

**Speech by the MEC of Finance**

Mrs YN Phosa at the

**Third Annual Congress of the Public Sector Economist Forum**

**Protea Hotel Kruger Gate**

29 November 2011

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Thank you Programme Director

**Chairperson of the Public Sector Economist Forum, Mr Clive Coetzee**

**Members of the Forum and representatives of all nine provinces**

**Guests from the public and private sector**

**Representatives of the media**

**Ladies and gentleman**

Good morning, Goeiemore, Sanibonani, Dumelang!

First of all, I would like to welcome all the delegates from all the provinces to the third Annual Congress of the Public Sector Economist Forum here in Mpumalanga.

We meet here during an important month in the fight against women and children abuse.

This period is also of profound importance because the world has converged on our shores to discuss and find lasting solutions to the common challenge of climate change to human society.

As we discuss the important issues of how we can improve the economic performance of the provinces and our roles in the national economic landscape, we must also bear in mind the important role that environment plays in the growth path that we have chosen.

The Economists Forum was established in October 2009 to provide a platform for networking among provincial government economists.

This Forum is the brainchild and outcome of a benchmarking meeting between economists from KZN Treasury and Mpumalanga Department of Finance in March 2009.

It was envisioned that the Forum should contribute to the efforts to enhance the role of public sector economists in policy development and policy implementation.

When it was established, it was hoped that the forum would provide enabling environment for the practitioners to share information on best practices and the development of a new generation of provincial government economists.

We do need economists that can contribute and add value to the continuous programme of addressing our country’s socio-economic challenges.

On a lighter note, Programme Director, rumour has it that an economist is someone who’s pretty good with numbers, but who doesn’t have a personality to be an accountant. I was also told that an economist is someone who finds something that works in practice, and wonders whether it would work in theory. I believe that you are not one of these rumoured kinds of economists and that your economic research and advice is grounded on and is in line with the vision that the President of the Republic of South Africa Jacob Zuma outlined in his 2011 State of the Nation Address when he said:

**“We want to have a country where millions more South Africans have decent employment opportunities, which has a modern infrastructure and vibrant economy, and where the quality of life is high”.**

The economists play an important role in the determination of the policy direction of the country. I would like to urge you to not underestimate your important role as economists in a provincial government sphere.

The provinces are currently experiencing low economic growth rates and also high unemployment, poverty and inequality. This is the harsh reality that we must confront with realistic and economically-sound programmes.

You must provide us with answers and solutions that are based on scientific and credible research and evidence in order for us to win the battle against these challenges.

Programme Director, we need provincial government economists to be involved in credible and relevant research, policy and strategy formulation and implementation, in order to accelerate sustainable economic growth and development and also to improve service delivery.

Your work and advice must be in line with Government’s priorities, the National and Provincial Growth Paths and also the new Development Plan as announced by the National Planning Commission.

This Congress is an excellent opportunity for you as economists to engage in a meaningful and constructive discussion on the already mentioned issues; to put your intellectual property up for scrutiny by your peers, and to address the socio-economic challenges of South Africa and your province.

According to the programme the focus will be very much on the following aspects the next two days:

* credible and reliable socio-economic data/statistics.
* training opportunities for public sector economists to improve their economic and econometric skills.
* findings of economic research projects/studies in some of the provinces, for best practice purposes.

These are truly relevant issues for this forum. You must be willing to share and learn from your colleagues from other provinces. Economists and economic researchers often prefer to work alone in their offices preparing fancy reports to the policy maker. Nothing wrong with that, but at some point an exchange and testing of ideas must also take place. Be a life-long learner in the economic field!

Programme Director, I would like to point out a couple of aspects which in my opinion are important for a successful provincial government economist. Let’s call it some ingredients for a recipe of success:

* Understand your Department’s role and mandate regarding economic aspects.
* Cooperation and collaboration with other Departments – especially between the Provincial Treasuries and Economic Development Departments.
* Teamwork and partnerships with all relevant stakeholders.
* Use credible and reliable socio-economic data/statistics.
* Your research reports (written communication) must be professional and credible – if possible not only annual reports but also updated reports on a quarterly basis.
* Provision of relevant reports in line with your clients’ needs.
* Submitting economic research findings to the relevant forums that are involved in decision making and present (verbal communication) them in a professional and an understandable way.
* Specific focus on economic impact assessment studies – especially regarding government expenditure.
* Cascading socio-economic research/information to municipal level for budgeting and planning purposes.
* Expose staff to advanced economic and econometric training programmes on a continuous basis, to improve economists’ skills and competency levels.
* The importance of commitment and passion to problem solving.
* “Doing things right” is important, but “doing the right things” is just as important.

I’m very proud to say that the Economic Analysis Team of my Department distinguished themselves in the last year or two, with the type of socio-economic research they conducted and communicated with the policy makers in Mpumalanga.

They ensured that their work inform the budget priorities and planning process not only on provincial but also at the municipal level.

We appreciated the honest, direct and constructive way in which the reports were communicated with all relevant stakeholders. I’m sure they will share their research and experiences with you at this forum.

Programme Director and ladies and gentlemen

This period must be a very interesting and challenging for you as economists, given all the global, national and provincial economic developments and challenges.

As you discuss issues pertinent to this forum, also find time to reflect on the work that we are doing to help the provinces to overcome the economic challenges that the world is going through, today.

Enjoy the next two days engaging and debating economic issues and challenges, and go back to your provinces with valuable advice and solutions for the policy makers. Make a difference!

Lastly, please take note of the wise words of the former Harvard professor and author David Korten who said:

**“We can also take the radical view that the test of an economy has to do with the extent to which it is providing everybody with a decent means of living”.**

Enjoy your economic journey and may God bless.

Once again Welcome to Mpumalanga ,

I thank you.