

## **Red tape killing small business development**

*By Henro Kruger MP – DA Shadow Deputy Minister of Small Business Development*

House Chair,

This is dedicated to the risk-takers. The job-creators. The entrepreneurs. Those who get up every day and fight a losing battle against the monsters this government has created. The bureaucracy that inevitably seeps into everything government touches. The red tape between success and another failed small business.

Government spends billions of Rands, in many Departments on the development of small businesses. However, the SMME failure rate is one of the worst globally, with an estimated 5 out of 7 SMMEs failing within their first operational year. The result is that people's dignity is often one of the casualties, with community instability the consequence.

Global Entrepreneurship Monitor measures the Total Early-stage Entrepreneurial Activity in South Africa at a low level of 17.49%. A study in 2017 concluded that only 10% of adults intend to start their own business. The fewer SMMEs that are established along with existing SMMEs faltering, resulting in a dramatic decrease in employment opportunities. To address the problem of limited business establishment and growth, government must create an environment beneficial for entrepreneurs, with no bureaucratic intervention, and where politics wait outside.

To state that the ANC has failed the South African small business constituency is a gross understatement.

Government must use their powers and functions to free small businesses from the clutches of red tape. The Small Business Institute recently remarked in a news article that government was flying in the dark when it came to the red tape challenges.

However, the DA welcomed the President's announcement of the Red Tape Unit during the SONA address. This was, in essence, a motion of no confidence in the three ministers the ANC has appointed since the addition of the Ministry of Small Business Development in 2014.

The Red Tape Reduction Bill tabled in the 5<sup>th</sup> parliament and the Ease of Doing Business Bill tabled in the 6<sup>th</sup> by the DA, were sadly rejected by the ANC. What makes the ANC's rejection of these Bills staggering is that they were, in essence, exactly what President Ramaphosa had called for during SONA 2022. If passed into legislation, these Bills would have cut costs and relieved burdens on small businesses who have suffered for far too long.

Die komitee se verslag is nie 'n groot skok of onthulling nie – maar bloot bevestiging van die departement se terminale onbekwaamheid om hul eie skip in veilige vaarwaters te hou. Die minister is, soos 'n verwarde skeepskaptein sonder rigting of roer, afwesig van meeste komiteevergaderings. Ten minste nege van die komitee se 15 waarnemings is negatief. 'n Duidelike bewys dat die ANC nie bevoeg is om hierdie belangrike strategie in werkskepping, dmv klein sake te bestuur nie.

If you happened to study the committee's report, it would be very difficult to claim that the Minister and her Department are doing a good job of addressing the rights of aid to entrepreneurs and small business owners.

The massive unbalanced aid environment between the informal trader sitting next to the road to sell her goods and formal business, is an oversight of the policymakers in the governing party, hence their failure to address unemployment

Wat kommerwekkend is, is dat die regering nie ons entrepreneurs kan of wil ontwikkel nie. Suid-Afrikaners is 'n trotse nasie wat beheer wil vat oor hul toekoms. Ongelukkig faal die regering om die honger na ontwikkeling te stil. Ons gemeenskappe in die landelike gebiede suig al vir jare aan die agterste speen en het dit tyd geword vir 'n verandering – 'n verandering in regering.

Think of a South Africa where all entrepreneurs can trade without barriers from government. Barriers include red tape, spatial development by municipalities, service delivery, labour laws and property rights, to name a few. This thought will take you to a caring government, a government that is free, fair and pregnant of opportunities for all. This government is called the DA government.

In 2024, the DA will take over this government, and we will make sure that we are the champions of a friendly, job creating business environment for all.