

**MESSAGE OF ENCOURAGEMENT BY THE MEC FOR ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM, MR J.L (JABU) MAHLANGU, MPL, DURING THE 2010 “TEACH THE CHILDREN TO SAVE” AWARDS CEREMONY AT MAKHOSONKE KING CLUSTER AT KWAGGAFONTEIN, THEMBSILE HANI LOCAL MUNICIPALITY.**

**Tuesday, 10 August 2010**

Programme Director, Mr Sarel Mtsweni;

The representative of *Ingwenyama* Makhosonke II, Mr Thomas Mabena;

Administrator of Thembsile Hani Local Municipality, Mr Tseko Taabe;

Representatives of FNB, Ms Cynthia Poeng;

Learners;

Distinguished guests;

Members of the media;

Ladies and gentlemen;

***Lotjani!***

We gather just a day after celebrating and paying homage to Women of our province and country, for their immeasurable contribution towards ensuring freedom in our country. Women continue to play a significant role in our communities as mothers, care-givers, and most importantly, as fibres which continues to glue our families. We all owe our continuing existence and sanity to these Women, who continue to contribute tirelessly towards ensuring a brighter future for the entire human race.

I speak of the brave Women of 1956 who marched on the doorstep of the oppressor to demand justice for all; I speak of Women of today who continue to nurture our families and bring up our children, who are the future of this province and country.

And as we celebrate this Women's Month, let's continue to acknowledge their selfless contribution towards building a better tomorrow for our children. *Kubobokeye boMma, sithokoza khulukhulu! Wathintha abafazi, wathintha imbokodo!* We salute you!

Programme Director, since children are the future of this country, we have a responsibility to lead them to the right direction. *Ngesintu kuthiwa, ligotshwa lisase manzi!* This belief is supported by chapter 22, verse 6-7 in the book of Proverbs which says, and I quote:

*"Train up a child in the way he should go, and when he is old he will not depart from. The rich rules over the poor, and the borrower is servant to the lender."*

Indeed Programme Director, we need to re-inculcate the culture of saving within our people, more especially at the level of children, who are the foundation of the future of this country. Like previous speakers have indicated, South Africans do not save, and even the little who tries to save, do not save enough to cover their retirement period. Indications are that only 38% of South Africans save, accounting for almost 15% of the country's GDP. Reports indicate that household saving has fallen from around 5.4 per cent in the 1980s to a dismal 0.28 per cent between 2000 and 2008, resulting in household debt rising to over 75% of the disposable income.

Despite the low saving rate, the majority of those who save remain largely white people, who continue to teach their children from an early age, the significance of saving. Financial literacy, is thus significant to empower our people to understand the importance of saving, hence the *"Teach Children to Save Campaign"*. By focusing on the foundation phase of our society, we are actually nurturing the culture of saving thereby enabling it to penetrate and simmer through to adulthood.

Ladies and gentlemen, saving comes in all sorts – If we teach our children to save for something they would like to have in future, we are indirectly empowering them to become financially responsible in future. This is the best investment we could ever leave for our children. As adults, we must learn to resist temptation of buying on credit; **if you can't pay for it – then you can't have it.** Like it is said in the book of Proverbs, if you borrow, you become the servant of the lender. I believe that none of you, would like their children to become a 'servant' of anyone. This should be our guiding principle, which we should pass on to our children. By so doing, you will actually be taking over control of your life, and not let *abomashonisa* and creditors manage your life.

There's an English proverb which says, *"The best time to plant a tree is twenty years ago. The second best time is now."* If we fail to plant that "saving" tree in our children's minds now, we will be contributing towards burdening the fiscus, which will mean tax-payers would have to dig deeper into their pockets to fund the social security system of government. Currently, our government spend over R2.8 billion nationally on old age grants for over 2.6 million people, who unfortunately, due to the making of the uncaring apartheid government, were not given an opportunity to save for their retirement. Mpumalanga accounts for close to 179-thousand of those old age grant beneficiaries, costing our government just over R193 million per month.

If we fail to save as a nation, the number of people entering our social security net will continue to grow rampantly, resulting in further burden to the government. This will unfortunately compel government to borrow money at high interest, which will negatively impact on the provision of other significant services. The impact of servicing such a loan will unfortunately translate into high costs of services – a situation which as government, we would like to avoid at all costs.

We cannot therefore as the caring government of the people, turn a blind eye on the root cause of the financial burden we are facing. If we become responsible citizens and ‘plant a wisdom tree now,’ we will in the long run lessen the burden on our fiscus, thus assist our government to divert more funding to other critical social services needing urgent attention.

Our gratitude goes to the South African Savings Institute, the Department of Trade and Industry, the Financial Services Board, and the National Credit Regulators, who amongst others, continue to partner with us to preach the message of saving. We congratulate the learners who’ve heeded the call to become a saving nation; a nation that is future-oriented.

As I close, there is a Chinese proverb which says, and I quote:

*“When planning for a year, plant corn. When planning for a decade, plant trees. When planning for life, train and educate people,”*  
especially children, who are the future.

If we all subscribe to that notion, tomorrow will be a better place – which will realise our dream of *a better life for all!*

*Working together, we can do more* to build a brighter tomorrow for our children, by speed up economic growth and transform the economy **to create decent work and sustainable livelihood** for all our people.

*Ngiyathokoza!*