

## **Years of corruption, maladministration and looting, not Covid-19, are to blame for South Africa's ailing economy**

By Emma Powell MP - Deputy Shadow Minister Water and Sanitation and Human Settlements

Madam Speaker, we deliberate this supplementary budget at a time of profound crisis in our Nation, when millions of South Africans are currently experiencing deep and untold personal suffering, having lost their jobs; their ability to put food on their tables; and, keep a roof over their children's heads.

While Covid-19 has indeed worsened South Africa's already dark as night economic prospects – we cannot fool ourselves and blame Covid-19 for the economic state of our country, as each one of us knows very well that it is not Covid-19 that has bled South Africa dry over the past 26 years, but rather the systemic corruption, maladministration and looting of our Nation's bread-basket by those in charge.

A ruling elite of out of touch political cadres, driving around town in their German cars, parading across informal settlements in tailor-made suits and 6-inch stiletto's heel; a ruling elite who want to eat first, drink first, claim their share of the pie first, and then toss the scraps that are left, to our poorest citizen's to fight over amongst themselves.

South Africa has not been brought to its knees by Covid –19 but rather by a government that is out of touch with the very real desperation our people feel.

South Africa is currently led by people who knowingly hire incompetent political cadres to staff top government jobs that should be reserved for experts, as a way to buy themselves political patronage and win party favour.

Our most crucial departments are governed by leaders who spend more time staffing political war rooms disguised as advisory panels and rapid response teams, than actually focusing on the business of saving South Africa from the economic carnage that it now confronts.

Madam Speaker, every single one of the honourable members present today know full well that if our money had been spent correctly and not spent badly, we would not need to be sitting here today passing further budget cuts to crucial service delivery departments like Human Settlements.

Today is also not the first time this year that such crucial Departments like Housing have seen money taken off their budgets.

Long before the Covid-19 crisis came crashing across our shores, National Government had already issued Municipalities across the country with a formal notice of intention to cut critical delivery budgets such as the Urban Settlements Development Grant, which municipalities use to provide basic services like taps and toilets to informal settlements.

These pre-Covid-19 cuts took place in a context where more than 13% of South Africans still live in shacks, backyard dwellings and tents. That is almost 8 million people eking out their lives in cold as night poverty; 8 million South African's who were already living on the breadline long before this pandemic arrived 4 months ago.

Sadly, the financial crisis in which South Africa finds itself is not getting better, it is getting far worse. Covid-19 has only deepened the crisis – it hasn't caused it.

In April of this year, National Treasury estimated that unemployment was set to increase by between 30-70% – meaning that between three and seven million people would lose their jobs before the pandemic was over. Last week we read that 3 million people have already lost their jobs since the pandemic began.

As Members of Parliament, we are inundated daily by a never-ending stream of requests from desperate South African's whose businesses have tanked, are now unemployed, who cannot pay their bonds, and their rent.

And yet, to pour salt into an already gaping wound, while our nation is staring down the barrel of a gun into an unprecedented economic crisis - the Human Settlement's Department which exists specifically to help poor South African's - is receiving the second largest budget cut of all Government Departments, with more than R2.26 billion being reallocated off its balance sheet.

Sadly for South Africa, it is not the Minister's private office, or her so-called advisory committees, or her questionable "National Rapid Response Task Team" whose budgets are taking the brunt of these cuts, rather it is the Departments two most important programmes which are now being reduced by billions of rands.

Today, we are being asked to approve a budget cut of R1.7 billion from the Human Settlements Grant. This is the money that Provinces use to build formal houses. To make matters worse, when these budget cuts were presented to our Portfolio Committee last week, the Department didn't even know how these cuts were going to impact housing delivery in 8 of our 9 provinces, because the only Province that had submitted it revised housing delivery plans was the Western Cape.

No surprises there.

Treasury will today also be taking R1.1 billion rand away from the Urban Settlement Grant which densely populated Municipalities use to ensure that our country's poorest people who live in informal settlements still have services that are fundamental to their human dignity - like taps and toilets.

R377 million is also being taken away from the Title Deeds programme and allocated to the Emergency Housing Programme.

So while there will not be any budget for title deeds that families can use to raise capital to start a small business with – the Department will instead spend this money on temporary,

emergency housing solutions, with much lower costs spent on each unit than formal housing, rendering them far less sustainable, and weaker than formal BNG houses.

Beneficiaries can raise bank finance to start businesses from the title deeds of formal houses, but they cannot do the same with emergency housing. Surely during an economic crisis, the Housing Department should be prioritising the delivery of formal houses that create jobs, instead of temporary emergency housing solutions – very few of which have been built since the crisis began, anyway.

How can a government that takes money out of the title deeds programme, that takes money out of the formal housing programme and then spends it on making basic emergency upgrades to slums and shanty towns claim to be pro-poor?

Is this the only future our government imagines for our people?

Is this the only vision that our leaders can imagine for South Africa: a country where prime land is used to build cheap, temporary, emergency housing units – rather than investing into proper houses and job-creating title deeds so that we can finally eradicate poverty and informality?

Our people and our most important service delivery departments should not be forced to choose between priorities like this. Our people cannot be made to choose between formal houses, title deeds, and emergency housing units. Our people need investment in all of these programmes – with the weight heavily in favour of sustainable, formal development.

And while our informal housing sector continues to grow by thousands every day due to endemic job losses, our leaders play politics over very serious issues like land invasions – which rob law-abiding people of their chances to benefit from formal housing opportunities – all the while, cutting the budgets that municipalities use to provide basic services to informal settlements.

How much longer can South Africa continue down this path?

Surely the time has come for our leaders to understand that our people deserve better.

The DA does not support this budget.

I thank you.