

## **Countries who see economic growth put research and innovation at the center of every government decision**

*By Nomsa Marchesi MP – DA Shadow Deputy Minister for Higher Education, Science & Technology*

Honourable Chair, allow me to dedicate my budget speech to my late Professor, Prof Walubo. I wish to honour his legacy in science and innovation. His contributions, particularly in the faculty of health sciences, in South Africa and internationally, resulted in ground breaking research in several platforms. But what stands out to me was his development of the indigenous knowledge system unit, which he took over from Medical Research and which continue to function at the University of the Free State. I will forever be grateful to him as his former student and colleague.

Honourable members, it is on the shoulders of these scientists we stand. They exist in small pockets of our society, yet they pioneer research that impacts our society in manners we can never comprehend – they make things happen. They do this with limited resources, but carry their responsibilities with intellect, vigour and go beyond their scope of work.

Honourable Chair, our science research fraternity work under challenging circumstances. For instance, the Square Kilometre Array (SKA) MeerKAT site in Carnarvon in the Northern Cape, is unable to retain scientists with its limited resources. In addition, they exist in a community that has a severely high rate of foetal alcohol syndrome and has taken it upon themselves to provide a science lab at the neighbouring school in order to facilitate an interest in science in the Hannover community.

In Sutherland, the South African Astronomical Observatory site sits parallel to a society that is impoverished with social ills. They allocated a portion of their budget to hire a mathematics teacher to teach at the nearby school, in addition to donating science laboratory equipment and a community center as a way of assisting the community. They could not exist in a space where there is no potential of emerging scientists within its midst. Without a mathematics teacher in Sutherland chances of an astrology graduate coming from there become almost impossible.

We are an indeed a caring nation that extends itself to give a hand to one another – what we lack is a caring government that can see the potential in investing in our human capital. A government that is not corrupt and that does not steal money that is intended to better the lives of the poor. Young South Africans are full of talent and if that talent it not realized, they become the Elon Musk's of the world who tend to succeed elsewhere instead of their country of birth.

Honourable Chair, budget cuts have a ripple effect. This impact the projects' funding which delays the timeline of projects. It also impact the number of researchers responsible for carrying out the project, and causes unnecessary uncertainty regarding whether the funding will be adequate to carry the project to fruition. Without optimal funding, the economic benefit cannot be actualized and many potential job opportunities are lost.

Honourable members, we were told during this very budget debate in 2020 that the budget cuts on science and innovation was due to the outbreak of Covid-19. But the budget cuts in various programs have been ongoing for the last 20 years.

Contrasting constant budget cuts by South Africa to the Organisation for Economic Co-operation and Development (OECD) countries, in 2022 March, *“OECD economies continued to increase investments in*

*research and development (R&D) in 2020 despite the sharp decline in economic activity due to the Covid-19 pandemic. The R&D expenditure in the OECD area grew by 1.8% in real terms in 2020. While this represents a sharp slowdown compared to previous years when R&D was growing at 5% annually, it marks the first time on record in which a global recession did not translate into a drop in Research and Development expenditures. This reflects how investments in Research and Development have been an integral part of the response to the crisis.”*

However, in South Africa our target on Research and Innovation for 2008 was 1% of the GDP with an increase of 1.5% in 2019, and now we are sitting at 1.1% of the GDP in 2024 with 1.5% in 2030 because the economy is not growing. In fact, we are regressing.

The Department of Science and Innovation cannot be treated like any other Department due to its research and development nature – it is supposed to be immune to budget cuts.

Finally, Minister, the tax incentive structure does not result in the desired outcome. We need a tax incentive that can position us into becoming a launch-pad of business driven research and development in Africa with spin-off companies advancing from South Africa into the SADC region and the rest of the continent. I would urge you to look at the Irish tax incentive model. Ireland was a small potato producing country, that was very poor, but they transformed their economy with research and development using tax incentives. Today, they are one of the countries with the lowest unemployment rate and a thriving economy.

This is a national model that we can mimic that will launch us into a better tomorrow for our people.