

EMBARGOED UNTIL DELIVERY/ CHECK AGAINST DELIVERY



THE PRESIDENCY: REPUBLIC OF SOUTH AFRICA

**SPEECH BY THE DEPUTY PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA, HE
MS PHUMZILE MLAMBO-NGCUKA, AT THE INTERNATIONAL BI-REGIONAL
CONFERENCE ON SOCIAL PROTECTION AND POVERTY REDUCTION, IN SOUTH
AFRICA**

SOMERSET, CAPE TOWN

09 June 2007

First Lady Ms Zanele Mbeki

Honourable Ministers of social protection matters, from Latin America and from Southern Africa, including local Ministers and Deputy Ministers present here

Your Excellencies and members of the Diplomatic Corps

The United Nations Resident Representative and Coordinator; Ms Scholastica Kimaryo

The Director for the International Poverty Centre; Mr Terry McKinley

Our international experts

Members of the academic and policy research community

Our social partners present here

Distinguished guests

Ladies and Gentlemen

Social protection is evidently a critical policy intervention that we are not only politically duty-bound to pursue for our people, but is even more critically as a moral obligation. I am sure that it is incontrovertible that all our people must be protected from risks and uncertainties and that when eventualities strike people, especially the most vulnerable in our societies, we should assist them to recover and reclaim their dignity.

Risks from hunger, from sickness, from accident, from reaching a retirement age without decent pension and the risk of death ought to be prevented in the case of death, mitigated. Equally, poverty eradication is a must. We cannot afford to see our fellow compatriots enduring humiliation inflicted by poverty.

Amartya Sen, among other thinkers on these important issues, has put it well when he places upon us the responsibility to enhance and expand human capabilities. Human capabilities, that Sen talks about, refer to a set of valued things feasible for a person to do – from dependable access to adequate nourishment to having the possibility of being a respected participant in community life. Human capabilities define the extent to which people can lead the kind of lives they value and have reason to value.

As such, I am pleased with the main objectives of this conference, especially that it is aimed at establishing a platform that is conducive for policy dialogue, sharing of policy relevant expertise among participants from the two regions; engaging policy makers on the nature, feasibility and sustainability of various existing social protection programmes and probing their effectiveness in reducing poverty; and to put in place some mechanisms for inter-regional south-south cooperation.

This conference is taking place at an opportune time for Southern Africa as we are embarking on a number of important endeavours aimed at eradicating 'unfreedoms' that Amartya Sen talks of. Social protection is an integral part of our developmental agenda to eradicating poverty. For instance in South Africa, among these is the development of a robust Anti-Poverty Framework for South Africa. The anti-poverty framework that July 2007 Cabinet Lekgotla will be discussing will entail a clear plan on how government would close the gaps in our poverty eradication agenda. An audit of our existing poverty eradication projects informs this approach. Although South Africa has a number of poverty alleviation programmes, including a relatively well developed income transfers programme, currently benefiting more than 13 million people, there are still many people that remain deprived.

Another reason why this conference is also opportune for us is because the South African government is currently undertaking a process of retirement reform to develop a comprehensive social security system. We have a number of social security interventions and we have been working to improve our system since the release of the report of the Commission for Social Security in South Africa in 2002. That report identified a number of areas which needed to be addressed. Our Inter-Ministerial Committee on Social Security is hard at work towards correcting all defects identified the Commission's report and also, more importantly, ensure that our social security system is sufficiently comprehensive, within the basic principle of equity and social solidarity. We are also working hard on ensuring that we expand the scope of social security, by marrying social security with poverty reduction to ensure sustainable betterment of the lives of the people.

This, in line with the Universal Declaration of Human Rights, sharpens the notion of social protection which has gradually and increasingly developed into a broader framework which looks at how the risk and vulnerabilities that poor people face can be prevented or mitigated, and how poor people can be helped in their recovery.

As we extend social security to embrace social protection we commit ourselves to ensure that policies and institutions devoted to ensuring adequate income, coverage of risks, proper healthcare access, and a dignified retirement are major aspects of our developmental strategies.

It is quite befitting that the conference probes experiences of the two sub-regions, Latin America and Southern Africa. There are many similarities between these two sub-regions:

Like Southern Africa, the Latin American region is home to countries that face challenges in bettering the lives of its citizens. Also, like us, the Latin American region is struggling to accelerate economic growth. Like us, economic growth has been picking up in most Latin American countries in the last few years. Many years of slow growth and economic instability, in both Latin America and Southern Africa, have taken a toll on the living conditions of people; poverty has remained stubbornly high, with some exceptions. The good news is that social protection has played an important part in the reduction of poverty, for most of the countries that are being discussed here. But, challenged by persistent historically high levels of inequality, our Latin American friends, whether their countries have grown fast or not, are correctly asking themselves: have we done all that we could have done? This is the same question that also haunts us in our sub-region.

The recent Latin American experience with social protection policies is very instructive. It tells us that poverty and inequality can be reduced. It teaches us that scale is critical. It also tells us that targeting is important. It is also very clear that we must be comprehensive in our approach. We are again reassured, by the recent experiences of many countries discussed here, that we can eradicate poverty through effective social protection systems if implemented properly at large scale.

The recent Latin American experience tells us that, for once, the iron-axel that joins poverty reduction to economic growth can be made flexible, that social protection policies do indeed deliver results. Also, and perhaps more importantly, the recent Latin American experience with social protection policies clearly instructs that social protection, including recent reforms on social security, needs to be an integral component of the growth and development strategy of our countries.

No sustainable reduction in inequality can be achieved without a fair distribution of assets, human and physical, without effective equity. No sustainable reduction in poverty can be achieved without strong job creation. Labour market outcomes remain clearly a critical issue as we peddle forward in improving the lives of our peoples and our nations.

Please do not get me wrong: I am not saying that social protection can only be effective under the conditions of high economic growth. There are some Latin American cases that show that good social protection systems can be effective even when the economy is not growing.

One main message comes home, from recent Latin American countries, that the role of the State is indispensable if we are to really dent poverty and improve livelihoods of our peoples in a sustainable way.

In the case of SA anything less than the following can easily become a farce

- To use our generous social wage targeted to the poor to eradicate poverty as against alleviating poverty. Our government provide free housing, schools, water; energy, health, support grant, to deserving individuals and households
- This generous package does not alter class, race and gender, power relations and inequalities, but it is indeed an enormous relief to about 13million people who are touched by our safety nets.
- Notwithstanding these commitments of our government we are not ending inter-generational poverty

- We can and should collaborate better and smarter with all other stakeholders to ensure, in any family we have a plan to end inter-generational poverty
- Educational, Income security, Access to affordable basic services especially health and transport, Freedom from Abusive socio-economic relations, Ability to seize economic opportunities and access to human dignity and equality the law. All of these together go a long way to END poverty.

Let me now conclude: I am reliably informed that the last two days of the conference have been illuminating and insightful. I suppose the main policy question that has to occupy us as we conclude the conference today is whether countries explicitly design social protection interventions with a specific intention to reduce poverty or do they design programmes that have specific interventions on social protection – health, education, shelter, nutrition etc. Put differently, should the focus be on social protection reforms or on poverty eradication strategies that conclusively address social protection challenges? This is key, particularly as many of us here are assisting our governments and countries in developmental strategies, either poverty eradication strategies or reforming social protection systems.

Another important policy question, for me, is what are the pre-conditions that allow for development of a comprehensive set of social policies on poverty reduction and social cohesion?

Lastly, I take this opportunity to congratulate the team that has made this important conference a reality. I am looking forward to the concluding day of this important gathering.

Thank you