

**REMARKS BY HON TOM ALWEENDO AT THE WORKSHOP ON THE ROLE OF
REGIONAL GOVERNORS AND DECENTRALISATION PROCESS
11 FEBRUARY 2011**

**THE ROLE OF NATIONAL PLANNING COMMISSION IN ECONOMIC
DEVELOPMENT**

I am happy to have been requested to address this gathering of the Regional Governors on the role of the NPC and how that role may impact on your roles as Regional Governors.

Let me therefore start first with the role and functions of the NPC. The first thing that needs to be said is that the NPC is not a Ministry but a Constitutional body that is in the Office of the President. This is an important distinction because in effect it means that the NPC is an extension of the Presidency.

The Constitutional responsibility of the NPC is to direct socio-economic development of the country. It is the NPC that must take the lead in informing the Government's development agenda. In performing its role of spearheading development, the NPC uses our V2030 as the pillar when developing our medium-term development plans. These are the 5-year plans that we refer to as the NDPs. Over the years, the development of the NDPs involved many stakeholders, including the Regional Authorities.

Given the fact that you are the people vested with regional development agenda, we take due cognisance of the important role you should play in shaping our NDPs. We are also fully aware of the fact that different regions have different potential. To fully exploit those development potential, we will continue to involve you in the crafting of our future NDPs to ensure that they reflect your views as to how best to develop the regions you represent.

I also thought it appropriate to share with you some of our views with regard to the challenges that are facing us. The main challenge facing us is that of low economic growth and therefore unemployment. Since independence the economy grew on average by 5%. Compared to other countries in the region, this average economic growth is relatively high and is something we should be proud of. There are countries that experienced negative growth. The reality, however, tells us that in order for the economy to create the needed job opportunity we need an economic growth rate of at least 8%. Not only do we need a much higher economic growth rate, we also need to encourage the kind of growth that creates new job opportunities. Currently the economic growth we have is largely influenced by capital productivity and price effects.

What that suggests is that we need to re-think our economic development strategies. For example, we need to start asking ourselves questions such as whether we are focusing on

the right areas of development; are we making sufficient investment in the economy; what about the way we implement our plans; what are some of the bottlenecks to economic growth that must be removed. These are important questions that need to be asked. Not only do we need to ask the questions; what is more critical is to answer the questions in a candid manner and make changes were we need to do so.

What should be clear to us is that if we follow the same strategies that we have been following thus far, we are not likely to achieve V2030. Already indications are that on the two key V2030 goals of per capita income and employment, we are not making sufficient progress. The current per capita income is US\$4,200, nowhere near the required current level of US\$17,000. With regard to employment the picture does not look any better with unemployment rate at 50%.

In addressing the challenge of low economic growth and unemployment we also need to agree that this is a challenge that cannot be addressed successfully by the Government only. There is a need for a true partnership among all the stakeholders; a partnership that is based on mutual trust and cemented in the recognition that we all have a stake in what happens to our economy. We can no longer afford to focus on our narrow interest that may well be at odds with what is in the overall interest of the country. This is true for the Government, private sector businesses and the organized labour.

In this partnership, the Government must be prepared to make the necessary investment in the economy and to also ensure that we streamline all the administrative procedures that may hamper full implementation of our national development plans. We may also need to review some of our policies and laws that might have proven to be a disincentive to private sector investment.

The private sector businesses must also recognize that while profit is their overall motive when investing, they also have an obligation to ensure that we build a society based on equal opportunity and the fair sharing of economic benefits. In other words, the emphasis must move away from profitability alone to issues that are equally important for sustainability. The organized labour must recognize that while they have the duty to protect workers from exploitation, they should not forget that they too have a responsibility to make it possible for more employment opportunities to be created. This will require that labour be prepared to make the necessary compromises required to create more jobs.

Lastly, I would like to draw your attention to one of the major projects that the NPC is currently busy with. I am here referring to the Population & Housing Census project. The population census is carried out every ten years and this will be the third census we are conducting since independence. As Regional Governors you have an important leadership role to play in ensuring that the project is completed smoothly. It is envisaged to create regional census committees that will be responsible for overseeing the census implementation at regional levels. In this respect the Central Bureau of Statistics will contact

you in due course in order to discuss the logistics of the regional census committees and we hope that you will render them the necessary support.

Honourable Governors, I look forward to forging a cooperative relationship with all of you that is rooted in our common desire to develop our Nation, the Land of the Brave.

I thank you.