

# 109th MBSA Conference tackles building a sustainable SA

The 109th annual Master Builders South Africa (MBSA) Conference got underway this week at the Boardwalk Hotel and Convention Centre in Port Elizabeth. The theme for this year's congress, 'Building a Sustainable South Africa', aimed to address subjects such as skills development, growth and job creation within the building and construction industry.



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The first day of the congress featured expert speakers presenting in-depth insights and information to decision-makers and planners from in and around the construction industry. Key themes included education, the state of the local economy, job creation and future prospects for both the construction industry and South Africa.

## All-inclusive building industry

MBSA President Colin Cozens, who opened the congress, stated, "The theme of this year's congress is 'Building a Sustainable South Africa'. In order to achieve this, we need to have an all-inclusive building industry. We simply cannot leave out the previously marginalised parties as has happened in the past. The industry needs to transform at a faster rate than before and we need to win back our government's trust that has been strained with the recent 'collusive tendering'."

He continued, "It is my opinion that in the coming six to twelve months the flat growth of the economy is going to impact our industry even harder and if government wants a good opportunity to intensify the infrastructure spend, it is now. The building industry is the ideal platform to create jobs quickly and to transfer skills to the unemployed. It is times like we are experiencing now that the building industry needs government to be decisive and increase its spend in our industry and create desperately needed jobs."

"In order to build a sustainable South Africa, there are a number of influences, practices, services and minds that need to collaborate to formulate a plan and long-term goals. This is precisely the reason for a congress like this - a congress of minds from various backgrounds, coming together to promote a culture and set goals to build the foundation for a sustainable South Africa," said Cozens.

The presentations delivered throughout the day covered a broad range of topics including job creation, the state of South African education and the world and local economy amongst others. Some of the day's highlights were the presentations made by Deputy Minister of the Department of Labour Inkosi Sango Patekile Holomisa; Professor Jonathan Jansen, vice chancellor and rector of the University of the Free State; Dr Azar Jammine, director and chief economist of Econometrix and Clem Sunter, business author and scenario specialist.

## Frequency of accidents and fatalities



Deputy Minister of the  
Department of Labour, Inkosi  
Sango Patekile Holomisa

Holomisa delivered the day's keynote address in which he shared, "It is said that developing countries around the world such as Taiwan, Pakistan and the Philippines all report massive revenues, multiple projects and generally a boom in their construction industry. On the other hand, the contention is that South Africa is at pains to postpone projects thereby trying to prevent the industry from going bust." He listed a number of reasons for this, which included: the fact that South Africa was hit hard by the global recession and is still trying to recover from the effects; construction projects that were already ongoing had to be cancelled immediately due to rising costs; the increasing frequency of accidents and fatalities on construction sites which could have been prevented had companies strictly adhered to regulations on occupational health and safety measures; the lack of a skilled and experienced workforce.

"We are deeply concerned about occupational health and safety standards in this sector. Lately, we have witnessed too frequently the collapse of buildings, resulting in many people losing their lives. According to the Department of Labour's report on occupational health and safety incidents in 2013/14, there were 230 fatal incidents, 780 non-fatal incidents and 12 non-casualty incidents. This is totally unacceptable - one death on the construction site is one too many, as some of these can be prevented if the industry complies with the minimum standards and desists from taking short-cuts. It has become so dangerous to work in the building and construction sector that a number of workers are still working there out of sheer desperation; if they had a choice they wouldn't come anywhere near a construction site. A safe and healthy environment will make construction jobs more desirable and continue to contribute towards skills development," urged Holomisa.

## **School system remains fundamentally unequal**

Next up, Professor Jansen tackled the topic of 'Seven critical facts about the education system that will shape the future of the South African economy and society'. He said, "One of the problems we have in South Africa is that we are facing a crisis but no one is aware of it, least of all the politicians. The schools only work for a third of our kids - and that is being generous. We have a vested interest from a social and economic point of view that all our children do well."

He elaborated, "As long as the school system remains so fundamentally unequal, your social and economic outcomes will remain fundamentally unequal. The more you invest in education, the more individuals get out of it, domestic economy is changed and the more a country gets out of that investment. The converse is also true. The rising crime stats are a function of our inability to deal with these structural inequalities."

Jansen asked, "So how do we change this? If we want to change our schools we need to put the basics in place first, like putting a roof over learners' heads, replace the pit toilets with decent toilets and make sure there is a textbook for every kid in every subject in every class."

## **Not creating enough jobs**

Dr Jammie examined 'Challenges facing South Africa's economic prospects in the longer term'. He began his talk by setting the international scene: "Internationally we had a recession, a recovery and a bit of a slide in the last few years. The correlation between the global economic experience and that of South Africa has been very close. The only problem is that South Africa has progressively been underperforming the world economy over the last few years."

He shared, "We are sitting right now with a number of erupting crises such as: increasingly aggressive industrial action; the first revolt by small businesses against the domination of the economy by big business, organised labour and government; poor education and skills; protests against poor municipal service delivery and anxiety regarding the electricity supply. At the heart of all these lies unemployment, poverty and inequality, the primary determinant of these are inadequate educational skills development which in turn generates more inequality and drives the working class to revolt more against the capitalist class. The government then intervenes with regulations making it more difficult for small businesses to proliferate and they are the core of what is needed to create employment."

"Employment has been consistently 1 to 1.5% slower than GDP growth as we are not creating enough jobs to prevent the unemployment rate from rising. The good news is that government has a strategy to address this - the National Development Plan. Furthermore, the government has recently introduced the Medium Term Strategic Framework that has favourable projections and goals but unfortunately the opposite is happening in practice on the ground."

He concluded his presentation by saying, "The economy is going to keep muddling along at 1 to 2.5% per annum over the next few years, but the potential is there. The government has policies in place if only we could translate those into real action."

## **Growth strategies during hard times**

Sunter spoke about global and local events (which he termed flags) that business must be aware of in order to adapt their behaviour ahead of their competitors. On the international front these included flags such as those pertaining to religious conflicts like those occurring in Syria, Iraq and Nigeria. He also made mention of the Russian threat to prospects in Europe as well as the impact of climate change, social unrest as a result of inequality amongst the 'haves' and 'have nots', the world's ageing population and Ebola.

He also put forward strategies for growing business during hard times. These involved constant innovation, living your brand and being cheaper than the alternative.

In his scenarios for South Africa he proposed that, "We use the NDP and move back into the middle of the premier league." Should this not happen, South Africa will get relegated into the second division and become a third world country - peaceful but poor. At worst, with more events like Marikana, it will become a failed state with other nations turning their back on the country due to its unpredictability and volatility which would prevent any kind of trading relationship whatsoever. In order for the first scenario to come true, the country needs an inclusive leadership, pockets of excellence to raise the performance of the nation and greater focus on entrepreneurship."

The first day of the congress concluded with excursions to the Coega Industrial Development Zone and Crossways Farm Village - South Africa's first new rural town.

More discussions aimed at presenting effective routes towards transformation, improved standards and sustainability will take place on the second and final day.

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