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**Address by South African High Commissioner, H. E. Sibongiseni Dlamini-Mntambo, as  
part of an Economic Empowerment Panel of the Indigenous Forum at the Global  
Petroleum Show, Calgary,**

**15 June 2017**

President of the

Members of the diplomatic and consular corps

Special guests,

Ladies and Gentlemen,

Good morning.

Please allow me to express my sincere appreciation to the organisers for the invitation to form part of this panel. I am honoured and humbled to participate in such an important topic.

***SOUTH AFRICAN HISTORY***

I have been called on to discuss opportunities for South African indigenous communities, how such decisions are reached, and how communities consent. To do this, I first need to touch on a little bit of our history. But – where, exactly, does the history of the oppression of South Africa’s indigenous communities begin? Does it start

with the arrival of the first Dutch settlers in South Africa in 1652?; or with the arrival of the British in 1820?; or perhaps with the 1913 Land Act which stripped the indigenous populations of the right to own land and effectively handed 90% of South Africa's land to 20% of the population who were the descendants of these settlers? Or does it start in 1948 when the policy of apartheid became official government policy.

Decades later, apartheid was to be proclaimed a crime against humanity. But by then, the control of the economy was firmly in white hands, and the oppression of the indigenous population had become entrenched and deeply systemic.

### ***NEGOTIATIONS AND HOMEGROWN SOLUTIONS***

Regardless of where our history began, another question is where did it end?

Did our history end with the release of Nelson Mandela in 1990; or with the ensuing multi-party negotiations in the build up to our first democratic elections? I would like to pause here and reflect on these negotiations as it is truly a turning point in our recent history. It continues to affect not only our approach to conflict resolution at home, but also on the global stage.

The remarkable thing about the negotiations for our freedom is, perhaps, that the solution came from within. If a country's citizens are disagreeing in today's world, it is not uncommon for external powers to swoop in and prescribe – or even enforce – an end to such disagreements. This was not the case with our negotiations. While we had many international friends who we knew we could call on, the parties in South Africa sat down - the oppressed and the oppressor - and we painstakingly *spoke* our way to freedom.

This has given rise to a common theme in our foreign policy: “Finding African solutions to African problems.” In essence, it means that the people of a country are in the best position to know what *will* and what *will not* work within that country. It is our role – as the international community – to get them to talk and discover these solutions.

### ***ELECTIONS AND THE TRUTH AND RECONCILIATION COMMITTEE***

Ultimately, South Africa’s negotiations culminated in the country’s first democratic elections in 1994, which gave the country its first black president, Nelson Mandela.

In an attempt to heal the wounds of centuries of colonialism and decades of apartheid, a Truth and Reconciliation Commission, or TRC, was established in 1996. We are convinced that the TRC helped move our country forward, and consider it a model for paving the way to unity among diverse groups. I’m relatively new in Canada, but I followed some of the developments around your own TRC here. We are also pleased that your Minister of Justice, Honourable Jody Wilson-Raybould, visited South Africa earlier this year. In addition to meeting with her counterparts in South Africa, she also met with the chairperson of South Africa’s TRC, Desmond Tutu.

### ***CHALLENGES TODAY***

So, Ladies and Gentlemen, we can now reflect and ask “Has our painful history come to an end?” There are major feats, like government has built over 2 million houses, and is now engaged in the largest anti-retroviral rollout in the world. Glancing at statistics between 2002 and 2014 also shows some improvements at a basic level: households with access to electricity jumped from 77% to 86%, those with access to water infrastructure grew from 80% to 86%, and those with access to sanitation grew from 62% to 80%.

What about the country's economy? Sadly, this tells a different story. South Africa's Commission for Employment Equity reports that – despite only making up 9.9% of the economically active population – white South Africans occupy 72% of top management positions and 63% of senior management positions. To repeat: 9.9% occupies 72% of top management and 63% of senior management. Looking at the gender disparities is also sobering: Males occupy 78% of top management, and 67% of senior management.

Statistic South Africa's Labour Force Survey for the first quarter of 2017 tells us that the unemployment rate for black South Africans is 31%. For the white population group it is 6.6%. I am told that is coincidentally the exact figure for Canada's unemployment rate for May 2017: 6.6%.

### ***GENERATING OPPORTUNITIES FOR ALL***

As government, we understand that we cannot control every aspect of our economy, but we recognise that these systemic injustices South Africans face every day *needs* to change. We have therefore attempted to introduce several interventions aimed at “levelling the playing field” for all South Africans.

Broad-Based Black Economic Empowerment (or B-BBEE) is a specific government policy to advance economic transformation and enhance the economic participation of black people in the South African economy. [Just an aside: it is important to remember that – unlike in many other countries - these affirmative action policies are bizarrely meant to ensure fair representation of the *majority* in the economy of South Africa].

Companies wishing to do businesses with government will need to provide a BBEE score which will form part of the considerations for a tender. This score is arrived at

through assessing five elements: ownership, management control, skills development, enterprise & supplier development, and socio-economic development.

Rather than using government's words to emphasise how important this policy is, I'll quote the words used in a 2013 Ernst and Young report which said <and I quote>

*"We believe that Broad Based Black Economic Empowerment (BBBEE) is not simply to redress the wrongs of the past, but a pragmatic growth strategy that aims to realise the country's full economic potential. Therefore, embracing BBBEE has not only proved to be the right thing to do, but is also important for the economic growth of our country and for the sustainability thereof."* <End quote>

Our Department of Trade And Industry will also continue to focus on developing a programme to promote the long term sustainable development of black industrialists. The programme will accelerate the participation of black industrialists in the national economy, both in terms of their numbers and their influence. The department will create multiple, diverse instruments for black industrialists to enter targeted industrial sectors and value chains that are aligned with government developmental priorities.

By mid-2016, more than 22 black industrialists had been supported to the value of more than R1.5 billion (that's roughly 150 million Canadian dollars), mainly in agro-processing; plastic and pharmaceuticals; electro technical equipment; and metals sectors. More than 2 000 jobs were created across the sectors.

As this is the week of the Global Petroleum Show, I thought I would touch on the oil and gas sector.

In their ranking of countries with technically recoverable shale gas resources, the United States' Energy Information Administration places South Africa in 8<sup>th</sup> place with 390 trillion cubic feet (Canada places 5<sup>th</sup> with 573 trillion cubic feet). As part of assessing the potential of the shale gas resource, South Africa's Council for Geosciences and Petroleum Agency South Africa (PASA) are conducting a scientific programme that will include the plan for its sustainable development. This will attract new investment in shale gas and the broader upstream petroleum sector. As a responsible Government, we continue to engage with communities and stakeholders and will take them along as the process unfolds.

Government is simultaneously looking to revise the Mining Charter and the Mineral and Petroleum Resources Development Act – or MPRDA - of 2002. The MPRDA currently requires the submission of the Social and Labour Plan as a pre-requisite for the granting of mining or production rights. The Social and Labour Plan requires applicants for mining and production rights to develop and implement comprehensive Human Resources Development Programmes, Mine Community Development Plan, Housing and Living Conditions Plan, Employment Equity Plan, and Processes to save jobs and manage downscaling and/or closure. Such programmes are aimed at promoting employment and advancement of the social and economic welfare of all South Africans whilst ensuring economic growth and socio-economic development.

The private sector is also attempting to ensure good governance through initiatives like King Report on Good Governance. This is now in its fourth edition. All companies listed on the Johannesburg Stock Exchange have to subscribe to the code.

## CONCLUSION

As I approach my conclusion, and to avoid being misunderstood – I wish to highlight three issues:

- Firstly, there is no magical, one-size-fits-all, solution to reaching consensus, but the South African experience has shown that dialogue is essential, and that a community usually knows the solution to its problems.
- Secondly, I do not wish to paint South Africa's economic climate as being unfriendly to foreign investors. South Africa is a G20 member, alive with opportunities. South Africa's population of 55 million is part of a free trade area with some of our neighbours in the Southern African Development Community, creating an even larger market. Africa's time is now. Potential Canadian investors are welcome. Those with experience will know, however, that *every* country has its own history and this affects that country's local requirements. We are confident that the private sector can work within these.
- Lastly, I have spoken a lot about black and white South Africans. It is, however, important to stress that the country does not belong to one group more than the other. I will quote the preamble to our constitution which makes it clear that we are all South Africans, that the country belongs to all of us, but we cannot ignore the past. It says, <and I quote>

*"We, the people of South Africa,*

*Recognise the injustices of our past;*

*Honour those who suffered for justice and freedom in our land;*

*Respect those who have worked to build and develop our country; and*

*Believe that South Africa belongs to all who live in it, united in our diversity."* <end I quote>

I thank you.