



Office of the Premier

Department:
Office of the Premier
North West Provincial Government
Republic of South Africa



2nd Floor, Ga-Rona Building
Private Bag X129,
MMABATHO
2735

CHIEF DIRECTORATE: COMMUNICATION

Tel: +27 (18) 388-4699
Fax: +27(18) 388 -3127
E-mail: Bmohlakoana@nwpg.gov.za

Building the economies of villages, towns and small dorpiess

A conducive environment in which small concerns can do business is to be created.



The economy of the North West will undergo a major shift over the next few years if Premier Supra Mahumapelo has his way. During his State of the Province Address last week Friday he announced a dramatic change in focus towards growing the economies of “villages, townships and small dorpiess (towns)”.

He noted that the current economic growth in the province of 3.6% was below the 6% growth target required to successfully tackle unemployment.

“It is projected that our economy will grow by 4% in 2015, 4.8% in 2016, and 5% in 2017 and 2018 respectively,” he said.

“The period leading up to 2018 will require tighter policy management and prudent control of our public purse in order to remain within our growth target of 6%.”

The focus on diversifying the economy could help in attaining this target, especially if driven by deliberate programmes to foster growth and development in these areas by leveraging Brics (Brazil, Russia, India, China and South Africa) initiatives. He said that discussions had been held with partners in the Brics consortium to explore possible supply partnerships.

He suggested that many of the basic consumer services in the major centres could be offered in small locations, “if our political will is backed up by [the] necessary re-direction of resources”.

“In our endeavour to respond to these challenges, government will direct 70% of the procurable items to villages, townships and small dorpias,” he announced.

“This will assist with the development of the Village, Township, Small Dorpias Enterprise Development Strategy, [which] will provide practical interventions for all types of businesses including the tuck shop and taxi rank economies.

“We hope that by the 2019 financial year that should be at 90%.”

The premier said that every provincial government department would be expected to indicate in their upcoming budget speeches how they intended to engage businesses in these areas.

“We are also going to be establishing two agri-parks in Mooifontein and in Taung to drive the rural village economies,” he said.

“Our intention is to do everything in our power to create a conducive environment for small enterprises to conduct business, by reviewing or relaxing municipal bylaws to meet the requirements and needs of villages’, townships’ and small dorpias’ enterprises without compromising [the] necessary regulatory and legal prescripts,” he said.

He suggested that compliance regimes such as feasibility studies, strategic plans and norms and standards were often abused, which hindered development. He admitted that successfully implementing this strategy might come up against some hurdles, but that “we must forge ahead”.

He elaborated after his address on how he expects this strategy to be rolled out.

“Local people must be the ones who are going to provide us with whatever services we need. So, if for example we have a government meeting, local individuals must supply us with the food and accommodation.

The Industrial Development Corporation (IDC) has agreed to help us to help people in the villages, townships and small dorpias to establish guesthouses, small hotels and lodges.

“At the taxi ranks you will find people who are selling *chisa nyama* (meat cooked outdoors on a braai) there. Our objective — through the department of agriculture — is to ensure we bring them together, to see if we can form a consortium of small business people at the taxi ranks, so they can control the entire value chain.”

He added that this process would not occur naturally and that interventions would also include business training to ensure that the entrepreneurs adopted proper business practices to make them competitive.

“We think that we should be engaging big enterprises so that South Africans can learn that when you are a small business, if you want to grow you must become competitive where service and pricing is concerned. So a lot of training will be around those aspects of running a business.”

Other proposals included the production of milk by dairy farmers for consumption in the bigger centres, and establishing small-scale bakeries to supply local demand. These initiatives would receive the support of the North West Development Corporation and the IDC.

Apart from local production for local consumption, the premier said the government had initiated discussions with multinational corporations to investigate the packaging of consumer products, while the mines had been approached to encourage the procurement of local goods and services.

This concept of local production and consumption would be extended to infrastructure projects, with the premier suggesting the creation of small brick-making operations to supply housing and road building projects in rural areas.

“It’s not going to be an easy task, because if you want to change the patterns of the economy, we must rattle the economy. It means that better road infrastructure, you must find it in the villages, townships and small dorpies. And in that way we think that we will be making a successful intervention in the economy.”

The approach might seem radical, but in the context of the province’s *saamwerk-saamtrek* philosophy, Mahumapelo may just be able to pull it off — if he gains the support of his government colleagues and partners in the private sector.

Provincial officials commit to supporting new bursary fund

Education remains a burning point across the country, and is a matter close to heart of North West Premier Supra Mahumapelo.

He recognised the achievements of the matric class of 2014 that ensured that the province retained its second position in the national senior certificate results.

Matric is however only the end of one journey and perhaps the start of another in higher education. Recognising that students require support to complete this journey, the province has spent at least R68-million a year over the past five years to support 560 students with bursaries.

“The spirit of *saamwerk-saamtrek* (work together, pull together) continues to inspire a dynamic relationship between government, organised labour, business and civil society. In this regard we would like to appeal to all role players in the province to join government in the establishment of a dedicated Provincial Bursary Fund ... through voluntary contributions from all citizens of at least R100 per annum.

“On behalf of the executive council, we commit ourselves to donate our own personal money, to take the lead and set the example as leaders. [I] will lead by example by personally contributing R10 000, and MECs R5 000 to the initial seed fund.”

Addressing the issue of the thousands of children who do not complete their schooling, the premier said that timely interventions would be introduced to interview the children, parents and teachers in the event that a child withdraws from school.

He expressed concern at the growing problem of drug abuse among the youth in the province and the impact this had on their ability or willingness to attend school.

“We must account for every child who drops out of the system. We are going to put each child into a database from grade one, so that by grade 12 we are able to provide the names of those who have made it and those who have not, and why they dropped out of school.”

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For enquiries:

Ms Bonolo Mohlakoana

Acting Provincial Head of Communication

North West Provincial Government

Cell: 082 901 2435

E-mail: Bmohlakoana@nwpg.gov.za

www.nwpg.gov.za