

**INTERVIEW WITH MEC MAMIKI QABATHE:
PRESENT AND FUTURE PRIORITIES FOR THE FREE STATE ECONOMY**

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Being in the hot seat of the MEC for Economic Development, Tourism and Environmental Affairs (DETEA) since February 2012, Mamiki Qabathe has had to find her feet quickly in order to provide effective leadership and direction as to the multitude of challenges facing economic development in the Free State.

By its nature, DETEA fulfills a pivotal role in the broad economic development of the Free State and in order to gain some insight into the planning and objectives of the department, the editor of the Free State Business Bulletin, Johann Dannhauser, conducted an interview with the MEC as captured below.

What would you list as the top five priorities of DETEA for 2013 and briefly motivate each of them?

The first priority is the issue of communication with all stakeholders of DETEA. We find that miscommunication and a lack of communication is a huge problem affecting all activities of the department and this needs to be rectified as a matter of urgency. As a result we are working on a strategy to establish open and effective communication channels at all levels of the department. This is not only for us to communicate with our stakeholders – clients, service providers, the general public, etc. – but also to establish two-way traffic in order to consult with our stakeholders and hear what they have to say to us.

A second priority is to introduce proper monitoring of assistance rendered to SMMEs. Since 1994 huge sums of assistance have been paid out to SMMEs, but there is little knowledge of how these enterprises have utilized this support and what measure of success has been achieved. In order to implement an effective monitoring and tracking system, the department is currently establishing an Incubator Programme in conjunction with Standard Bank. To this end, five small towns in the province have been identified at each of which a pilot project for this programme is to be run. We are also bringing aboard other partners, like the FDC, Seda, etc.

Thirdly, the department is restructuring and repositioning itself in order to render better and faster assistance to SMMEs. If entrepreneurs, also at micro level, come to us with specific needs to help them becoming self-sustaining enterprises, we would like to comply almost on the spot. Linked to this new approach, is that the department is at present collating data on how best to support cooperatives. We are identifying the 15 most viable services outsourced by government with a view to creating opportunities for cooperatives. A central register for cooperatives is also in a process of being updated.

In the fourth instance DETEA is striving to facilitate a constructive relationship between macro and micro enterprises in the province. We would like to see big corporates “adopting” an upcoming and self-proven micro enterprise in the same sector and help it to become a strong and prosperous enterprise. This should become a trend in the Free State. As for the department, we envisage to start in this regard with a pilot project involving one small and one big company.

Fifthly, the tourism sector in the province has tremendous untapped potential. Without dwelling into detail in this respect, suffice to say that the department is working on a number of projects to increase the visitor count to and tourist spent in the province. For instance, with the Tour de Free State cycle event in 2012 the department introduced a winning concept and one on which we intend to build further.

What would you list as the biggest challenges the Free State has to overcome in order to achieve acceptable economic growth?

Well, to start off with, the province is by far not utilizing the huge advantages to be derived from its central location vis-à-vis the rest of the country. Too much business flows through our province without Free Staters benefitting from it. In this respect the new distribution centre at Harrismith, with the food-processing plant connected to it, is a landmark example of what can be done to achieve a turnaround.

Furthermore, the Free State “exports” far too much of its products, e.g. agricultural and mining sectors, to the rest of the country and even abroad. We need to introduce drastic measures to establish beneficiation plants on Free State soil, thereby promoting job creation, entrepreneurship and other socio-economic spin-offs.

Yet another obvious challenge, is the sharp deterioration of the condition of roads in the Free State. This scenario also needs to be turned around, in conjunction with national government. Bad roads in the province is stifling local economic development.

Another challenge towards which the department would like to make a constructive contribution, is bridging the growing divide between the public and private sectors in the province. The two sectors simply need to cooperate and synergize if meaningful economic growth in the province is to be realized. There is a saying: “If we don't hang together, we will all hang separately.” Seen on the whole, if the department could address effectively these issues as some of the root problems, then serious symptoms such as unemployment, poverty, need for more entrepreneurship and weak economic growth would be automatically addressed.

The share of the Free State in the national economy remains more or less stagnant at 5,3% - how could this be improved to your mind?

I would merely dot down some points:

Much more and better agro-processing in the province has the potential to make a significant difference in impoverished conditions in especially rural areas and around rural towns. Unutilized farms in the province need to be identified and brought into the economic mainstream. Strong commercial farmers need to “adopt” an emerging farmer and help him / her towards sustainability.

Something needs to be done about people in the province assembling farm lands for the fun of it and not utilizing it economically. The situation of game farms vis-à-vis productive land needs to be researched and assessed.

There is of course much more to be said in this connection, but I would content myself with these points not usually mentioned.

More specifically, unemployment and poverty are rampant in the province, especially at rural towns - in a nutshell, how do you think this could best be addressed?

DETEA is working closely with especially the Departments of Social Development and Agriculture in addressing these dire conditions as best possible. In this respect the Executive Council of the provincial government is taking the lead in devising a turnaround strategy. A primary aim is to achieve a mind shift in people to move away from being a social grant recipient towards an economically-productive person.

DETEA in conjunction with other departments is also looking into the matter of how the provincial budget could be adjusted so as to be less social-orientated and more developmentally-driven. A point I would also like to make here, is that institutions and businesses in the province should be persuaded to spend locally and to purchase as far as possible from suppliers based within the province. We need to support ourselves.

The subject we are discussing, is so wide, one would need a lot more time and space, but any comments in conclusion?

I would like to say to Free Staters in general and the business sector specifically – DETEA as a department needs you more than you think. We need your participation and inputs. Only by communicating and synergizing can the Free State Growth & Development Strategy (FSGDS) become a living document, improving the living conditions of all residents in the province. Therefore as a department we extend an invitation to all our stakeholders to work together with us in order to find best practices that would take the Free State meaningfully forward.

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