF's Labour Activation Programme.

By addressing the educational needs of children and young people at every point in their development, and by helping them to transition from learning to earning, we are working to ensure that we leave no young person behind.

Across the world, the pandemic has severely damaged economies, undermined livelihoods and set back human development by many years.

The experience of the last two years underscores the need to ensure that all South Africans have access to quality health care regardless of their ability to pay.

The massive inequality in access to quality health care is one of the greatest constraints on social and economic progress.

The COVID-19 pandemic has required the diversion of significant health resources.

As a result, we have not paid sufficient attention to other public health crises affecting our people.

We are still in the midst of the Aids pandemic. Our country has the largest number of people living with HIV in the world.

We are far behind other countries in achieving our testing and treatment targets.

We must accelerate the implementation of this programme to save lives.

Just as we drew on the experience of our HIV programme to respond to COVID-19, we can now draw on our experience of managing COVID-19 to strengthen our HIV response.

And in the same way that South Africans have had to adopt safe hygiene practices to prevent COVID-19 infection, we must encourage similar discipline in pursuing healthy lifestyle choices to minimise the prevalence of diseases such as diabetes and hypertension.

In advancing the health and the well-being of South Africans, we must do everything we can to ensure that no person is left behind.

Every person in this country has a right to be safe and feel safe.

The murder and rape of women by men, the children killed in the crossfire of gang wars, the theft of cables and other infrastructure, the intimidation and extortion at construction sites are a daily reminder of our far we are from achieving that goal.

Yet, despite the scale of the challenge, we are taking real, practical measures across a range of fronts to respond to crime, violence and instability.

Working with partners in civil society and with communities across the country, we are confronting gender-based violence and femicide.

We are confronting the attitudes and practices that demean and disempower women.

We are strengthening the legal protections that women and children have, we are improving support to victims and we are working to ensure that perpetrators see justice.

Due to the legislation that this government introduced and which this Parliament passed, a woman can now apply for a protection order online and does not have to face her abuser, a child is now able to testify via CCTV in one of the new Sexual Offences Courts, a victim can be confident that they will find an evidence kit at a police station, a suspect will find it harder to get bail.

We are strengthening our police service, tackling corruption within its ranks, setting up specialised multi-disciplinary teams to tackle specific types of crimes against our people and our economy.

The report of the expert panel into the July unrest is indeed damning.

But it also provides critical insights and makes important recommendations that we will use to strengthen our entire approach to the security and stability of our country.

By the same measure, we expect that the report of the State Capture Commission will make far-reaching recommendations that will empower us to take those steps necessary to prevent and act against corruption.

This is not a government that hides problems.

We expose them and we work to fix them.

Honourable Members,

Our principled commitment to equality and justice extends beyond our borders.

Through all our international engagements, in our relations with other countries and in our participation in international fora, we continue to work for a more just and equitable global order.

We continue to advance the interests and needs of poorer countries, particularly on the African continent, and ensure that they are properly represented in all multilateral institutions.

We continue to work with our neighbours to promote peace, stability and development.

That is why we are supporting SADC's efforts to deal with the insurgency in Mozambique's Cabo Delgado province and ongoing assistance to Swaziland and Lesotho to resolve political challenges.

We cannot accept that there are still people in the 21st century that continue to languish under colonial occupation.

Our support for the self-determination of the peoples of Palestine and Western Sahara remains a central pillar of our work towards a just, equal and peaceful world order.

The COVID-19 pandemic has demonstrated how important it is that no country, no community and no person is left behind in the drive for vaccines, treatment and care.

Through the positions that we occupy in the African Union and on international bodies, we have consistently fought for developing economies to receive financial assistance to respond to, and recover from, this pandemic.

We have consistently fought for equity in access to vaccines, and through our efforts, have secured over 500 million vaccine doses for the African continent.

Despite these achievements, there is much more that needs to be done to ensure that the global recovery is inclusive and equitable.

At the G20, we have advocated for the redistribution of newly issued global reserves, known as special drawing rights, towards our continent.

There is much more that needs to be done to ensure that wealthy countries honour their commitments to support the actions of developing economies to respond to the effects of climate change.

There is much more that needs to be done to reform the United Nations and to democratise other global institutions.

If, as a global community, we are committed to ensuring that no one is left behind, these are the urgent tasks that we must undertake.

Honourable Members,
Fellow South Africans,

This debate has unfolded at a time and in a place of great significance.

It was from the balcony of this building that Nelson Mandela, the father of our democratic nation, addressed a jubilant crowd after his release from prison on the 11th of February 1990.

The crowd which gathered on the Grand Parade could not have known the events that would follow, but they knew one thing: that we would prevail.

As we confront another turning point in our history, we must draw on the same spirit of courage and determination.

Twenty-five years ago this month, our democratic Constitution came into effect.

As we look to the year ahead, we are reminded of our solemn responsibility as the representatives of the people of this country gathered here to heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights.

Let us work together, despite our differences, to improve the quality of life of all citizens and free the potential of each person

We must remember that it is possible to stifle a country with cynicism.

And it is possible to inspire a country with hope.

Going forward, our task is clear.

We must build a new consensus to revive our economy and renew the promise of our country.

And we must leave no one behind.

I thank you.