

Failure to address the ongoing cost of living crisis will have dire consequences for social stability

By Mat Cuthbert MP

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Honourable House Chairperson,

South Africa finds itself in a very dark place at the moment.

Our economy has been ravaged by years of State-sponsored corruption, ideological rigidity and administrative ineptitude.

Despite advances in human development during the 90s and early 2000s through the introduction of social housing, an expanded welfare system and a more equitable distribution of public services, the gains made have largely been eroded.

Social housing has become a trough for tenderpreneurs.

We have too few people in jobs and too many reliant on the welfare system and our public services, which have failed to be expanded and maintained, are on the verge of total collapse.

But Honourable Members that is not all.

We are currently engaged in a serious fight against stubbornly high inflation – brought about by the ongoing Russian invasion of Ukraine as well as poor domestic policy choices such as localisation.

While the governing party was clinking glasses at Russian soirees in May, DA leader, John Steenhuisen, was on ground in Ukraine warning of the devastation that was on its way.

The DA was ridiculed by the opposition benches and the commentariat for being out of touch and the trip was labelled a PR disaster. Leading the charge was the maven of the fourth estate, Qaanitah Hunter.

Well I'm here today to put on record that once again, the DA was right and you were all wrong.

Closer to home, the DA warned government about the disastrous effects of localisation and the impact it would have on prices, competition and trading relationships. Yet government forged ahead using tariffs, local procurement regulations and state funding to protect big business at the expense of the consumer.

However, they eventually came around to our view, when they were forced to do a U-turn on poultry tariffs, which would have seen millions more having to forego this basic source of protein.

We have also seen how this has affected our trading relationships, with major trading partners having retaliated by blocking South African imports into their countries. Did the ANC really think there would be no consequences for their actions?

The grinding poverty South Africans find themselves in is as a result of this. If the governing benches are not already aware, let me provide them with a quick refresher.

81% of households are skipping at least one daily meal and 41% say they can't feed their families anymore. Childhood stunting affects 27% of children under the age of 5. 34% of South Africans find themselves without work and if you are fortunate enough to have a job, it takes a mere five days for you to spend up to 80% of your monthly salary.

Thus far, government has been caught flat-footed in addressing this crisis.

Instead, it has relied on the South African Reserve Bank to tame inflation with a series of rates hikes. However, as we know, monetary policy can only do so much.

This is why we are demanding that government implements the following measures:

1. Cut fuel taxes and levies to decrease the cost of transporting food
2. Reallocate the R50 million food aid for Cuba to feed hungry people at home
3. Scrap VAT on the food items most commonly purchased by the poorest households by reviewing and expanding the zero-rated food baskets
4. Review and reduce import tariffs on foods consumed by low-income households
5. Provide private title to all land reform beneficiaries to increase food supply and security while reducing prices

Failure to address the ongoing cost of living crisis will have dire consequences for social stability. If you thought that the July 2021 unrest wreaked untold havoc, wait until those who have been trampled on by government decide to rise up.

Most recently, we've seen what has happened in Sri Lanka and before that amongst our African peers. This is not a bear that anyone wants you to poke. Just think of the infrastructure damage, business closures, job losses, skills flight, and interrupted service delivery this could cause. Some may argue this is fearmongering but it is not.

This is a warning to those in power that they would do well to heed. Rather allow a DA-led coalition to replace you via the ballot box in 2024 so that we can begin to heal and repair our country in preparation for growth. South Africans deserve a better government. It is, however, up to them to make that change.

So let us come together – support the DA's proposals to address the cost of living crisis and help elect a government that cares about you and your family's wellbeing.