WEDNESDAY, 24 JULY 2019

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PROCEEDINGS OF THE NATIONAL COUNCIL OF PROVINCES

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The Council met at 14:05.

The Deputy Chairperson took the Chair and requested members to observe a moment of silence for prayers or meditation.

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS – see col 000.

NO NOTICES OF MOTION OR MOTIONS WITHOUT NOTICE

(Announcement)

The CHIEF WHIP OF THE NCOP: Deputy Chair, I would like to apologise for the motions that have been printed on the Order Paper. The Whippery has agreed that we'll not have motions given the policy debates that we have. Thanks.

The DEPUTY CHAIRPERSON OF THE NCOP: Thank you for the consistency. We were surprised that there are motions today. We have consistently said that, because of the Votes, we won't have motions. Thank you very much. That will save us a lot of time.

APPROPRIATION BILL

(Policy debate)

Vote No 17 - Social Development:

The DEPUTY CHAIRPERSON OF THE NCOP: Before we continue, let me just welcome the Minister and Deputy Minister in this meeting as well as special delegates if any, members of the NCOP who will be participating in this debate, and all other people who are here. You are most welcome.

The MINISTER OF SOCIAL DEVELOPMENT: This is very interesting. So, it is automatic that we are brought up so that we ... Yes, I think so. There is something I wanted to say but I won't say it here. [Laughter.] I won't take issues from the other House to this House. Hon Deputy Chair; hon members; members of the Select Committee on Social Services and Health; my Deputy Minister, Ms Hendrietta Bogopane-Zulu; MECs for Social Development present here - and I must say it was a pleasure for me to meet with MECs before we came to this House and we had very constructive discussions around social development with the MECs who are going to speak today; chief executive officers of our agencies, SA Social Security Agency, Sassa, and the National Development Agency, NDA, and their representatives on my right; representatives from civil society organisations and private sector, good afternoon to you all.

I must indicate from the onset that I am dressed in the manner that I am dressed not because I am undermining this House, but because I am also representing part of what belongs to the Department of Social Development – We, small business, no, social development – and that is the National Development Agency. I will refer in my speech to what the National Development Agency is, but I think many of the members who are here know exactly what it is.

Hon Chairperson, it is my honour and privilege to present Budget Vote 17 of the Department of Social Development for the fiscal year 2019-20, for your consideration and support. The budget we are presenting today is guided by the goal of the ANC's social transformation agenda which seeks to empower people to lift themselves out of poverty while creating adequate social safety nets to protect the most vulnerable in our society who, in the main, are women and children.

The department's allocation for the current financial year is R184 billion. Of this amount, R175 billion is a direct transfer to social grant beneficiaries. The department will transfer R212 million to the National Development Agency and R7,6 billion to the SA Social Security Agency, Sassa for the administration of social assistance programmes.

In addition, the provincial Departments of Social Development's main appropriation budget allocation amounts to R22,406 billion for the

2019-20 financial year. The provincial budget includes R518 million early childhood development, ECD conditional grant from the National Department of Social Development for maintenance and upgrading of 600 ECD centres for violence against women and children programmes, and our flagship Isibindi programme which is aimed at building resilient and caring communities that look after our children.

Hon Chairperson, this budget is presented under the theme: Working Together to Empower Communities for Sustainable Livelihoods. Sustainable livelihoods are about creating an environment conducive for individuals, families and communities to enhance their capabilities and sustain themselves now and in the future. This will be fully achieved when every South African is able to reach their full potential. Social development is about every South African reaching their full potential.

The theme is also central to the core mandate of the social development sector, whose responsibility is to enable South Africans, particularly the poor and vulnerable, to become capable and self-reliant participants in their own development and, to secure a better life for themselves. I would love to see a situation where our citizens, especially our young people, graduate from the social grant system and become self-sufficient through entrepreneurship or other empowerment programmes so as not to overburden the fiscus. This does not in any way suggest that we do not want to provide social assistance, but that we would prefer to rather have our beneficiaries graduating out of the system over time. In particular, we want to speak to the fact that the bulk of the money goes to children and young women. The question we need to answer is: Where are the men and fathers of these children?

Guided by the decisions of the sixth administration, the national Department of Social Development, together with provincial Departments of Social Development, and our agencies, Sassa and the NDA adopted a portfolio approach which is aimed at enhancing our delivery model that will result in greater impact on the communities we serve. This approach will also include district and local municipalities because this is where the challenge is. Most of our people expect to be served right at local government and municipalities. Therefore, it is important for us to work closely with them.

Our approach is premised on the understanding that the provision of social grants alone is not sufficient to lift beneficiaries out of poverty on a sustained basis. We firmly believe that the portfolio approach will enhance the developmental role of the department and its public entities as a catalyst and game-changer in sustainable livelihoods initiatives in line with the National Development Plan. This will empower our communities to become active citizens – and in the words of our Chairperson of the NCOP, Hon Amos Masondo, who said: “We should not only become masters of doing, but also masters of doing things right.”

Two weeks ago, I convened a special MinMec meeting with all MECs for Social Development to better sharpen our approach at transforming the social sector. I will, from next week, embark upon provincial visits to meet with MECs, municipalities and conduct site visits at Sassa offices and paypoints, to get a better understanding of the challenges faced by our people and how we can better improve our service delivery model.

Consistent with this commitment, allow me now to outline some of the measures contained in this budget. The National Social Assistance programme remains one of our government's most successful poverty-reduction interventions. Chairperson, we talk about poverty reduction but ultimately we must speak about poverty not being anywhere in our space. Studies found that social grants play a crucial role in keeping children, the girl-child in particular, in school and to complete school. Last year alone, child support grant beneficiaries obtained a pass rate of 78,2% in the National Senior Certificate, an increase of 3,1% from 2017 academic year, and we must applaud this.

One of the realities we need to face as a country is the increasing number of young women of working age who are recipients of the child support grant. Our goal is to design and implement developmental interventions that impact and empower young women to escape poverty through sustainable livelihood initiatives.

As a start, we will spend R123 million of the R410 million allocation for the Social Relief of Distress programme to procure directly from women and youth-owned cooperatives and small enterprises, especially those which have been supported by government and indeed through our own National Development Agency. Just this morning, I visited Moya Wekhaya Peace Garden Cooperative in Khayelitsha and their members are in the gallery. They are producing fresh vegetables and herbs and recently started producing oyster mushrooms. I must say I was happy to see that but I was disturbed to see that, because of lack of adequate water, some of the work they are trying to do to help themselves is dying. Some of their clients include the Mount Nelson Hotel, Ilitha Labantu and Harvest of Hope amongst others. Our NDA supported them with over a quarter of a million rand.

Hon Chairperson, I have directed Sassa to work close with the NDA and the Department of Social Development to provide capacity building, mentorship and incubation support programmes to civil society organisations and aspirant entrepreneurs, including cooperatives. This is intended to champion the sustainable livelihood initiatives over the MTEF period, and we will again work with all three spheres of government in this regard.

We have noticed an increase in fraud and corruption activities especially with Sassa. We remain committed to fighting this regressive behaviour across all our programmes. To this end, we have allocated R60 million to social grants fraud and investigation in the current financial year. As I informed the National Assembly two weeks ago, we have already suspended 2 800 potential fraudulent accounts, the majority of which are in the Eastern Cape and KwaZulu-Natal. The issue here is that, that amount of money is money that we should be putting aside to support men and women in their small and medium enterprises and co-operatives. But we know human behaviour is one of our challenges in South Africa and we have to deal with it.

In my Budget Vote speech in the National Assembly, I also pledged to create certainty in the department and its public entities, and especially finalising the structure of the department and that of Sassa. We have started taking decisive steps to do exactly that, starting with the stabilisation of Sassa. We have now appointed a permanent CEO, Ms Busisiwe Memela-Khambula who is with us here and we'll prioritise the filling of critical posts across the country.

We will also review the SA Social Security Agency Act to address governance matters within the agency. This is an important step forward that seeks to strengthen accountability and operational efficiency within the entity. Other key initiatives include: The finalisation of the definition of a basket of social security benefits; addressing social grant exclusion errors; and finalising the draft regulations on the Social Assistance Amendment Act.

We have considered the recommendations of the Portfolio Committee on Social Development to strengthen the developmental role of the NDA. I have discussed this and other related matters, including the NDA’s limited and skewed budget allocation with the board. Going forward, we will need the support of this House to extend our provincial reach especially to rural and township areas, as some of the agency’s challenges are systemic by nature.

Hon Chair, a responsive developmental welfare approach lies at the heart of an inclusive and responsive social protection system that leaves no one behind. With this in mind, we intend to table a suite of legislative and policy initiatives to Cabinet. These include: the White Paper for Social Development; the Victim Support Services Bill; the Social Services Practitioners Bill; and the National Drug Master Plan.

One of the most urgent and critical areas of focus is to step up our efforts to tackle the scourge of alcohol and substance abuse which has reached epidemic proportions, particularly the increasing levels of addiction to designer drugs such as Nyaope, Tik and Whoonga. I urge all South Africans, including members of this august House, to help us to fight this scourge by, among others: supporting provincial substance abuse fora and Local Drug Action Committees and most importantly, by encouraging those family members and friends who are affected by encouraging and believing in them, that they have the ability to overcome these additions. We also should condemn the selling of drugs and work with law enforcement agencies to root out these evils from our communities as they are destroying our young people. We all need to play our part.

We too, condemn with the strongest possible terms, the recent spate of drug-related gang violence terrorising townships and neighbourhoods across the Western Cape and other parts of the country. We are participating broadly from government in helping to deal with this.

We have committed to explore mechanisms to strengthen the Central Drug Authority, CDA as per the recommendations of the impact evaluation conducted by the Department of Planning, Monitoring and Evaluation. We have also committed to increase the cadres of social service professionals in the sector, particularly in light of social ills confronting our communities. I am pleased to inform this House that we have since 2017, converted the Social Work Scholarship Fund to a conditional grant focusing on absorbing Social Work Scholarship graduates. We absorbed 746 social work graduates through the conditional grant in all provinces.

In addition, 595 social work graduates were appointed on contract for the implementation of HIV and AIDS social behaviour change intervention. I know that this is one of the biggest challenges in the provinces in relation to ensuring that social workers are occupied. But we also want to partner with other organisations especially the private sector.

Whilst this is encouraging, a large number of graduates, over 5 000 who received the scholarship remain unemployed. We have noted and welcomed the report of the Commission on Gender Equality regarding the support to organisations that render services including those of the Presidential Summit on Gender-based Violence and Femicide.

Fifty million rand has been allocated from the Criminal Assets Recovery Account to support shelters and address the identified shortcomings. The Gender-Based Violence Command Centre continues to render the much-needed support to victims of gender-based violence.

We have made significant investment in ECD to 60 000 vulnerable children through the ECD conditional grant. This is in addition to over 600 000 children subsidised through the equitable share funding.

Hon Chairperson, in response to President Ramaphosa’s call to collaborate and partner with civil society to build a social compact for a South Africa we want and the South African who must inhabit it, we conducted dialogues with the civil society sector organisations in all provinces in preparation for the upcoming presidential summit.

I would like to thank you, Chairperson as well as my Acting DG and the staff, and everyone who is here, and who assisted me in ensuring that I make this presentation. Thank you. [Applause.]

Ms M N GILLION: Hon Deputy Chairperson, hon Minister, Deputy Minister, all MECs, the department and its agencies, hon members, distinguished guests, comrades and friends, the ANC rises in support of Vote 17 on Social Development.

Key to the ANC’s social transformation programme is the meeting of social needs which are aimed at strategically dealing with the triple challenges of poverty, unemployment and inequality which confront the majority of our people who are poor and vulnerable.

In addressing these, the ANC has committed and continues to commit to providing basic rights and a safety social net which includes other most vulnerable in society these being women, children, youth, older persons and families in need of care.

Premised on the 1955 Freedom Charter which clearly expressed our fight for human rights and the dignity for all our people, we entered into a social contract with our people through the Reconstruction and Development Programme, 1994. This was to demonstrate our ability towards committing to the social transformation of our people, and improving their lives for the better. That is why our social transformation policies are steeped in the principle of creating a better life for all. This we did, to address and undo the injustices of the past which had caused our people to live undignified lives, characterised by poverty, unemployment and inequality.

That is why the ANC-led government in 1994, had to transcend the inherited social welfare system to a more developmental system called social development. The apartheid government, prior 1994 had a social welfare service system, that entrenched the socioeconomic privileges of the white population. The social welfare service system under apartheid, made no reference to social protection as an inclusive term in South Africa.

The ANC’s Reconstruction and Development Programme, RDP, and the White Paper for Social Welfare, amongst other key documents, provided the framework for the transformation of the social welfare services. A developmental approach was applied in the transformation of social welfare services and transpired within the confines of the Constitution of the Republic of SA, which envisioned a more inclusive, equal and caring society.

It must be emphasised that, key to the White Paper was that this developmental social welfare approach, must be steeped in values such as a humane, peaceful, just, caring and society which will uphold welfare rights, facilitate the meeting of basic human needs, release people’s creative energies, help them achieve their aspirations, build human capacity and self-reliance, and participate fully in all spheres of social, economic and political life. The aim was to meet the basic needs of all people in South Africa, by transforming the entirety of society.

Fundamentally, introduced through the developmental social welfare approach, were interventions that redistributed resources and benefits with the objective of empowering disadvantaged groups and raising the general welfare of society.

This resonates well with two key policy positions in the ANC, that our attack on poverty must seek to empower people to take them out of poverty and that social grants must not create dependency and must be linked to economic activity. Over the past 25 years, the government's approach to social developmental welfare has been anchored on empowering our people to help them to become independent. That is why we strongly welcome the Minster's approach of changing the narrative that social development is about disbursements of grants. Rather, it is about the development and empowerment of our people, through the usage of grants. The grant system must link our people to economic activity.

South Africa's commitment to social protection is reflected in government's expenditure on this item since the advent of democracy. We reaffirm this assertion in this policy Vote.

Key to the ANC's social transformation programme is the meeting of social needs which are aimed at strategically dealing with the triple challenges of poverty, unemployment and inequality which confront the majority of our people who are poor and vulnerable. In addressing these, the ANC had committed and continues to provide basic rights and a safety social net which includes all the most vulnerable in society.

The successive ANC administrations, working with the people, have over the 25 years put in place a progressive social wage that protects the dignity of the vulnerable children, the elderly and people living with disabilities. The ANC's social protection policies and programmes over the last 25 years have commendably enabled millions of poor people to change their livelihoods for the better.

The ANC policy inputs into the final Constitution of the Republic expressed the ANC's commitment to a society that is free and often based on democratic values where the dignity and worth of every South African is protected by law. It is in this context that our task is to construct a socially inclusive society, one that prioritises the elimination of poverty, inequality, unemployment and underdevelopment, which are elements that undermine the dignity of our people. The dictum that the poor will always be with us should be rejected as poverty is created by society and it can therefore be eliminated by society. The ANC, in its resolve to address poverty and inequality, has committed to providing a social safety net for the poor and the most vulnerable, which includes women, children, youth, families in need of care and older persons.

We remain committed to ensuring that a decent life is created for our people. This will require a comprehensive social security system, which is underpinned by the elimination of poverty and is linked towards the reduction of inequality. This is particularly important, as the key outcome of the social transformation goal of the ANC seeks to ensure the restoration of the total human dignity for all South Africans.

The department needs to have mechanisms in place to monitor the funds that have been allocated to provinces, nongovernmental organisations and non-profit-making organisations. This committee was of the view that the Minister must provide oversight to the monies transferred to provinces.

On early childhood development, ECD, the committee noted that the programme will be moved to the Department of Basic Education, but is of the view that Social Development will play a vital role ... of the kids and funding of the ECD programmes. We also welcome your view, Minister, that we must build partnership with business and other role-players in the ECD field.

Although the department drafts certain plans and programmes, the committee is of the view that this department will not have the capacity to implement, for instance, the National Drug Master Plan and urges the department to work with the SA Police Service on this plan.

Minister, we also need to applaud you and the department in your efforts in combating corruption in the department and different agencies. The committee expressed its concern about the lack of compliance with the Public Finance Management Act, PFMA. The matter was highlighted in the Fifth Parliament. The committee is of the view that this is a matter that worries us. The committee was also of the view that people need to stick to the National Treasury guidelines and regulations. And we know that we can count on your oversight, together with us on this matter.

The committee said the levels of crime in the Western Cape are concerning and disturbing. Criminals are intensifying their activities. The SA Army has been brought in to assist in the fight against crime. But the committee is of the view that this cannot be a long-term solution and that this department must play a vital role. We also applaud you, Minister, for the efforts that you are making in participating as the Minister of Social Development in all the discussions that take place to bring stability within the Western Cape.

In conclusion, the direction and the path ahead has been stated by the President. The work now is to ensure that our people use the safety nets that we give them to get out of poverty. We have to ensure that we work together with the Social Development portfolio to ensure that it delivers quality services to improve the lives of all South Africans, particularly the poorest and marginalised sections of our communities. The ANC supports Vote 17 on Social Development. I thank you. [Applause.]

Ms D C CHRISTIANS: Hon Deputy Chairperson, hon members, fellow South Africans, and Minister, South Africa's population is estimated to have increased to 57,73 million in 2018, of whom a great percentage are youth and the proportion of elderly persons aged 60 and older is also steadily increasing. A total of 30,4 million people, are living in poverty, 43,5% of children are living below the median income per capita and 41,7% of our female population live below lower-bound poverty lines compared to 38,2% of their male counterparts. Added to this, school dropouts, incarcerations, the high HIV and Aids prevalence, substance abuse, unemployment and violence against women is of great concern as it affects mostly our youth.

I believe that we are all in agreement that the country is facing a crisis of epic proportions in terms of the ever-increasing rates of poverty and that we are nowhere near alleviating these high levels of poverty, unemployment, inequality and other social ills in our country. As a result of the above, it is estimated that social grants will grow to 18,1 million beneficiaries by the end of March 2022. Social assistance is currently budgeted for at R175 billion for 2019-2020 and this includes grants for old age, war veterans, disability, foster care, care dependency, child support, grant-in-aid and social relief of distress. While it is commendable that we look after our vulnerable in society, it is extremely concerning that so many people depend on these social grants and there seems to be no light at the end of the tunnel in terms of sustainable jobs in South Africa.

For many South Africans the SA Social Security Agency, Sassa, grant means the difference between putting food on the table and going hungry. Yet, over the years there has been many technical glitches which have hit many recipients of the grant. While the transition from Cash Payment Services, CPS, to the SA Post Office has been implemented, it is not without problems. Many recipients have complained about the distances to post offices, especially those who live in rural areas, where taxi fare is expensive, and many have no choice but to make use of such services. Where shops have been identified in certain areas to assist with payments, their charges have been extremely high, and many people cannot afford to pay the levy that the shops charge.

Further to this dilemma is the delay in appointing enough doctors to evaluate the disability grants, and this has meant that many disabled people are without grants for months at a time waiting to be attended to by a doctor. Where is the dignity in this type of treatment? Added to these problems are loans sharks who often prey on the vulnerable and hold on to recipient's cards, cards that are duplicated and money drawn by scammers, Sassa officers who are robbed at gunpoint and many more issues plaguing the grant system and often leaving recipients without money.

A solution would be to grow the economy and create jobs. Without sustainable work you cannot experience real dignity. Without a job you become reliant on the state's grants, or on remittances from family members. Without a job you live at the mercy of others, and that is not real freedom, and that is not an existence worthy of human dignity. Minister, added to the social ills of joblessness is substance abuse, which has a ripple effect to other community and social ills such as crime and gangsterism. I would like to focus on substance abuse centres and the appointment of social workers. In the Northern Cape, the long-awaited drug rehabilitation centre has opened its doors, but because of red tape many desperate addicts have to date, not been placed. There have been numerous complaints of people from outside the province being placed in the facility, while there is a waiting list of patients within the province.

The centre is also not adequately staffed or furnished. The people of the Northern Cape have been waiting for this centre for more than 10 years and it still seems as though no help is forthcoming. As the country battles with drug and alcohol abuse, thousands of social work graduates trained at a huge state expense are languishing at home without work. The number of these unemployed youth, who should be absorbed by the Department of Social Development, was approximately 8 600 last year and 4 840 social work students with bursaries from the department had completed their studies. Social workers render an important service to vulnerable communities. Women, children, people with disabilities and the elderly, who are abused, at risk, abandoned or neglected, are dependent on specialised social work professionals who can dedicate enough time to provide comprehensive support, which is currently impossible given the current shortages and extensive demand in our communities.

The department must address the current shortages and placements as a matter of urgency if it is ever going to adequately address the issues facing South Africa’s vulnerable citizens. After more than two decades of democracy, South Africa is still struggling with poverty, inequality, unemployment and hunger and while the policies of the Department of Social Development are commendable, it seems that there is a distinct inability to implement these policies. The DA has the following solutions: To increase the child grant to the food poverty line as an initial increase, we have already proposed amendments in Parliament to the Appropriations Bill to make this a reality, but the proposal was opposed by the ANC. Ensure a 100% uptake of the child grant from birth to maximise its positive impact by allowing pregnant moms to complete the bulk of the administrative requirements for the child grant before birth so that when the baby is born, the grant is simply activated. Adopt a zero-tolerance approach to the misuse of the child grant by parents or guardians by increasing the number of social workers servicing families and ensuring that they assist with social grant abuse cases at magistrates' courts; and improving staffing and resourcing of magistrates' courts where people can apply to have child support and foster grants either transferred to the person taking care of the child or alternatively have the grant converted to vouchers.

Minister, the Department of Social Development has a duty to the citizens of this country to ensure food security, alleviate poverty and provide social assistance to the vulnerable in our society. The department has been battling to achieve these goals with many households still not enjoying food security or receiving the necessary social assistance. We, as the NCOP, will continue to closely monitor the performance plans of the department and strive to work together to achieve its goals of alleviating poverty, inequality and unemployment in our country. Thank you.

The DEPUTY CHAIRPERSON OF THE NCOP: Before we continue, please let us not change the conventions of the NCOP. Address the Chair of the session. I noticed the two previous members were consistent and I allowed them but that's not the convention. You address the House through the Chairperson.

Ms S MANI-LUSITHI (Eastern Cape): Hon Chairperson, hon Deputy Chairperson, the executive, Minister, Deputy Ministers, hon members of the NCOP, our social partners, ladies and gentlemen, allow me to greet you again this afternoon.

Hon Chairperson, as the Eastern Cape, we stand here today to support and affirm the Budget Vote as outlined by the hon Minister Lindiwe Zulu. This budget is in line with the election manifesto of the ANC and carries the aspirations of our people as we were interacting with them in the election campaign.

It is a great honour for me to address this House today on the priorities of the Department of Social Development and its subsequent resourcing. The budget speech has provided a framework and a guide which aligns our policies, programmes, and our service deliverables towards realising social transformation.

Hon Deputy Chairperson, I am mindful of the fact that I deliver this input during the Mandela Month, which is a constant reminder that we must strive for a caring society for all, particularly the vulnerable members of our society.

This is an opportunity to celebrate Tata Nelson Mandela’s life for the whole of July and it provides everyone with the opportunity to heed the call to action for people to recognise their individual power, make an imprint and change the world around them.

Hon Chairperson, we support and reaffirm the theme of the Budget Vote 17 of the Department of Social Development which says, “working together to empower communities for sustainable livelihood”.

As the hon Minister correctly indicated in her Budget Vote, the work of the department is to provide investment in programmes and services that enable individuals and communities to participate in their own development.

We further recommit ourselves to the articulation by the Minister on the role of the department within the context of a developmental state. Hon Deputy Chairperson, our set priorities include, amongst others the following; early childhood development, fighting child abuse, neglect and exploitation, gender-based violence, youth and women development, especially those not in employment, education or training, NEET, and also deepening comprehensive social assistance.

Hon chair, these priorities are anchored by the NDP vision which seeks to establish and responsive social protection services. In this regard, we want to ensure that families, as the cornerstone of a developmental society, are given the opportunity and support to be self-reliant, care for and develop their children.

It is a fact that learning begins at birth and continues throughout life. Hon Deputy Chairperson, we must, therefore, applaud the allocation of R212 million to the NDA and R518 million of the ECD conditional grants to provinces. This demonstrates our commitment towards early childhood development.

The sixth administration has, through the Minister, reiterated that the department will work with greater effort to unleash the economic potential of our young people and rural communities by ensuring that they have access to skills, assets and opportunities.

Hon Deputy Chairperson, I wish to echo the mandate of the National Youth Policy, which highlights a comprehensive approach that provides space, opportunities and support for young people to maximise their individual talents.

The Budget Vote by the Minister, pronounced on making strategic investments critical for sustainable development, and these investments are critical in the context of the Fourth Industrial Revolution. In addition, the 30% procurement policy of government contracts will continue to be used to support small and medium enterprises, SMMEs.

Hon members, in view of the escalating incidences of violence against women, the department will intensify the implementation of prevention programmes to create awareness and mitigate the impact on the victims and also focus on hate crimes against LGBTQI community.

The partnership with the Departments of Education and Health to intensify the Sanitary Dignity Programme campaign to female learners in Grade 4 to Grade 12 in Quintile 1 schools is an important intervention that we must all support and sustain.

Here, we have also called upon our social partners to take the sanitary towels campaign to even greater heights, in our endeavour to provide girls with uninterrupted, dignified education. Hon Chairperson, we increased the rigour around performance management to ensure that we achieve better use of our resources and value for money. As you might be aware, we had a serious challenge with the timely payments of NPOs on time and allegations of corruption within the system, which we commit to address during the current financial year.

As we continue to deliver our services in a developmental approach instead of a welfare one, I would like to call on our officials and the general public to participate in the IDP processes. This process goes a long way in assisting the department in its planning.

As I conclude, hon Deputy Chairperson, I want to assure the people of the Eastern Cape that my department, including its agencies and stakeholders, will continue to strive for the betterment of their lives and the realisation of a caring society. I thank you. [Applause.]

Ms S A LUTHULI: Commissars, fighters ...

... nalawo asemakhaya ngiyanibingelela ... (*Translation of isiZulu sentence follows.)*

[... and those at home, I greet you all.]

Deputy Chairperson, South Africa right now has expanded unemployment rate of 38%, and for women it is even higher sitting at 41,5%. Eighty per cent of all land in the country is in the hands of a small group of whites, and close to half of the population lives below the poverty line. We have a national housing waiting list close to four million.

Abantu bethu baphila ngaphandle kukagesi, izindlu, amanzi kanye nezindlu zangasese. (*Translation of isiZulu paragraph follows.)*

[Our people are without electricity, houses, water and toilets.]

This is the reality of South Africa.

Emuva kweminyaka eminingi lelizwe lisahlezi ngaphansi kwencindezelo ... (*Translation of isiZulu paragraph follows.)*

[After so many years, this country still suffers under oppression ...]

... and in the last 25 years, corruption and incompetence. Our people have no means to survive with dignity. The land that was once the basis of wealth was stolen and people cannot find work and jobs. Instead, they rely on the grant that the government provides. This is the consequence of the ANC's continued embracing of neoliberal economics.

Ngqongqoshe sonke siyazi ukuthi kuyimanje cishe bonke abantu abalinganiselwa kusigidi esiyi-18 lapha eNingizimu Afrika bathembele kwisibonelelo sikahulumeni futhi usuku nosuku lezibalo ziyakhula. (*Translation of isiZulu paragraph follows.)*

[We are aware, Minister, that currently, 18 million South Africans are grant recipients and this number is growing every day.]

It is these 18 million South African people and their families who rely on your department to prevent them from falling into total desperation.

Kepha lokhu abakutholayo akubaneli nhlobo nhlobo. (*Translation of isiZulu sentence follows.)*

[The grants they are receiving are not enough.]

We say the social grants must be doubled with the understanding that this is not a long-term solution to poverty. This can only be addressed in the long term through land and wealth redistribution, economic development and industrialisation. But in the meantime, our social grants cannot be so little that people barely survive on them. Where is the dignity of feeding yourself and feeding your child on R480 grant? The government can change this if it doubles social grant.

Imali ikhona uma nje ... (*Translation of isiZulu sentence follows.)*

[The money is available if ...]

... the correct economic policies are adopted in the long term and fewer people will need a social grant. Another issue that your department, more specifically the social grants office, needs to address is municipalities charging households who are receiving grants.

Ngqongqoshe akwenzi mqondo ophusile ukuthi lo hulumeni ukhokhisa laba bantu imali kagesi namanzi. Kanti kungani bathole izibonelelo zikahulume aphinde futhi uhulumeni athathe yona lemali encane abanikeza yona? Akudingi ukuthi uze ube nediploma ukuthi wazi ukuthi umuntu othola isibonelelo sikahulemeni akakwazi ukukhokhela ugesi namanzi. (*Translation of isiZulu paragraph follows.)*

[It doesn’t make sense, Minister, to expect the grant recipients to pay for water and electricity. Why is government giving them grants in the first place, only to take away this little money again? One doesn’t need to have a diploma to see that a grant recipient is not supposed to pay for water and electricity.]

What also needs to be finalised is the migration of all beneficiaries to the Postbank. Currently, there are still too many social grant recipients who have not been moved over and this should not be taking so long. We also need to see your department migrate all social grant beneficiaries to the Postbank. Currently, 70% of all beneficiaries have still not been migrated.

Kuleminyaka eyedlule izibalo zamacala enkohlakalo eMnyangweni wakho alinganiselwa kwizi-20 000, lokho kucaca futhi kusobala ukuthi kunabantu abayizi-5 000 abangakwazi ukuthola izibonelelo zabo zikahulumeni. (*Translation of isiZulu paragraph follows.)*

[Over the past years, approximately 20 000 cases of corruption have been reported to your department. This translates to 5 000 people who cannot access grants from the government.]

All those who lost out on their grants must immediately receive their back payments, and you must make an effort to stamp out corruption at the SA Social Security Agency, Sassa, Minister. We cannot have people losing out on the little they get from your department because you employ people who are incompetent and full of corruption.

Ngqongqoshe ngeke futhi ngeke size sikwazi ukwemukela le sabiwomali kuze kube ukuthi uMnyango wakho uyabalungiselela labo abathola izibonelelo zikahulumeni nanokuthi kumele ukuthi imali yesibonelelo inyuswe. Siyi-EFF asisamukeli le sabiwomali. Siyabonga. [Ihlombe.]
(*Translation of isiZulu paragraph follows.)*

[Minister, we can't and we won't support this budget until such time your department addresses the grant recipients' matters and increases the grants. The EFF will not support the budget. Thank you. [Applause.]]
Ms A D MALEKA: Hon Deputy Chairperson, the Chief whip of the NCOP, hon Minister, hon MECs, hon members and esteemed guests. Deputy Chairperson, the democratic government inherited a social welfare system based on racial exclusion and inequalities; where the white population enjoyed socioeconomic privileges which characterised the welfare policy of the apartheid regime.

This entrenched poverty and inequality. The white population was well-resourced and had access to better welfare services, as compared to the black, coloured and Indian population groups. It was thus, an urgent imperative that the democratic government transforms and extends the social protection system to the entire population after 1994.

This imperative was premised on the ANC's Reconstruction and Development Programme, RDP, and on the Constitution, in particular on section 27. Post-1994, fundamentally transforming South Africa was steeped in the constitutional provisions that envisioned a more inclusive, equal and caring society.

These principles find resonance in the vision of the developmental approach to welfare provisions as outlined in the RDP, which contributed to the development of the White Paper for Social Welfare, which was used to reform social welfare service.

It was Parliament that described the key thrust of the developmental social welfare approach adopted by the White Paper as:

> Humane, peaceful, just and caring society which will uphold welfare rights, facilitate the meeting of basic human needs, release people's creative energies, help them achieve their aspirations, build human capacity and self-reliance, and participate fully in all spheres of social, economic and political life.

Deputy Chairperson, the democratic government's social protection framework is premised largely on the principle of comprehensiveness because it consists of income support, social insurance and the provision of free basic services to vulnerable households. These constitute government's holistic approach to addressing poverty. This is completely the opposite of the social welfare service provided by the apartheid regime, which did not always apply a holistic approach. The apartheid regime did not take into account and respond to the needs of the poor and the vulnerable. No attention was paid to empowering poor and vulnerable communities to ensure that they become self-sufficient.

Chairperson, social assistance is the one area where significant changes and progress has been made by the democratic government. The changes include modifying the previous social protection system to eliminate racial inequities and introducing some new guarantees and benefits like the child support grant, CSG, which was introduced in 1998.

The grant initially targeted children aged 0 to 7 years. The age limit of the CSG was gradually raised to 18 years. The old age grant, OAG, was normalised so that blacks would also get a monthly income, unlike before 1994, when they received it once in two months.

The age limit for men was gradually lowered from 65 to 60 to match the limit for women. Social grants became a core component of South Africa's poverty alleviation strategy. The disability grant, foster care grant, care dependency grant and the war veterans' grant were extended.

Social assistance provision represents a sustained redistribution of resources to the poor and remains the democratic government's most effective poverty alleviation programme. Social assistance programme has been expanding at an unprecedented rate from covering just 2,7 million people in 1994 to covering over 17,5 million to date.

Chairperson, social assistance has over the years assisted families and children including those who are orphaned due to HIV and Aids. In addition, there are many families that would not be able to put food on the table if it was not for social grants, given the gloomy economic climate which makes the creation of jobs difficult, and also given the fact that some of the jobseekers are unemployable due to lack of skills.

Women on maternity leave, who paid into the UIF for 13 weeks or more, will now be entitled to receive benefits for between 17 and 32 weeks and receive a flat rate of 66% of their salary. These benefits also extend to the LGBTQI community.

To expand its reach to vulnerable children in communities, the Department of Social Development adopted community-based prevention and early intervention child and youth care services model known as Isibindi Model. More than 455 922 learners living in youth-headed households passed matric through the intervention of Isibindi programme, and more 304 913 of these learners survived on social grants.

The department will continue to maintain and extend our social security system to protect the vulnerable and reduce poverty.

Chairperson, as a commitment to our 2019 ANC provincial and national election manifesto:

> We will further improve the lives of millions of South Africans by working towards comprehensive social security, building houses close to work opportunities, providing affordable basic services and building reliable public transport.

Social security remains a necessity for the social well-being of our people. We do acknowledge that, despite major successes in our provision of adequate social security coverage since 1994, there are those who are not covered by existing programmes.

Our commitment is that we will make comprehensive social security coverage a majority over the next five years. This entails defining a basket of social security benefits that should be accessed by all through the delivery of a package of services free from administrative burdens.

We'll address social grants exclusion errors by targeting orphans, children, the aged on farms, remote rural areas and people with disabilities.

We’ll increase Unemployment Insurance Fund, UIF, coverage as currently only 5% of unemployed people benefit from this fund; and support child-headed families through social security.

We’ll finalise a comprehensive policy on social security that will include low-paid workers and informal traders, as well as pregnancy and maternity benefit scheme.

Chairperson, the Social Assistance Act, Act 13 of 2004 and regulations to the Act provide the legal framework for the administration of seven grants. The SA Social Security Agency, Sassa, administers social grants. The SA Social Security Agency Act’s mandate is:

> To ensure the provision of comprehensive social security services against vulnerability and poverty within the constitutional legislative framework.

In closing, Chairperson, the ANC has resolved that there should be a comprehensive strategy that co-ordinates and monitors the protection of vulnerable groups, which must be resourced to ensure that these vulnerable groups are protected.

Social transformation must empower our people to lift themselves out of poverty and change their lives for the better, whilst ensuring that a safety net is provided for the vulnerable.

It is through this budget that our policy will be implemented to ensure that it responds to changing the lives of our people for the better. The ANC supports Budget Vote 17: Social Development. Thank you, Chairperson. [Applause.]

Mr A B CLOETE: Deputy Chairperson, South Africa needs a new vision for the future, a vision where we, as individuals as well as communities, once again take control of our future. Deputy Chairperson, this is a future based on the values of integrity, honesty, hard work, mutual respect and neighbourly love. Such values have always been the steady foundation for the creation of a future of peace, safety and prosperity. Currently, government’s objective to relieve poverty and create wealth by merely distributing wealth is not working. That is why we have drug and alcohol abuse, and gangsterism.

The directions associated with this objective are obstructing economic growth whilst poverty and unemployment are on the rise. Affirmative action or race-based action is leaving a trail of economic destruction behind. Yes, the FF Plus admits that some people who have abundant potential were unable to reach their full potential due to shortcomings in the system. These people deserve active support, but it should not be to the detriment of other people. To blindly enforce racial quotas is a manifold injustice.

The policy of Black Economic Empowerment, BEE, resulted and still does in black elite empowerment whereby wealth is redistributed rather than created. Wealth cannot be created by distributing it. Assets are being handed out to specific black individuals instead of stimulating entrepreneurship and community upliftment. Economic empowerment in South Africa must not be aimed at the enrichment of certain individuals, but rather the true empowerment of entire communities.

Deputy Chairperson, the colour of one's skin cannot be used as a generalised indication of being previously disadvantaged and therefore, skin colour can also not be used as a condition for empowerment. Socioeconomic conditions like poverty, unemployment and a lack of access to quality education must rather be used as the criteria for empowerment. Growth and development are the only sustainable methods of empowerment.

Adjunkvoorsitter, kom ek gee 'n voorbeeld van hoe die ANC se beleid van sterker swart ekonomiese bemagtiging - en die party wat daarvoor gestem het sal weet wie hulle is – uiteindelik die armstes van ons land affekteer.

Waar maatskappye voorheen geld vir nieregeringsorganises geskenk het, is hulle na die implementering van die strenger swart ekonomiese bemagtingswetgewing, SEB, nou huiwerig om geld te skenk, want hulle SEB-punte mag hulle belastingstatus beïnvloed.

Kom ons gebruik kinderhuise as voorbeeld. Indien daar een wit kind in die kinderhuis is, sal maatskappye weens die SEB-teikens nie belasting kan terugeis nie.

So, as daar ’n 100 kinders in ’n kinderhuis is, en een kind is wit, huiwer maatskappye nou om geld te skenk. Die effek is dat die res van die 99 kinders nou niks kry nie. *(Translation of Afrikaans paragraphs follows.)*

[Deputy Chairperson, let me give you an example of how the ANC’s policy of stronger black economic empowerment - and the party that voted for it will know who they are - ends up affecting the poorest of our country.

Where companies used to donate money to nongovernmental organisations, after implementing the stricter black economic empowerment, BEE, legislation, they are now reluctant to donate money, because their BEE points may affect their tax status.

Let’s use orphanages as an example. If there is one white child in the orphanage, companies will be unable to reclaim tax due to the BEE targets.

So, companies are hesitant to donate money if there are 100 children in an orphanage of which one is white. The effect is that the rest of the 99 children now get nothing.]

To the ANC I would like to say, that is why two wrongs do not make a right, and this is not a matter of businesses having the wrong motives for their tax returns. In fact, business has remained an important source of income for nongovernmental organisations, NGOs.

Intussen sukkel nieregeringsorganisasies om hulle toelaes uit die departement te kry. Toelaes vat jare om betaal te word en verhogings word nie eers oorweeg nie. Baie van hierdie nieregeringsorganisasies se inkomste kom van skenkings wat hulle van die privaatsektor ontvang. *(Translation of Afrikaans paragraph follows.)*

[Meanwhile, nongovernmental organisations struggle to get their grants from the department. Grants take years to be paid and raises are not even considered. Much of these NGOs’ income comes from donations they receive from the private sector.]

Deputy Chairperson, as we speak, the Free State Department of Social Development is being sued for not implementing their payment policies correctly. This battle has been dragging for years and we hope that the Minister will truly attend t this matter. In the meantime, the poorest of the poor who are extremely dependent on these NGOs to deliver services, are being penalised.

Ons verwerp die toepassing van rassekwotas in die toewysing van staatsbefondsing aan maatskaplike diensorganisasies. Armoede is ’n nasionale probleem wat ’n baie groot gedeelte van die samelewing vanuit alle gemeenskappe raak.

Maatskaplike ontwikkeling bly ’n belangrike sosiale plig, wat die staat moet nakom. Armoedebekamping in gemeenskapsverband is deur die jare beproef as die mees effektiewe vorm van armoedeverligting.

Daarom sal die VF Plus hom daarvoor beywer om gemeenskapsgebaseerde maatskaplike diens te bevorder. *(Translation of Afrikaans paragraphs follows.)*

[We reject the application of racial quotas in the allocation of government funding to social service organisations. Poverty is a national problem affecting a large part of society from all communities.

Social development remains an important social duty, which the state must fulfil. Combatting poverty in a community context has been proven over the years to be the most effective form of poverty alleviation.

That is why the FF Plus will strive to promote community-based social service.]

However, the current funding model and policy is not building a better future because, if you have a social responsibility, all lives matter.

Ek dank u. *(Translation of Afrikaans sentence follows.)*

[I thank you.]

Mr M S MOLETSANE: Hon Deputy Chairperson, hon Minister, hon Deputy Minister, hon members and the fellow South Africans, while my fellow fighter has addressed the issues of the social grant system, I will be speaking about the other areas that the department should be working on. The mandate of your department goes beyond just providing social. It is to provide all social development services. This includes everything from social workers and counsellors, to rehabilitation centres and women's shelters. All of these are needed because 25 years into ANC rule, our society is collapsing and the suffering of our people is only getting worse.

The youth around the country are hooked by substance abuse. Nyaope and Tik are the worst of them. Drugs are killing our young people and destroying our communities. Young men are stealing from their own families to feed their drug habits. People are stabbed for a mere R2 because drug addicts need to get their next fix. This department can and must do more. It must begin to work with other departments, including the Departments of Police, Health, Education, Sports and Recreation to develop joint programmes that will allow us to tackle the drug crisis facing South Africa. In this fight this department can play an important role, and that is to provide drug rehabilitation services. Young people who are hooked on drugs must be able to find a space in our society where they are able to properly recover from their addiction, so that they can once more be integrated into society and become functioning and productive members. This department must provide good quality, well-staffed and well-resourced rehabilitation centres which allow drug addicts to recover from drug addiction, and once again become functioning members of the society.

While proper rehabilitation centres are a short-term solution to drug addiction, the long-term approach for the department can be the training and deployment of social workers across our country. We need to have social workers and counsellors in schools, hospitals, police stations, orphanages, universities, Technical and Vocational Education and Training, TVET, and at workplaces. The SA Police Service currently employs only 114 counsellors and 200 social workers. That means that the majority of police stations do not have the ability and the capacity to counsel all the people who come in. Children who experience trauma need counselling. That is why we cannot accept that schools, TVET colleges and clinics do not have social workers.

Our people, particularly women and young people experience the trauma of poverty, violence, unemployment and dispossession everyday. That is why we are seeing so many young people with mental health issues leading to suicide. If your department does not ensure the expansion of the social worker programme, our young people will continue to die and suffer from drug abuse and mental health issues.

Another area where your department should establish joint programmes with other government departments, is the issue of sanitary pads. All girl-children whether at schools, universities or TVET must receive sanitary pads free of charge. The government has the money and needs the political will. The same way that condoms are distributed, pads made in South Africa can be distributed. We also need to see your department putting more resources towards women's shelters. Abused women need shelter and a place of comfort where they can go to, otherwise they will never be able to escape abusive relationships. The importance of shelters for abused women must not be ignored.

Hon Deputy Chairperson, despite the growing need for this department, we continue to see cuts in staff as well as in the budget for equipment and machinery. This department will not be able to improve service delivery if it is reducing staff. The primary mandate of the Department of Social Development is, and I quote: "The provision of comprehensive, integrated and sustainable social development services." It is clear that this department does not have the capacity or budget to fulfil this mandate and that is why the EFF rejects this budget. I thank you. [Applause.]

Ms S FERNANDEZ (Western Cape): Hon Deputy Chairperson, hon Minister Zulu, Deputy Minister Bogopane-Zulu, all MECs here present, special and permanent delegates to the NCOP, distinguished guests and fellow South African, good afternoon.

Since it is Mandela Month, I would like to start with the quote by Nelson Mandela which resonates deeply with me, and I quote:

> There is nothing I fear more than waking up without a programme that will help me bring a little happiness to those with no resources, those who are poor, illiterate and ridden with terminal disease.

Hon Deputy Chairperson, as we usher along our 25th year of our democracy, one thing evident is that, for the sake of future generations, we must work harder than any generation that came before us to eradicate poverty and unemployment.

We find that under the leadership of our current national government, work opportunities are far and few between. Poverty is the worst we have experienced since 2009 with an estimated 30 million out of the 56 million South Africans living below the poverty line. Furthermore, Deputy Chairperson, 9,9 million people do not have jobs and have given up hope of finding a job. It is to this degree that I am in full agreement with my national counter part, the hon Bridgette Masondo in that, and I quote:

> The department and its entities alone will not be able to turn the tide of poor service delivery, eradicating the levels of vulnerability in our society and dealing decisively with those who have been found guilty of misconduct. It requires a whole-of-society approach.

We are today feeling the effects of the economy in distress. An economy plagued by fraud, corruption, maladministration and greed which have a direct impact on the funding to provinces and, in fact, the most vulnerable and marginalised in our communities. It is not only the Department of Social Development that is feeling the pinch, but the average man on the street, who has to struggle to pay for public transport to get to work. The mother at home who finds herself paying double the amount she paid for her children’s school lunch five years ago. The business owner who struggles to keep his door open, not only because the prices of goods and services have gone up drastically over the years, but also due to playing catch-up over the lost profits he or she has been subjected to as a consequence of blackouts and protest actions.

Our NGO partners who play a pivotal role in our ability to reach all our resident across the provinces, remain a key partner in our efforts. However, the current economic climate and the reduction of the overall fiscal base, may have negative consequences for our support to NGOs.

I personally believe that with the collaborative efforts between all spheres of government, SAPS, the criminal justice system, civil society and members of the community, we can win the fight of alleviating many of the social ills plaguing our society.

Hon Deputy Chairperson, only a-whole-of-society approach through the efforts of all spheres can put a stop to the demonic acts of violence being witnessed by our communities. I believe that it takes a community to raise a child. Let us unite to protect our children from the scourge of substance abuse and addiction. Let us go back to the old adage, and let’s start practising, “Your child is my child”.

To help address the escalating substance-abuse problem in the Western Cape, our social work staff will continue to be capacitated to deal with those preventative as well as treatment options for substance abuse by the provincial department’s funded studies at the university. However, we do need more social workers on the ground.

In terms of Programme 4, namely Welfare Services Policy Development and Implementation Support and the subprogramme for substance abuse, I picked up that in 2018-19 year, R109 million was allocated for this programme. However, this funding allocation seemingly is no longer a priority as the national department has only been allocated R20,9 million for the 2019-20 financial year, a reduction of R89 million in this very important programme.

Hon Deputy Chairperson, this leaves a bitter taste in the mouth of many of our people who are battling to fight the scourge of addiction. We continuously witness the fear and terror imposed on our communities because of substance abuse.

In 2007-8 there were 45 936 cases of drug-related cases in the Western Cape. A serious cause for concern is that this number has risen to 117 157, according to the latest crime stats. We need to foster strong relationships with SAPS and criminal justice system, to give effect to the National Drug Master Plan and curb the abuse that is happening in our broken communities.

We welcome the fact that Minister Zulu mentioned that her department, our department will also be expanding treatment, rehabilitation and reintegration services to individuals affected and that part of that treatment expansion involves building new public treatment centres especially in areas where they were nonexistent before. In Minister Zulu’s words, and I quote: “Our target is to build at least one in every province”.

The people in the Western Cape, through you Deputy Chairperson to the Minister, look forward in anticipation to see that commitment realised. Our provincial department is increasingly working on measures to ensure that those people with disabilities have equal access to job opportunities as those who are not disabled. We however believe that in order for us to achieve this goal, national government needs to put in place legislation that supports those with disabilities being granted an equal opportunity to live a life they value in an open-opportunity society for all.

Although the 2015 White Paper on the Rights of Persons with Disabilities has been established, there is a great need for the provisions highlighted in the document to become law. On another important note, hon Deputy Chairperson, Minister Zulu highlighted that and then I quote:” To date, we have extended social grants from 2 million in 1994 to 17,6 million beneficiaries.

It is deeply concerning that national government celebrates that we will be expanding social grants to an estimated figure of 18,7 million beneficiaries by 2021. This means that more people are becoming dependent on the state. How is it possible that we live a nation where we celebrate people becoming poorer?

Further, hon Deputy Chairperson, it saddens my heart to hear that when beneficiaries - the majority of whom are pensioners - collect their grants from Sassa offices, they are faced with ordinately long waiting times without information as to when they will be assisted. We urge Sassa to ensure that the beneficiaries’ personal information is not disclosed. We cannot have our most vulnerable people in society being taken advantage of due to negligence on national government’s part.

If the ANC-led national government is serious about alleviating poverty and assisting the 1,5 million residents who desperately need the Sassa social grants in the Western Cape, they would address the matter of the many post offices which are closing and paypoints which are closing down, causing the most vulnerable to use their hard-earned grants that they rely on to get them to collect.

Hon Deputy Chairperson, as the DA-led Western Cape government, we will continue to work tirelessly to improve the services we deliver to the people of our province. However, government cannot achieve this alone. At the provincial level, we will strive to maintain and strengthen our relationship with entities such as Sassa and the NDA to ensure they fulfil their mandate.

We also need to discuss the very pressing issue of social relief of the street kids. Hon Members, let’s agree to unite and work together to address the issues that affect the poor, the vulnerable and the most marginalised in our communities. I thank you.

Ms N RAKGOALE (Limpopo): Hon Deputy Chairperson of the NCOP, Minister and Deputy Minister, hon members of the NCOP, MECs, social partners, fellow South African, ladies and gentlemen, I greet you all. Let me thank you for this opportunity and we are humbled to take part in this debate.

It is indeed an honour to be part of this debate, taking place in a month our country and the world over are celebrating Mandela Month. We recall his words when he said:

> To educate all of our children must be one of our most urgent priorities. We all know that education, more than anything else, improves our chances of building better lives.

This debate is also taking place in a year marking 25 years of our democracy and freedom. It is critical that we look at the past 25 years in a manner that will enrich our understanding and further make a contribution to a South Africa that we all want. A South Africa that will, in the next 25 years, make massive progress in tackling poverty, inequality and unemployment.

President Ramaphosa has already challenged us in this state of the nation address in June 2019 when he said: “This is a government that is not afraid of new ideas, and of new ways of thinking”. Indeed President, we will not be afraid as per the theme under which the Minister delivered the Budget Vote, which is to work together to empower communities for sustainable livelihoods. This Budget Vote has described the measures that will distinguish us in the execution of our duties. Our people have been sending strong messages demanding improved services that are fundamental to a better quality of life.

We must embrace working together in order to respond to the legitimate expectations of our people. This requires that we be alive to a host of challenges that our sector faces. The Constitution enjoins us as government to restore the dignity of our people. In Limpopo, more than 1,5 million of our people are dependent on one or another form of social security grant, and we have a massive responsibility to demonstrate determination and commitment.

Social security impact of the Department of Social Development is evident in communities through different grants afforded to our people. We are therefore delighted that the Budget Vote acknowledges the critical role that social security grants and access to nutritious cooked food in the Community Nutrition and Development Centres, CNDCs, played and continue to play in the lives of South Africans who depend on them for sustenance. Without social security assistance more than 1,5 million people in our province might end up going hungry on a daily basis.

Through the social security grants and the CNDC initiatives, this Budget Vote provides hope to those who need social assistance for sustenance. Similarly, we are delighted by the progress achieved thus far in the implementation of the SA Social Security Agency, Sassa, and SA Post Office, Sapo, partnership on disbursing social security grants as well as the commitment this Budget Vote makes to continue with the different options made available to our beneficiaries to access their social grants. The availability of the different paypoint options assist where one necessary infrastructure is not available, our people are able to access their grants through other options made available.

Significantly, we are heartened by the fact that this Budget Vote delivered under the theme of working together to empower communities for sustainable livelihoods places the social sector on a trajectory beyond the basic provision of social security grants to our people. It has extraordinarily extended focus of the department towards sustainable empowerment and restoring permanently the dignity of those who are considered poor and vulnerable. It is our assertion that the trajectory to empower communities for sustainable livelihoods will go a long way towards ensuring that the 1,5 million people dependent on social security grants in Limpopo become self—reliant citizens.

The commitment to continue with funding the National Development Agency, to provide institutional capacity to civil society organisations rendering social services as well as support that the Budget Vote commits to cooperatives is welcomed. Indeed, cooperatives are critical vehicles through which the poor amongst our people get involved in meaningful economic activities. It is indeed a fact that South Africa is currently confronted with the escalation of gender-based violence and alcohol and substance abuse particularly amongst the youth. American President Franklin Delano Roosevelt once said, "We cannot always build the future for our youth, but we can build our youth for the future".

We are encouraged that this Budget Vote provides a road map for us as South Africans to fight alcohol and substance abuse as a way to build our youth for the future. In support of this Budget Vote, Limpopo is committed to put tangible programmes geared towards ensuring that young people stay away from alcohol and substance abuse while making efforts to rehabilitate those already entrapped in the net of alcohol and substance abuse.

It is our view that the approval of the Drug Master Plan as envisaged in the Budget Vote will definitely lead to much more coordination of efforts by different stakeholders in the fight against alcohol and substance abuse. With regard to alcohol and substance, it is a fact that gender-based violence, child neglect and abuse are amongst the critical social ills tormenting our society. It therefore gives us pleasure that the Budget Vote has provided ... amongst priorities that need to be speedily addressed. A society that does not respect and protect its women and children is not serious about its future.

We are prepared to mobilize various stakeholders in the fight against gender-based violence, children abuse and neglect. Social services professionals are foot soldiers at the coalface of rendering of social welfare services to our people. We take pride that the Budget Vote has acknowledged the challenge of the scarcity of social services professionals as well as the lack of capacity to afford employment opportunities for all social work graduates and auxiliaries our country has produced. We are confident that through the demand-and-supply model, the commitment and political will, as illustrated in the Budget Vote, these challenges are going to be resolved.

We are therefore grateful that the Budget Vote has allocated R1,4 billion towards subsidy of 120 000 children and R265,4 million towards the upgrading of early childhood development, ECD, to meet norms and standards over the Medium-Term Expenditure Framework, MTEF. This investment will go a long way in ensuring that we build better lives for our children. We welcome and support this Budget Vote and it is our firm belief that it will assist in ensuring sustainable provision of social protection services and lead government efforts to forge partnerships through which vulnerable individuals, groups and communities can become capable and self-reliant participants in their own development. Let us grow South Africa together. I thank you. [Applause.]

Mr S E MFAYELA: Madam Deputy Chairperson and Minister, we saw the showdown between the former Minister regarding the SA Social Security Agency, Sassa and Cash Paymaster Services, CPS. We feel that the essence and the sense of moral responsibility have been lost regarding this department. This department must realise the benefit and need to invest adequate funds in the infrastructure that are of benefit to Sassa offices and beneficiaries. Some Sassa offices are in desperate need of basic provisions for the beneficiaries' experience such as chairs, clean and safe toilets and fresh running water amongst others. Moreover, money well-spent may assist the Sassa to increase the population of offices and develop systems that will reduce the Sassa queues. The IFP believes that more must be done for Sassa beneficiaries in order to capacitate them so that one day, they may be owners of their own businesses and land, and be able to sustain themselves. In order to achieve this, Sassa beneficiaries should be directly linked to skills development programs through mobile and satellite classrooms located outside of Sassa offices or held after hours at local schools. The Sassa grant should be seen and used as a tool or a means to an end. We need to accept the reality of our situation that because of our historical factors, we have an unacceptably high number of people who simply cannot survive without some degree of state support. This is a structural rather than an individual problem. This budget must, therefore, be supported.

Umlando, Ngqonqoshe, Sihlalo, wendlu emnyama usikhomba ukuthi kunabanye bethu ababe yizishozi zomlando. Lesi simo saze sabenza ukuthi lesi sibonelelo kube ukuphela kwethemba abanalo lokuxosha ikati eziko. (*Translation of isiZulu paragraph follows.)*

[Our history, Minister and Chairperson, shows that some of us are the victims of our circumstances. The social grants are the only hope we have to alleviate poverty.]

There is also a reality that our economy is increasingly unable to afford the levels of welfare provisions necessary. We, as a country, need to be serious about the programmes that pull people out of poverty. This department should demand a co-ordinating role to ensure that the work of other departments does focus on this as one of the priorities. As the IFP, we support the budget. [Applause.]

Mr D R RYDER: Hon Deputy Chair, hon Minister and Deputy Minister, hon members and fellow South Africans, the only reason that the Department of Social Development exists is to ensure that the most vulnerable of South Africans are given a chance at survival and an opportunity to develop them to a point of becoming self-sustaining. While this Minister is perhaps my least favourite member of the Cabinet, she is a massive improvement over the disastrous Bathabile Dlamini who presided over our darkest period of neglect of the vulnerable in society. Hon Minister, I nearly didn’t recognise you today with your hat, and we may have to find a new nickname for you.

I watched your speech to the National Assembly two weeks ago, and while I understand that speeches are a lot easier to deliver than services, I am pleased that you have at least agreed on focus areas to direct the department going forward. The areas outlined by you then, and again today show some grasp of the issues facing real South Africans on the ground. The government must however retain its focus on the work already being done to care for the elderly, the disabled and children, while ensuring that we never have a repeat of the situation where genuine and approved beneficiaries are placed at risk of not receiving the grants that they depend on. Minister, in your speech you quoted President Mandela, who we celebrated last week. I have another quote from him, "The suffering inflicted, and more often than not on the most vulnerable sectors of society, demeans all of us as humanity." My biggest concern with this budget lies with the practical work that is being done on the ground and the lack of focus on it. The government works best when working in partnerships, you said as much yourself. There is no way that government can possibly hope to achieve optimal outcomes without the support of the many organisations that exist to help those who are struggling.

South Africans are known for the spirit of Ubuntu, for looking out for each other and the communities that we live in are the best place for people to turn to when their burden becomes too great or when their options run out. Yet the many nongovernmental organisations, NGOs, charities and community groups are forever left in need by a lack of support from government and by the department where you have now been tasked to serve, Minister. Too often these organisations are left to worry where they will get the money needed to ensure that next month’s bills can be met. These organisations are subject to the whims and bureaucracy of donors or the National Lottery, and yet the only mention of them in the programmes and Key Performance Areas of the department is for a gauge over how long it takes to process an application to become a nonprofit organisation, NPO. Minister, you speak about having a new focus on alcohol and substance abuse, on child abuse, neglect and exploitation and on gender-based violence amongst other things. These are the areas where small community-based organisations have already been acting to shield the vulnerable for years as government has fumbled with awarding tenders to big organisations in inappropriate ways. Surely now, with a new broom at the helm, this is a time to reach out to the organisations, the ones that are best placed to help you to achieve your desired outcomes. Minister, I wrote my speech on Saturday before I saw that there was a delegation of ladies that met you at the gates of Parliament and I am pleased that they came to Parliament and I welcome the fact that they came to give voice to the same issues that I am talking about today.

Yet we know from experience that departments tend to focus on their programmes and on those things that are measured. I urge you therefore to formalise the promises made in your speech and give them effect by ensuring focus within the programmes and the measurable impact of them. Another concern that I have is the apparent focus away from supporting those entering a career in social welfare. I note the dwindling targets and expenditure within the department on bursaries in this field and it seems to contradict the Minister’s commitment to dealing with social issues. I also accept that funding bursaries for welfare workers is but one side of the coin, and that a programme to employ these graduates remains an important logical next step. The ability to deal with your focus areas of alcohol and substance abuse, with child abuse and neglect, and with domestic violence is directly dependent on having sufficiently trained people on the ground who can identify and guide those affected by these societal ills. We need more skills Minister, not less. And more of the people with these skills employed and deployed on the ground. All too often the people entering this career path do so from a point of view of their own experienced hardships and suffering; from their empathy born out of personal experience. These are people who may be reliant on bursary funding and assistance for them to realise their dream of ending suffering and saving people from experiencing what they have to endure. Minister, it must feel like you are out there on your own, as other Ministries seem hell-bent on increasing the number of people who are reliant on your department. The looming retrenchments as a result of our economic struggles can only put more South Africans into the queues for government assistance.

And while policy uncertainty, populism and divided leadership plays hell with the economics, union pressures and the need to prop up the ANC’s alliance robs the unemployed and marginalised of hope. As taxpayers leave the country in droves and the economic pressure reduces the taxes recouped from companies, the pot grows ever smaller, and the greedy hands of Eskom, SA Airways, SAA, the SA Broadcasting Corporation, SABC, and Denel are given the first bites of the pie. At a time when the Department of Social Development needs it most, there is little scope to provide enough funding to cater adequately for the burgeoning number of potential beneficiaries. And therefore Minister, the DA stands behind you, if you do your job and keep to your commitment, and here I quote from your speech that you gave to the National Assembly, “to clean governance and administration that creates a sense of certainty to deliver our services timeously and with honesty.” Stick to that Minister, the DA extends its hand in assisting the national government in finding solutions to eliminate poverty and hunger so that no mother ever again needs to explain to her child that he or she must go to bed hungry. I thank you. [Applause.]

Mr M E NCHABELENG: Hon Deputy Chair of the NCOP, hon Minister and Deputy Minister, MECs from our respective provinces, my MEC, Ms Rakgoale, hon Members of Parliament, distinguished guests, ladies and gentlemen, I was listening to hon Ryder attentively and in his opening he said that Minister Zulu is one of his less favourable

Ministers ... [Laughter.] ... and he went on and on but I just want to say that there is English saying that, charity begins at home.

I was in the Fourth Parliament and served on the Portfolio Committee on Labour and we visited the farms in the Western Cape during that period and what we saw was a shame. Some people on the Western Cape farms were accommodated in containers. We went to some farm where people were accommodated in what used to be a pigsty. Those people didn’t have anywhere to go except to stay there.

It is in this Western Cape, where in the last seven years there were recorded cases of people being paid with alcohol. I think it was the De Doorns area; I went to that farm together with the team. And then you wonder why people are abusing alcohol in this province and then say we have a problem of alcohol abuse and drugs. But the alcohol abuse was part of the plan of the apartheid system to keep our people drunk.

Children are exposed to alcohol before they are even born because their mothers drink when they are pregnant and when the children are born, they are born with a hangover [babalas]. [Interjections.] And, when they reach a particular age, and start tasting alcohol, they hit the bottom. I am saying that if you really care – if the DA really cares – they should go and visit all these farms and improve the housing of the farm workers.

I don’t know what to say about the fighters because they say they are pro-poor but they are refusing to support the budget that will benefit people who might not get breakfast in the morning if they do not get a Sassa grant. And at the same time, you want the Minister ... [Interjections.]

The DEPUTY CHAIRPERSON OF THE NCOP: Sit down and raise your hand.

Ms N P KONI: Deputy Chair, on a point of order: Can you please ascertain with the member from the podium if he will take a question from the hon Koni, humbly so.

The DEPUTY CHAIRPERSON OF THE NCOP: Sit down so that I can ... [Inaudible.] Hon member, will you take a question from hon Koni?

Mr M E NCHABELENG: Yes, I will.

Ms N P KONI: The reason the EFF rejects all these Budget Votes is because of the corruption happening ...

The DEPUTY CHAIRPERSON OF THE NCOP: You said you want to ask a question.

Ms N P KONI: The question is coming. I must briefly bring him on and then shoot.

The DEPUTY CHAIRPERSON OF THE NCOP: Your question has a preamble?

Ms N P KONI: Deputy Chair?

The DEPUTY CHAIRPERSON OF THE NCOP: Your question has a preamble? [Laughter.]

Ms N P KONI: Yes! [Laughter.] The reason the EFF rejects all these Budget Votes of all these departments is because of the corruption that is happening in South Africa. We continue to give these departments money ...

The DEPUTY CHAIRPERSON OF THE NCOP: But you cannot make a speech, can we have the question?

Ms N P KONI: No, this is the last sentence now. I am going to a full stop.

Mr M E NCHABELENG: I thought there was a question, Deputy Chairperson. I think maybe I should ... [Interjections.]

Ms N P KONI: ... [Inaudible.] ... disturbed me when I was going to a full stop. The question is, why is the hon member, before ascertaining with the EFF members why is it that the EFF rejects all these Budget Votes, decides to come here and lie to the country that we don’t know why we are rejecting the Budget Votes? He must first ascertain with us. Ask us and then we will give him answers.

The DEPUTY CHAIRPERSON OF THE NCOP: So, you have given the answer and everything, thank you. Continue hon member. [Interjections.] Can you please sit down hon Koni? Order! Order hon member!

Mr M E NCHABELENG: Thank you, Deputy Chairperson. You said the reasons why you don’t support, and I am wondering why ... [Laughter.]

The DEPUTY CHAIRPERSON OF THE NCOP: Hon member, please continue.

Mr M E NCHABELENG: Anyway, there was no question, hon Deputy Chairperson as you can see. [Interjections.]

The DEPUTY CHAIRPERSON OF THE NCOP: Yes, she explained.

Mr M E NCHABELENG: One of the first priorities of the democratic government was to address the issue of poverty. The Reconstruction and Development Programme, RDP provided a framework on how this would be facilitated and the kind of environment that will enable poverty to be progressively eradicated. The key objective of the RDP is to improve the quality of life for all South Africans, in particular, the most marginalised sections of our communities.

The significant factor to be lifted from the above is that this objective should be achieved through a process of empowerment. This will enable the poor to uplift themselves out of poverty and also enable them to be part of the economy. The strategy for meeting basic needs is one of the key programmes of the RDP. It is underpinned by four pillars. One of this speaks to the establishment of a social security system and other safety nets to protect the poor, the disabled, the elderly and other vulnerable groups.

Since 2007, the ANC has developed a framework called Comprehensive Social Security Strategy. We have over the past few years increased the capacity of the state to ensure the acceleration of the implementation of the Comprehensive Social Security Strategy system, which is why we have committed to, over the next five years, make the Comprehensive Social Security cover for the majority of our people.

One of the objectives of Sassa in the 2019-20 financial year, is to improve the effectiveness and efficiency of the administration of the social assistance programme. Sassa in the Fifth Parliament reported that it will undertake five activities during the transitional period between 2018 and 2021. This is a period when Sassa will implement a hybrid payment model through the SA Post Office, to make payments and online payments through commercial banks and retailers.

The activities identified were introduction of the new Sassa cards, management of the new Sassa cards, collaboration with other spheres of government, management of new payment arrangement mechanisms, and management of biometrics management system. We note the part that between 2017 and 2018, Sassa began its journey towards stabilisation. This period saw Sassa began its transition from the old social payment system to a hybrid system. The new system entails payment being made through the SA Post Office, commercial banks and retailers.

Steady progress had been made by Sassa in meeting the deliverables in the transition. Sassa has initiated collaboration with other spheres of government, and this is seen in it signing a master service agreement and service level agreement with the SA Post Office in September and November 2018.

Sassa also collaborated with the Department of Home Affairs to establish one-on-one verification biometrics data and interfaces biometric data with Home Affairs National Identification System, Hanis to enable production of new Sassa/Sapo cards. It is also important for it to partner with departments like Small Business Development and co-operatives to achieve its goal of ensuring that social grant payments stimulate the local economy, small businesses and co-operatives..

During the current financial year, Sassa and Sapo will develop a plan of action for infrastructure upgrades and provision of necessary fatalities at post office to meet the needs of beneficiaries. The Fourth and Fifth Parliaments adopted a recommendation that Sassa initiates a process to draft amendments to the Sassa Act, to make provision for the establishment of a Sassa board. We urge the Minister within the current financial year, to ensure that the department and Sassa work to ensure that this is resolved.

The Minister should ensure that Sassa rolls out its programme of linking social grant beneficiaries to economic opportunities. Sassa has over the past few years been confronted by challenges with enabled fraud and corruption to persist. Without dwelling on this challenge, what remains important is how fraud and corruption are being addressed. As a mechanism of unfolding good governance, as of the 31 March 2019, Sassa has been able to finalise 90% of reported theft and corruption, and that is what is important to us.

It is easy to talk about corruption and people stealing but what is important to us is what we do with the information that we get. We are saying, there are cases and 95% of the cases are resolved. We welcome the review of the fraud management strategy to align with the latest development, including the Sassa/Posa agreement.

The concern is on the absence of the senior manager in the fraud management unit since 2016. We urge the Minister to ensure that during the current financial year, Sassa fills the position of the senior manager in the fraud management unit; this is very critical, Comrade Minister. The target to review fraud management strategy and implement it in 2020-21, should be aligned with the availability of human resources.

In Sekhukhune in Limpopo, where I come from, our communities are very religious – very religious Christian communities.

Ke kwa gore go nale dikereke tse di tseyang 10% ya ... *(Translation of Sepedi sentence follows.)*

[Rumour has it that there are churches that collect 10% of ...]

... the Sassa grants from the beneficiaries as part of giving to some ... I don’t know whether to call them tsotsis [thugs], bafundisi [ministers] or what. But hon Minister, we need to follow this up and make sure that this kind of crime does not happen; we need to nip it in the bud.

We welcome the stride made by Sassa to procure a biometric solution for users. The beneficiaries’ biometric enrolment was deployed to local offices, and its enrolment commenced in 2018-19. We are concerned that the implementation of the biometric system was suspended in October 2018, following a dispute with labour. A middle ground has to be reached on resolving labour disputes because this biometric system has to be implemented in order to reduce fraud, theft and corruption associated with passwords.

This lack of biometric system has led to criminals, unruly elements and corrupt officials at local offices accessing the system and changing the banking details of the beneficiaries, and thus, giving password to their little friends. Hence there have been unauthorised withdrawals from beneficiaries’ accounts. In my village, an old lady told me, not only one person, but quite a number of people complained about the deductions from their Sassa grants and some of the deductions were linked to airtime or cellular phone. This person who had a deduction for a cell phone, does not even have a cell phone. So, we need to follow all these things so that these people who steal from the poor are locked up in jail.

Yesterday, a friend of mine, a person I was in detention with was gunned down in Mogalakwena for fighting corruption – killed in broad daylight. So, fighting corruption goes a very long way. Your commitment in fighting corruption can cost your life but that doesn’t mean that those of us who are prepared to confront corruption head-on should not worry that we will be killed. I am really disturbed by this and I thank you, Deputy Chairperson. [Applause.]

The MINISTER OF SOCIAL DEVELOPMENT: Deputy Chairperson, firstly, I would like to thank all members for their contribution across the political line. Thanks to those who are supporting the budget and I say to them, support the budget because the rest of my team and I am prepared to follow that money and ensure that that it benefits our people.

I also wish to say even those who are not supporting the budget, that we have to work with each other because at the end of the day, I do need to listen to the issues that you are raising. And I am a person who believes that there's time for politicking and there's time for doing what we need to do. [Applause.]

And to say to you hon Ryder, you'll get to like me along the way ... [Laughter.] ... simply because I wasn't elected to come here and waste the time. So, I need to choose what to do, when and how, because the ANC empowered me through the mandate and the opportunity of being voted in to govern this country. And we will do that in the same spirit that we have done all these years, in the past 25 years, where we've done a lot of good work but we've also done things that are not supposed to be done. And I think that in the 25 years that we have been in government there are lessons for all of us and I request that members work with us as much as they possibly can. At the centre of it all is our people.

And we do appreciate the role of the NCOP which has to ensure that the nine provinces of South Africa are heard and through them, the voices of the people whom they are representing here are heard, irrespective again of which political party we are coming from. But without necessarily undermining ... the fact is that the ANC got the mandate to lead government and the opposition was also elected by those who believed in the opposition, and what is important is how we are going to work together.

Secondly, yes, in those 25 years of government, we have put policies in place and it is said that South Africa is one of the best countries when it comes to policy development and the correct policies. But our weaknesses in the system are about performance, action, action, and action. And I do want to say to you here, that I'm guided by the performance - what we need to do. I'm also guided by the fact that I need to work with the two agencies, but more than that, we need to work with all the other government departments because for me, Social Development on its own cannot do all the work. And, therefore, my first and most important issue is about working together with the cluster of the economy because we cannot extricate or separate ourselves from that.

When the economy works, as many of the members have indicated here, then it gives opportunity for people who need jobs to get them,, but others will start their own businesses. If we can develop the economy and ensure that the economy grows, that means the economy must not grow for increasing social grants, but to enable our people to be in charge of their own livelihoods without government. Obviously, government must take responsibility and when it says it will do the certain things, it must do that. And we in the Department of Social Development say to you, roads are important for us, clinics are important for us, education is important for us, and infrastructure is important for us.

So, as we work together with other Ministers, we are going to ensure that we make everyone aware and conscious of the fact that a better-created environment for our communities is the only way that we can enable them to have better livelihoods.

I know, hon members, that many of you raised quite a number of questions, and some of them I might not necessarily be able to answer them because time is very short. But I do promise that as the department, and as the portfolio, we'll be able to write answers back to all the members so that you can hold us accountable on the basis of what we have said.

I also realised that what we have here is an agreement by members who are here that the mandate of the department is correct but it might need to be relooked into in terms of the empowerment of our people, particularly, so that they don't depend so much on the state. We will definitely look at that.

I also hear the outcry of the members with regard to the budget itself and the fact that the budget is being cut this year and the following year and year after that; it starts with 5% then goes to 7% ... I have had a meeting, fortunately, with some of the MECs this morning. I have said what is important for us is to go and present to National Treasury and make everyone aware that our people are very much dependent on social grants and all the social upliftment we are giving, not by choice, and not because they want that.

That's why I would like to say to the hon member of the FF Plus that we didn't bring ourselves to where we are today; we would have been way far ahead than where we are, but it's because of the past we find ourselves here. However, I do want to say to the hon member, from where I stand as the member of the ANC, I've not been mandated to look at the colour of the people we support; I've been mandated to cover all South Africans who are in vulnerable state, and I know that ... I've seen not only do I know; I've seen that in some of our communities there are many of our white compatriots who are actually in dire straits but some of them are too afraid to even step up and say, "look at us" because the system created something in their heads that "when you are white you are better than this one", and some of them actually did not grow their own wealth like others. So, there are those who, during apartheid days, managed to become big fat cats because they had an opportunity through government. Today the government of the ANC ... I'm saying here in front of you all, I am a Minister of Social Development for all South Africans, irrespective of their background, as long as they need assistance from this government.

I also would like to say that the need for us to work together couldn’t have come at any other time than now. It’s not to say we do not understand the challenges that we face, whether it’s with regard to land or poverty, unemployment and inequality; inequality is the worst that we have in South Africa. That does not mean because we find ourselves in that situation, we should not work together. I believe that working together will be the only way that we can salvage the country.

I, personally, am saying, the children who are a year old today, in about 20-years or 25-years’ time, they should refer to apartheid as history that was. But we must start creating a conducive environment for them today so that when we deal with the economy and the transformation ... because unless we really deal with the real issues that are related to transformation, it is a waste of time and we’ll keep on putting more and more money into the issues of social development.

My view and my fight that I’m going to be committed to as I stand before you ... and I want you all to really appreciate that it’s 25 years. Many of us carried the burden prior to 25 years to bring the country to what it is today; in 25 years we’ve done the best that we can. And I’m saying to you, let’s look at the best and build on the best; lets' look at the bad and the ugly, and hold it by the scruff of its neck so that when hon members speak here, they don't say my friend or my whoever was gunned down because they are fighting corruption.

Corruption is a problem and it is a two-way process; you get the giver and the taker. Let us, therefore, make sure that anyone who is able to come up and say, "I saw it", that person must not be scared and the person will only be scared if we don't do something about it.

All the other questions which are related to SA Social Security Agency, Sassa, and its development, I agree, as I've been told that the conditions of some of the offices of Sassa are appalling, and people are working under very difficult conditions. I do want us to go and see what ... in fact, I am going to visit all the provinces. Because we are going on a portfolio approach, we'll bring Sassa, our department and the NDA to go to all these places together.

As regards the assessment of doctors, I think that Sassa is in the process of requesting the Department of Health to allow its doctors to assist us. Here is the question, Why do you create another situation on the other hand when you already have a system that can help you immediately? So, we'll make sure that working together with other departments, we can be able to take the process ... [Interjections.]

Oh, sanitary towels. Yes. You know, I once came to a meeting here of the women’s caucus. And one of the things that they raised - I was the Minister of Small Business development - was why the factories and producers of these are mainly male-run businesses. I believe that this government has gone quite a long way in ensuring that we understand and appreciate that women didn’t call upon themselves, that every month they have to go through what they go through and therefore ... it’s menstruation! We are even afraid of calling it what it is, and that’s what it is. So, I do believe that we will do everything we can to ensure that women are given back their dignity and especially the girls at school who sometimes end up not going to school because they are going through that menstrual cycle. Thank you, Deputy Chair. [Applause.]

Debate concluded.

APPROPRIATION BILL

(Policy debate)

Vote No 31 - Small Business Development; Vote No 25 - Economic Development; and Vote No 34 – Trade and Industry:

The HOUSE CHAIRPERSON (Mr A J Nyambi): Order, members! [Interjections.]

Mof N P Koni: Order ya eng? *(Translation of Setswana sentence follows.)*

[Ms N P Koni: Order what for?]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Order, hon Koni. Let me take this opportunity to welcome Ministers, Deputy Ministers and our special delegates. The first speaker who will open the debate is the Minister of Trade and Industry, hon Patel.

The MINISTER OF TRADE AND INDUSTRY: Hon Chairperson, Minister Ntshavheni, Deputy Ministers, Gina, Majola and Capa, and hon members of the NCOP, it is an honour to open the debate on Trade and Industry and Economic Development Budget Votes covering the two departments which will be merged into the new, renamed Department of Trade, Industry and Competition.

The department merger processes are intended to be completed by the end of this financial year, bringing together 17 agencies with the capacity to provide targeted support for industrial and transformation funding. We want to use the combined resources to achieve the goals of the Freedom Charter, the governing party’s manifesto and the National Development Plan, NDP.

Our debate takes place in a tough domestic environment and with increasingly uncertain and fragile global growth, which require us to do more to change our performance and outcomes.

The message from South Africans, from Limpopo to the Western Cape, to all political representatives during the recent election campaign was, step up practical delivery, fix the slow implementation; and focus on jobs, growth and economic inclusion. There are no quicker fixes if we want to build a high-growth, high-employment, and high-inclusion economy. We must build confidence and trust in government and between government, business and labour. Though this may be seen as a soft issue, without trust and confidence, we will not be able simply through a series of hard policy announcements or administrative actions to achieve our goals.

We are faced with these challenges but also have many and considerable strengths we can build on and the support of all South Africans to change our country narrative and to succeed in spite of the odds. While we may come from nine provinces, we are one South Africa and we will leverage the strength of all provinces towards our national goals.

In the last year, 16,3 million workers in our economy produced about five trillion rands of goods and services from agricultural production in the Western Cape and KwaZulu-Natal, KZN, mining in Limpopo and North West, as well as Mpumalanga, business services and manufacturing in Gauteng, renewable energy in the Northern Cape, tourism and trade in the Eastern Cape and Free State. Each of South Africa's nine provinces played an important role in making this Africa's most diversified economy.

While we face many challenges there is also great strength in the provinces. Our largest provincial economy Gauteng is an economic powerhouse and would be the sixth largest economy on the African continent if it was a separate country.

Our second and third largest provinces which are Western Cape and KZN have economies that are larger each than Ghana, Serbia or the Democratic Republic of Congo, DRC. Our smallest province Northern Cape has an economy larger than Barbados, Malawi, and Montenegro.

To implement the reimagined industrial strategy that President Ramaphosa spoke of in Sona, I want to outline six areas we will focus on and two cross-cutting themes.

Firstly, is to support improved industrial performance dynamism and competitiveness of local companies. We are developing master plans to help create conducive conditions for industries to grow. It will include assisting companies to improve their industrial capacities and sophistication focusing more on export orientation and reclaiming that part of the domestic market that we have lost to imports. The master plans are action-oriented, implemented through working with the union movements and business, implemented in stages, so that we can act quickly.

In the steel industry, we will this year launch a support programme for new plant and equipment in metal fabrication and we will make the R1,5 billion Steel Industry Competitiveness Fund more attractive and easier to use, bringing relief for example to the manufacturing belt in Gauteng.

The Clothing Textiles and Footwear sector which employs nearly three hundred thousand workers across mainly Western Cape, KZN, Eastern Cape, Free State and Gauteng has a support system in place through government action that helped to stabilize the sector for the last eight years or so and saved thousands of jobs.

Looking forward, we will finalise an industry master plan, and discussions towards a sector social pact. It has already taken place between Deputy Ministers Majola, Gina and the I with key industry players in KZN. It is about action.

The next Auto Master Plan aims by 2035 to increase local content - the things that we make here in South Africa that go into a car - double its annual car production, expand employment to 220 000 people and create a fund to support black industrialists. We will engage the industry to bring next-generation manufacturing to South Africa, such as electric or hybrid vehicles. All of these have implications for the Eastern Cape which is the home of auto manufacturing for Gauteng and KZN which have substantial bases of manufacturing cars, buses and trucks.

Agriculture and agro-processing provide enormous opportunities for growth particularly for new export markets and expansion of small-scale farming. Two hundred and fifty million revamped agro-processing competitiveness fund will be launched. To date, the fund has been used to support 45 companies across all nine provinces, including expansion of a vegetable oil facility and maize-milling plant in Free State.

We will defend our poultry industry, where they face unfair practices from other countries but local industries also need to provide affordable sources of protein to ordinary South Africans and that means we have to increase competitiveness co-operation between business and labour.

I would like to turn next to the second focus which is to expand markets for our products and facilitate entry to those markets. The single biggest initiative is the African Continental Free Trade Area, AFCFTA, which will connect 1,2 billion people on the continent into a single trade block, lay the basis for increased trade between African countries and cement the continent’s position as the next growth frontier.

The implementation phase was launched two weeks ago in Niger where President Ramaphosa attended the heads of state meeting and it’s intended to come into effect from 1 July 2020.

The Agreement will fundamentally change and reshape the South African economy. Already, exports to the rest of the continent account for some 250 000 South African jobs.

For the period of this administration, there is an enormous amount of work to bed down the detailed modalities of this free trade area.

Starting immediately, we will finalise a tariff schedule of what will be covered by the AFCFTA. We will deal with the rules of origin that says what is a locally-manufactured product. We will engage with business and labour at National Economic Development and Labour Council, Nedlac. We will work with MECs of the provinces to identify opportunities for the different provinces in these areas and will finalise agreement with partner countries by the end of this year.

This is truly the work of a generation, a historic mission to realise the dream of generations of African leaders to build the single prosperous and united Africa. To realise these gains, we must address many challenges including building strong domestic and Africa-wide customs administrations with swift payment systems in place, proper infrastructure connecting African countries and get South African industry to be AFCFTA-ready through competitiveness-enhancing support. The Deputy Minister, Majola will expand on this areas during the debate today.

Beyond the African continent, we seek to increase the volumes of what we sell and the composition of those exports, to shift from simply selling raw materials to the rest of the world and importing finished goods.

It is being said that Africa does not produce what we consume and Africa does not consume what we produce. We must correct this and engage with large trading partners like China and the European Union, EU, to change the patterns of trade, and work with local businesses and public entities to promote beneficiation. We are engaging the United Kingdom on the terms of an agreement in case of a no-deal Brexit to protect South African jobs and exports.

In just over a week, the Deputy Minister Majola and I will be going to Côte d’Ivoire to engage the United States around African Growth and Opportunity Act, AGOA, the legislation granting access to the United States, US, market to point to the mutual beneficial impact thereof. We are focusing here on the domestic market with trade too.

International Trade Administration Commission, ITAC is currently investigating trade applications in a number of products and we will refocus our trade policy so that when we give tariff relief, it’s connected to domestic companies investing in people, technology and new products.

In the last year, ITAC intervened through trade measures in a number of areas including on imported sugar, for example, the increase of the duties and it led to an immediate fall in the quantity of sugar coming from countries outside of Southern African Customs Union, Sacu. As part of what we will do now is to look at the future of this industry because there are still challenges particularly the small-scale farmers’ face and this is very important in Mpumalanga and KZN.

The third focus is to look at improving the levels of investment in the economy to help to achieve the target set by the President Ramaphosa in Sona last year.

We will use the budget of the two departments and the resources to support the investment conference scheduled for November this year. Last year’s conference drew commitments of R300 billion which will be used to expand production and jobs in different provinces. It includes, for example, a new tyre-manufacturing facility in KZN, expanded production in auto value chains in the Eastern Cape and Gauteng, water treatment facility in Free State, development of the zinc value chain in Northern Cape, platinum and vanadium production in North West and Limpopo, and a new telecoms infrastructure to bring more data to all parts of the country from Mpumalanga to Western Cape.

Invest SA, which is one of our agencies, will be supported and upgraded to be a stronger one-stop shop to unblock obstacles to investment getting off the ground. We are going to work with provinces in SA Local Government Association, Salga, to help to unblock challenges at local level.

The Industrial Development Corporation, IDC, is being refocused to give a greater level of investment support in the markets. In the last year alone, the IDC funding helped to develop a nickel self-fix facility in North West, water chemical production facility in Free State and industrial park in the Northern Cape, expansion of an industrial stream facility in the Eastern Cape, a crude oil-blending and storage facility in the Western Cape, a sodium sulphur facility in Mpumalanga, a new tourism infrastructure in Limpopo, a black-owned fruit and vegetables-packing facility in Gauteng and the commencement of the building of a local factory for smart phone production in KZN. So, I gave this examples to show that it is beyond simple policy announcements. It is getting things practically implemented that make a change on the ground.

The fourth focus is economic inclusion which means opening up and changing our market structure, both through industrial funding and through competition policy to bring in young people, black South

Africans, and women and not only for equity purposes but also because this is fundamental to sustainable long-term growth. Equitable development is a source of growth.

Two weeks ago, a number of changes to the Competition Act came into effect, which give our regulators greater powers to address the conduct of firms and the structure of markets that lead to the exclusion of small, medium and micro enterprises, SMMEs, and black South Africans.

Starting from the next financial year, to open up priority sectors, the Competition Commission plans will initiate one market inquiry per year, complete more than 60 cartel investigations in the next five years, and initiate 10 investigations into abuse of market power by dominant firms. We are saying, open this economy to more South Africans. Let young people find opportunities to come in.

Commitments from large firms during mergers have helped. They have opened up some opportunities for us, for example, following the merger of the three bottling operations, Coca Cola agreed to increase the local content of appletiser and grapetiser that is bottled in the Western Cape, and that led to expanded production of sweet grapes in the Northern Cape. So, we build this value chains between provinces too.

To enhance the growth of black industrialists, we plan to support hundreds of additional black industrialists’ projects with financial support of R40 billion over the next five years, if you take into account the budgets of the departments, the commitments of the IDC, the money we are going to raise through competition settlements and the equity equivalents investment programmes of the Broad-Based BEE.

The fifth focus I would like to share with the august House today is to promote more equitable spatial and industrial development. President Ramaphosa highlighted this in Sona that government will bring economic development to local areas through a raft of special interventions, including SEZ and revitalising local industrial parks. These interventions have a common theme to the need to build an inclusive economy which serves all of our people and today government is working on ensuring that we have the legal instruments in place within the next year or so to have an SEZ in every province. The Deputy Minister, Gina will provide more details of our thinking of the work we are doing on special economic zones, SEZs, over the period ahead.

The sixth and final area that I want to look at is to improve the capability of the state. So, in addition to strengthening the state nationally, making sure that we have the best instruments and laws that are fit for purpose and resources for our people ... In addition to that, we also need to address the interface between national, provincial and local spheres. In a number of cases weak capacity or an unfriendly investment environment in one area negates what we are doing in other areas whether that area is national, provincial or local. Unless these three spheres work actively to attract investors to make it possible for them to expand, create more jobs and give opportunities to young people, black South Africans and small businesses, we are not going to lift the rate of growth.

The role of the state is important in creating an enabling environment for entrepreneurs and workers to create wealth; in investing in sources of growth such as infrastructure, skills and technologies; and in ensuring that the fruit of economic activity is fairly distributed across society. So, as we do our work, we don’t do it purely as technical and exercising technical economics. We have to get that right but it is also about economic inclusion because that is what democracy is all about.

Both Deputy Ministers will commence a programme of visits to the different provinces to identify blockages and help to address and resolve these. We recognise nationally that, if we don’t work closely with provinces and local government, we can’t unlock the growth, the development and the job dividends that are there. So, we want to work with MECs, metros and above all, district municipalities.

These six areas will be implemented in an integrated way with one initiative reinforcing another. To ensure cohesion, there are two cross-cutting measures which we will be using for each of the six areas.

The first is greater partnerships with enterprises, businesses and workers, with the joint commitments from all because partnerships are about everybody bringing something to the party. This will unlock the energy and the enterprise of our people. Modern economy is required to create space for that enterprise to ignite growth in your economy.

The second cross-cutting theme is to promote inclusion, transformation and opportunities for black South Africans, both young black and white people, women and black industrialists. Inclusion means government working and making our regulatory environment and resources available to South Africans, giving opportunity to our people.

Inclusion also means making government more accessible to communities, young entrepreneurs and new entrants, and the centrepiece of inclusion is job creation. So, everything we do, we want to make sure that it is as jobs-friendly as possible; and to implement this vision over the next five years, we will focus our considerable resources on these.

The departments and entities will be asked also to engage in community outreach programmes and roadshows to publicise what government has available in the toolkit and to make it easier for our people to use.

In the Sona debate in the past months, I listed the immediate steps we will take and some of the investment projects we will launch in the year ahead. Tomorrow, I will be visiting the Eastern Cape to launch the expansion of a cable-manufacturing factory, one of many examples of what we can achieve by focusing on implementation. I thank you. [Applause.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Let take this opportunity to remind our special delegates, our Ministers, and Deputy Ministers, that at the podium, if you are going for the first time, there is a digital watch doing the countdown. So, there is no need for me to disturb you. The digital watch is there and it will be doing the countdown. You are not even recognised.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Hon House Chairperson, Minister Patel and our Deputy Ministers, hon members of the House, officials from both the departments of Small Business Development and Trade and Industry, ndi masiari [good afternoon.] During our Budget Vote address, Vote No 31 of Small Business Development, we announced measures to support small, medium and micro enterprises, SMMEs, and co-operatives. These measures are a response to the priorities of the sixth administration as set out by the President in his state of the nation address.

Our work is cut out. Our work in this term of office will be directed at ensuring that SMMEs and co-operatives contribute to two of the goals that were announced by the President in the state of the nation address. These goals are, our economy growing at a much faster rate than our population, and two million more young people being in employment over the next 10 years.

We are fully aware that to achieve these, SMMEs and co-operatives must have access to strategic resources such as skills, knowledge networks, finance, and access to facilities and platforms, amongst others, that will enable them to nurture their innovative ideas and businesses. Our focus on improved access to finance includes initiatives to make SMME finance more affordable and inclusive. Inclusivity means development finance institutions that foster economic activity, productivity and prosperity for a broad section of our society.

The plan is to make the cost of money less expensive, starting with the cost of Small Enterprise Finance Agency, Sefa, financing. In this regard, the President announced during his response to the state of the nation address debate, that we will introduce a blended financing model. This model will be introduced over the next three years, commencing in the current financial year. Small Enterprise

Finance Agency is collaborating with the department and other government-funding entities in utilising grant-incentive offerings to offer a blended funding model that will directly benefit SMMEs across funding facilities. We have announced that the Land Bank has joined this partnership. Since our Budget Vote, we have received expression of interests from the private sector as well, and we are inviting more private sector players to join hands with us.

The blended finance model should be of interest to hon members of the NCOP because its initial execution will be funding 100 000 young entrepreneurs across all provinces. The 100 000 young entrepreneurs will be funded through the Small Business and Innovation Fund, SBIF, commencing this financial year. Qualifying start-ups, innovators and SMMEs will be able to access matched-grant funding. That grant portion will be up to a maximum of R2,5 million per enterprise.

The SBIF aims to promote and facilitate funding of innovation in key industry sectors, and enhance financial inclusion by increasing access to finance for enterprises owned by targeted groups, which are women, youth, townships, and in particular black townships and rural communities. The process for entrepreneurs, innovators and SMMEs to access this funding will be announced in the first week of August but at a minimum, they must have the potential to create at least 10 jobs. This will translate into at least one million jobs when the programme is successful.

Access to finance will not be a panacea to challenges facing SMMEs and co-operatives. Strategic public sector decision-making can redirect market failure and actively shape new markets while regulating existing ones. In this regard, Seda will adopt a standard incubator model based on best practice that will be a minimum framework for incubation in South Africa.

In the meantime, Seda will increase the incubation network, deliberately targeting rural areas and townships as part of government's commitment to grow rural and township enterprises. For this purpose, Seda will establish, during this current financial year, an additional eight incubation centres in the rural and underserviced provinces of Free State, Mpumalanga, Limpopo, Northern Cape and North West.

This is our response to the directive of our President during the state of the nation address, when he committed that we are going to roll out small business incubation centres to provide youth-driven start-ups with financial and technical advice as they begin their journeys. Our commitment to increase the incubation period to a maximum of five years remains. We are also committed to optimise the utilization of our already existing facilities, not only to expand our reach but to increase the return on government's investment. In the previous financial years, we established 13 Centres for Entrepreneurship and Rapid Incubation in TVET colleges. We will upgrade these centres into full incubators for the benefit of small businesses and start-ups that are adjacent to the TVET colleges. An additional nine centres with full incubation services will be established in all our provinces. We will also coordinate with the private sector to establish incubators in underserviced areas as we ensure improved support to rural and township enterprises.

Within the next six months, we will adopt an SMME business index that will track economic health of SMMEs. We will do this so that we can measure the impact of various SMME support programmes and interventions, be they by government or the private sector. We will explore integrated models of impact measurements that provide comprehensive assessments throughout the life cycle of SMMEs.

The President announced spatial interventions to bring economic development in local areas. During my Budget Vote speech, I announced a partnership with Vodacom on the roll-out of digital hubs. This partnership piggybacks on the already existing partnership between Vodacom and the Department of Basic Education for the establishment of youth centres using former teacher training colleges. The plan is to expand the youth centres to become digital hubs where our young rural and township based entrepreneurs can have access to technology platforms and resources for ideation, experimentation, testing, and end-user computing.

To cover the areas where there are no former teacher training colleges, we have planned for the establishment of at least four digital hubs for geographic inclusivity. We are planning for the gig economy and our SMMEs will transform us into a gig nation. This will push the innovation frontier by further developing state-funded or enabled technologies and crucially contribute to the transition towards the Fourth Industrial Revolution.

In order to improve co-ordination and traceability of support provided to SMMEs and co-operatives, we will shortly commence a process of establishing the SMME and co-operatives database categorised by sector, geographic location, size and product or service. We are not only going to be definitive about the number of SMMEs and co-operatives in our country, but we are going to ensure effective and traceable support as we strive for their business sustainability. I must point out that the reference to our support, does not mean government only but it refers to private sector support as well. We will work with the National Treasury to ensure the intercommunication of this database to already existing critical databases and business systems of government. At a minimum, this database must access information about any payment made by government to an SMME or co-operative.

To enable seamless access to support, we plan to establish a one-stop SMME platform for businesses to access both financial and nonfinancial support. The one-stop SMME platform will include walk-in option, online access and call-centre access; this will include social media. The platform will be linked to the SMME database as we firmly believe that our ability to trace assistance provided to SMMEs and co-operatives is critical to improving the effectiveness of the support. Ours is a vision wherein an SMME that is assisted to develop a business by Seda, will exit with funding from either Sefa, National Empowerment Fund, NEF, Land Bank and even the Industrial Development Corporation, IDC, at a minimum.

To enable this, within the 2019-20 financial year, Seda will adopt business templates that are currently used by NEF as we co-ordinate the development of common templates with the IDC, Land Bank, and NEF. The intention is to lobby private banks to adopt same templates as a way of opening access to the much-needed but currently elusive private bank financing of small businesses. We also believe that when these templates are known and available, development finance institutions, DFIs, will improve the turnaround time in the approval of funding applications.

For us, the ease of doing business for SMMEs is linked to the eradication of red tape that confronts and inhibits the success and sustainability of SMMes and co-operatives. In this regard, there are three urgent interventions that will be done within this financial year. In consultation with SA Local Government Association, Salga, and the Department of Co-operative Governance and Traditional Affairs, we will review and develop generic by-laws to enable conducive environment for SMMEs and informal traders to conduct their businesses in municipalities. Our view is that streets are economic spaces. We subscribe to a view that streets and public spaces are assets for the livelihoods of the poor and resources for the urban economy as advocated by Mendelsohn. Therefore, municipalities must start including SMMEs and informal trading in their spatial planning frameworks.

We will engage National Treasury on the cost of tender documents that have become prohibitive, and the requirement for compulsory briefing sessions, as they have become an elimination factor for small businesses. We will table the SMME Ombudsman Services Bill to provide a less costly dispute resolution mechanism. We will also commence with a process of registering informal businesses so that we can offer them co-ordinated support including bulk-buying opportunities.

For us, co-operatives are businesses and we are going to support them as businesses. The Deputy Minister, hon Zoleka Capa will soon announce tightened mechanisms for registration of co-operatives. Fundamental to that is the fact that co-operatives must not be a forced collaboration of people, in particular women and other vulnerable groups.

To facilitate the change in perspective, the funding model for co-operatives will be changed to blended financing in line with the blended-financing model we articulated earlier. We are for a co-operative sense of purpose, co-operative vision, co-operative ideas, co-perative business and co-operative success. Access to markets is another key determinant to the success of any business. Therefore, we have a non-negotiable responsibility to ensure that products and services from our SMMES and co-operatives have markets, as the Minister of Trade and Industry has alluded to, earlier.

Our plan for market access is three-pronged and based on availing technical support to address challenges of scale and quality where necessary. We will establish trade markets for our SMMEs and co-operatives. In this financial year, we will establish at least four trade markets in Ehlanzeni in Mpumalanga province, Musina in Limpopo province, Mthatha in the Eastern Cape and Mahikeng in the North West.

We also accept that government is the largest consumer of goods and services and therefore, it must put its money where its mouth is. With the guidance of our Deputy President, we will finalise the list of goods and services that the SMMEs and co-operatives ecosystem will provide to government as a minimum.

As part of government's programme to open markets for SMMEs, we will finalise agreements with big business on the SMMEs procurement spend and supply value chains, as alluded to by Minister Patel. We are also in the process of establishing a small business advisory council which is a structure that will report to the Minister and dedicated towards providing critical information on the sector and advise on the interventions that need to be introduced to ensure that we have competitive and growing SMMEs, and this will include provincial representation. Our budget is based on a stronger Seda and Sefa as our implementing agents and a department that is able to co-ordinate and direct SMME and co-operatives support work of not only the two agencies and government, but across all sectors of our country.

At present, Sefa is struggling to obtain cession agreements with the different spheres of government due to provisions within the National Treasury and regulations relating to the payment of suppliers by contracting departments. This provision places Sefa's bridging loan or revolving credit portfolio at serious risk. Small Enterprise Finance Agency is experiencing high levels of arrears in this portion of its book. To be precise, almost 90% of Sefa's impairments are due to debts owed by govemment to SMMEs. We are facilitating through National Treasury a process which all government entities are directed to accept cession agreements to Sefa through a regulatory regime by the Minister of Finance.

The prohibition of cession agreements for Sefa, has indirectly pointed to the fact that SMMEs predominantly rely on government for business and funding. The private sector has not really come to the party to support mainly black businesses which are predominantly SMMEs. This situation must be changed if the economy of South Africa is to grow and be inclusive.

Secondly, the nonpayment of SMMEs and co-operatives by government is not only destroying the sector but it is a major contributor to the sustainability or lack thereof, of DFIs. Therefore, their nonpayment is not only a travesty of justice but a threat to the economic wellbeing of our country. The Deputy Minister will soon announce concrete measures to address the nonpayment of SMMEs.

I am honoured to present the Budget Vote for Small Business Development to this House. Thank you. [Applause.]

Mr M I RAYI: Hon House Chairperson, hon Ministers of Small Business Development and Trade and Industry, Deputy Minister of the Department of Trade and Industry, hon members, special delegates, the directors-general of the three departments and senior management, distinguished guests, fellow South Africans, we have inherited a country whose philosophy was premised on separate development. This narrow world outlook privileged the few and impoverished the majority of our people who are in the main, Africans in particular and blacks in general.

The consequences of this ideology of rapture, was a society of the rich minority and the poor majority. The majority of the South African population was excluded from participating in the economic life of our country. Today, because of this ugly past, we face a reality of high unemployment, high inequality and poverty.

Since the dawn of democracy, the ANC-led government has played a critical role in the promotion of small, medium and micro enterprises, SMMEs. In 1995, the government formulated the White Paper on National Strategy for the Development and Promotion of Small Business. The main objective of the White Paper was to create an enabling environment for small businesses to thrive. It was the first step at establishing an integrated approach towards the development of small businesses.

As the ANC, our struggle has been, is and will always be an antithesis of any aspiration to separate the people of South Africa on the basis of how they look. Our commitment to create a nonracist, nonsexist, united, democratic and prosperous South Africa is a commitment we will never betray.

The 54th National Conference of the ANC, resolved that the ANC-led government must provide support for women and youth-owned small businesses and co-operatives. Also, to scale up support to SMMEs and co-operatives to ensure that their impact is felt across the economy.

In 2014, the Department of Small Business Development, DSBD, conducted a review of small businesses in South Africa. The review made interesting observations. These relate to the fact that small and expanding firms will become more prominent, and generate the majority of new jobs created. They will also contribute to changing apartheid legacy patterns of business ownership. They will be stimulated through public and private procurement, improved access to debt and equity finance, and a simplified regulatory environment. Small and medium-sized enterprises will play an important role in employment creation.

In many developing countries, it is these activities that provide shock absorbers for extreme poverty and platforms for self-employment, with the potential to serve as rungs on the ladder of economic advancement.

According to Trade and Industrial Policy Strategies in 2015, about 50% of the owners of small formal business were white, and most entrepreneurs in the informal sector were black. Black people owned 49% of small formal businesses in 2015, but 94% of informal enterprises.

Globally, men are more likely than women to be involved in early-stage entrepreneurial activity, according to Global Entrepreneurship Monitor. The report also highlights that youth entrepreneurship figures were not impressive in our country.

It is also highlighted that only 25% of the adult population was aware of Small Enterprise Development Agency, Seda, and that Seda is known mostly in urban areas than rural areas. We therefore urge the department to prioritise public awareness of their products and services, especially among young people and in rural areas.

However, the review also identified the challenge posed by large firms to small businesses in that, because they have supply chains across the country, large firms are able to sell their products at prices smaller companies cannot match.

There are a number of challenges identified by the Department of Planning, Monitoring and Evaluation, DPME, in conducting performance assessment of the Department of Small Business Development. These challenges include, the formal small business is growing more slowly than large-scale companies, which contributes to slower job creation and likely limits diversification and innovation. Informal business has grown more rapidly, but remains low income, precarious and mainly survivalist.

As an emerging economy, South Africa has not increased overall participation of SMMEs in mainstream economic activity. Multi-faceted challenges of emerging entrepreneurs needing skills, supportive market institutions, serviced sites and finance. The scale of intervention remains small and disjointed, and is not addressing systemic factors or ensuring holistic support on a large scale.

Therefore, a strategy to promote small business needs to address access to established supply chains and the facilitation of buyer-supplier relations and the challenges identified in the Department of Planning, Monitoring and Evaluation’s performance assessment of the Department of Small Business Development.

The commitment by the Minister that she will ensure that Small Enterprise Development Agency, Seda, and Small Enterprise Finance Agency, Sefa, function in a co-ordinated and collaborative manner, is very encouraging for us as the select committee.

We welcome the undertaking by the department that it will expand incubation centres to 44 districts and eight metropoles to support village and township enterprises and the extension of incubation period to a maximum of five years. We believe this will go a long way in supporting and encouraging entrepreneurship in our rural areas, and supporting SMMEs, both formal and informal.

As of 2017, according to the World Co-operatives Monitor report, at least 12% of people on earth are a co-operator of any of the 3 million co-operatives on earth. Co-operatives provide jobs or work opportunities to 10%, which is 280 million of the world’s employed population, and that 300 top co-operatives or co-operative group generate US$2,1 trillion in turnover.

One of the challenges facing the co-operatives is the issue of high mortality rate of co-operatives. This is a concerning matter. We are pleased that as part of intervention, the department intends to walk the journey with both SMMEs and co-operatives. The sustainability of our SMMEs and co-operatives require aftercare measures to ensure that there is a continuous support.

We welcome and commend the signing of the Competition Amendment Act, Act 18 of 2018 into law by the President earlier this year. As the ANC, we have been consistent in saying that the enemy of the national democratic revolution is monopoly capital. This law will ensure that dominance in the markets is curbed. The Competition Commission has done a tremendous work for the past years. It has been aggressive in dealing with cartels, abuse of dominance and other uncompetitive behaviour in the market. We believe that the implementation of the Competition Amendment Act will further advance our agenda of building an inclusive economic growth.

In the past 10 years of Industrial Policy Action Plan, Ipap, the Department of Trade and Industry has recorded achievements in the automotive sector, clothing, textile, leather and footwear, business-processing services, film production and boat building, and many other sectors.

Our industrialisation strategy is enhanced by incentive instruments that encourage investment and industrialisation in our economy.

According to the Incentives Report of 2017-18 financial year, the Automotive Incentive Scheme has attracted R8,4 billion from foreign investors, entrenching the South African automotive industry’s place as a resilient global competitor, while the 12I Tax Allowance Incentive has supported investments linked to key sectors in the Ipap. More than R60billion of significant investments are expected from Special Economic Zones, SEZs, and Critical Infrastructure Programme which include industrial parks’ approvals and these will ensure that the required infrastructure will be in place to attract more foreign and local investment.

Building on the success of the automotive industry and the lessons learned, we undertook in our Lekgotla to implement a reimagined industrial strategy which will be a central pillar of economic strategy to diversify economy, develop and invest in targeted sectors, create jobs, export orientation, and also target labour-intensive sectors and small business and co-operative development, with stakeholder involvement at the centre.

This will be implemented through identified sectors such as the industrial sector, which covers automotives, clothing, textile, leather and footwear, gas, chemicals and plastics, renewable, steel and metal fabrication, and pharmaceuticals.

Tourism through the visa reforms, high-tech sectors, information and communications technology, ICT, and software production, digital economy, health economy, defence economy, mining through mineral beneficiation, agriculture and agro-processing, creative industry, oceans economy as well as the generic support to sectors outside of priorities.

We conclude by saying that, to create a better life for all in South Africans, we must address the triple challenges of unemployment, inequality and poverty. And to do that, we must acknowledge the disparities of the past. Therefore, our interventions must move from the premise that we have inherited an unequal society.

It therefore stands to reason that we must provide support to our SMMEs and co-operatives, to provide incentives for industrialisation, attract investment, and provide an environment for ease of doing business. These we shall do, in line with our transformative legislations such as the Broad-Based Black Economic Empowerment, BBBEE Act, and Preferential Procurement Policy Framework Act, PPPFA, and ensure that localisation becomes everyone’s business. We therefore support all the three Budget Votes, No 31: Small Business Development; No 25: Economic Development and No 34: Trade and Industry. I thank you. [Applause.]

Ms H S BOSHOFF: Hon House Chair, hon Ministers, hon Deputy Ministers, hon members and fellow South Africans, over the past few months I have had numerous conversations and engagements with businessmen and businesswomen around the country who have been left with no other choice than to cut staff or cut working hours just to keep their businesses afloat.

What is most concerning about these conversations and engagements is that these entrepreneurs are actively looking at the possibility of leaving South Africa. They are aged between the ages of 25 and 45, cross race, gender and class barriers and are the foundation for future growth of this country. How can we, Minister, simply sit by and watch them go?

There are a few things they have in common: They all started successful businesses that survived the high mortality rate of small, medium and micro enterprises, SMMEs. Their businesses were all started post-1994. They are proudly South African and they all believed in the enormous potential we have as a country. They are highly skilled, driven intelligent individuals who have overcome numerous obstacles to create a better life for themselves, their families, those who work for them and have added value to their communities. However, across the board, they are worried sick about the direction we have taken as a country over the past few years.

The statistics of youth unemployment in South Africa is wretched, to say the least. Of the youth between the ages of 15 and 24, 55% of them are unemployed. For the youth of ages between 25 and 34, 34% of these South Africans cannot find a job. These statistics are a clear indication of an economy that does not work for the youth of South

Africa. This is a further indictment on this national government that has so evidently failed our youth.

Hon Minister, we need economic growth to create jobs and we will only get economic growth if government is willing and able to change the way it is currently operating. What was done by this government over the past 10 years caused the crisis we face in South Africa - insanity is doing the same thing repeatedly and expecting a different result.

Pushing forward populist, quick-fix policies during national conferences will most definitely not get our economy working again.

However, fellow South Africans, what the DA is advocating is definitely not fiction. It has proven results where we govern and it ensures that the Western Cape remains the best-run province with the lowest unemployment rate in South Africa, the least red tape and the highest investment confidence.

We can and we must have the same for the entire South Africa. In most countries across the world, small businesses form the backbone of their economies. In emerging countries and economies, the percentage contribution by small business is climbing significantly, not only in driving the economy but also in addressing unemployment.

We need the same in South Africa, because as you all know — our unemployment rate has increased yet again and now sits at an unacceptably high and frightening rate of 27,6%. This does not really tell the true story as the measurement is only done on those still actively looking for employment. Since 2010, just fewer than 40% of new entrants to the job market couldn't find work.

Big government, big business and big unions dominate the debate, policy formation and defend the status quo. The 10 million unemployed and the millions-at-risk employed South Africans need brave and bold leadership to kick-start our economy. We need to guarantee private property rights, attract and ensure investors know that their money is safe by setting clear policy with leaders who do not continually contradict each other.

Small business should be exempt from certain black economic empowerment, BEE, and labour regulations. Although this will cause unhappiness amongst the current insiders, this can exponentially help the 10 million outsiders who need us to be proactive and get them into the job market.

In the select committee, the Deputy Minister raised the concern of the Small Enterprise Development Agency, Seda, and the Small Enterprise Finance Agency, Sefa, who do not seem to talk to one another. Deputy Minister, how is this then a problem and how is it that it cannot be addressed by the Ministry since both entities report to the Minister?

Considering that almost 91% of the budget goes to transfers and subsidies, and 5,9% to staff, the question that begs to be answered is, What actual value has and does the department add?

Another example to raise is the question on the effectiveness of the department in respect of the red-tape reduction workshops being rolled out by the Department of Small Business Development. In the previous financial year, only 12 municipalities participated and received such training, whilst in the current financial year, the aim is to cover another 16 municipalities. If we look at the projected 20 for the 2020-21 financial year and consider that we have 278 municipalities in South Africa, it will take this department 17 years to be completed.

Surely this is not good enough, with the department itself saying that SMMEs are at the centre of government's economic growth and development agenda. Therefore, entrepreneurship and business development are an important building block for a growing, sustainable economy. It is apparent that the actions and the words do not speak to one another.

It is also important to ensure that the rollout of such workshops translates into a real difference in the communities it is supposed to serve. It will be a terrible waste of time and money if we do not firstly, monitor to see if the workshops that have been completed by SMMEs are at the centre of government's economic growth and development agenda. Less red tape can result in more businesses starting up, surviving and contributing to the reduction of unemployment. We have asked the Deputy Minister in the select committee that we need feedback on this and look forward to engaging the department on it.

Historically, the survival rate of SMME's have not been promising with a whole range of factors such as access to funding, knowledge of legislation and late payments for services rendered contributing to this.

One aspect that the department is trying to help address is the timeous payment of such businesses. This is commendable and it seems that government departments are improving. However, there are still some defaulters; whether this is at a national, provincial or local level, these culprits should be exposed. In light of this, will the Minister ensure that the platform created to report defaulters are open to the public, for all to see and thereby putting extra pressure on all departments to support SMME's in actions?

Since 2005, new Ministries, departments and all that goes with it have failed to address the high unemployment and the economic challenges facing South Africa. In fact, all it did was to bloat the civil service bill to the detriment of the millions who remain locked out of opportunities in an economy that contributes to favour only a very few.

In the previous term, we often questioned the feasibility of the Department of Economic Development. We, in fact, said that it is time this department is disbanded and have its functions delegated to other departments. It seems that the Presidency listened to us and we are glad that government is moving in the right direction by cutting the massive civil service wage bill.

Hon Minister, this is the reality that you, the President and the rest of Cabinet need to face — our economy is simply no longer working for South Africans. People do not have access to jobs or opportunities for growth. South Africans are being locked out because this government, over the past 10 years, failed to hear their pleas and their cries. You put them into poverty by allowing a corrupt ex-President to build his state capture network of corruption and theft.

The newly elected President, President Cyril Ramaphosa, has promised a new era of a corruption-free government that will respond to the plight and the grievances of the people. The elections are over. The promises have been made.

Therefore, hon Ministers, it is now time for action. It is time for a government that will steer away from quick-fix populist policies like land expropriation without compensation, the nationalisation of the Reserve Bank and the National Health Insurance.

In conclusion, it is time for a government that will provide policies, legislation and solutions that will create a friendly environment for small businesses to thrive that can result in a job-creating economy.

It's time for an economy that works for every time. The time is now. Thank you. [Applause.]

The DEPUTY MINISTER OF TRADE AND INDUSTRY: House Chairperson, Ministers, Deputy Ministers, chairperson of the select committee, the hon members, directors-general ...

The HOUSE CHAIRPERSON (Mr A J Nyambi): Order, hon members! The land debate is tomorrow.

The DEPUTY MINISTER OF TRADE AND INDUSTRY: ... and the staff of the two departments, I greet you. Hon Chairperson, let me quote Amilcar Cabral, when he says:

> Always bear in mind that the people are not fighting for ideas, for things in anyone's head. They are fighting to win material

benefit, to live better and in peace, to see their lives go forward, to guarantee the future of their children.

It is along these lines that our government, through the Department of Trade and Industry, DTI, and other departments that are there, must respond to the fresh mandate given by the people of South Africa during the 2019 national and provincial elections to defeat unemployment, poverty and inequality. They trusted us to transform the economy and grow the township and village economies, amongst others, as we committed in our manifesto.

We cannot disappoint, we have to implement our industrial strategy, including the implementation of the Industrial Parks Revitalisation Programme; the implementation of the Special Economic Zones Programme; digital hubs, and the Black Industrialist Programme, amongst others. Through these interventions, we are undoing the injustices of the past apartheid-era spatial planning.

The Industrial Parks Revitalisation Programme is one of the programmes introduced by this government in an effort to revive townships and rural economies by attracting investment and creating jobs. The government invests in upgrading security and building infrastructure to make these industrial parks safer and more conducive for business activities to attract investors. As we are all aware, security is a critical factor that investors consider when making their investment decisions.

Yikho nje siyohlala njalo sisebenzisana, sikhale emiphakathini yakithi ukuthi ngaso sonke isikhathi lezi zindawo uhulumeni azilethayo asizame ngazo zonke izindlela ukuthi sizivikele. Uma mhlawumbe sinezikhalo sidixilela phansi lezi zakhiwo yilapho abatshalizimali bezobaleka futhi umnotho wezwe lethu ungakwazi ukukhula. (*Translation of isiZulu paragraph follows.)*

[We will continue appealing to members of the community to protect the infrastructure provided to them by government. When we protest, we damage these structures and investors disinvest, thus affecting the growth of our our economy.]

To demonstrate the importance of the revitalisation programme, I would like to share with the House the impact of this programme in one of the areas where we completed phase 1, namely the Botshabelo Industrial Park in Bloemfontein. Upon completion of the phase 1 in June 2016, the occupancy rate improved from 75% in 2015 to 81% in 2018. The park provides employment to over 10 000 people who live in the adjacent townships and opportunities for township entrepreneurs to access various services and land spaces.

Lebohang is one of the employees working in a company called Manhood Clothing. When interviewed he said: “I am so glad that I can be working closer to home; I save a lot on transport costs and I get home to the family earlier.” He further stated that he is grateful for a safer working environment. Thanks to this caring government for making sure that such services are brought closer to where the people live. [Applause.]

Hon members, this government took a long-term view on the future prospects of the South African economy and decided to introduce the Special Economic Zones programme. This programme is designed to accelerate industrialisation in the country; attract foreign direct investors and investments; facilitate the creation of decent jobs; facilitate the development and improvement of existing infrastructure; promote exports; and spread economic activity to underdeveloped parts of our country.

Some of the investment pledges that were made during the Presidential Investment Summit in October last year, 2018 have started to put the actual investments on the ground. These investments include MaraPhone, which is investing R1,3 billion at Dube TradePort in KwaZulu-Natal. The investment is estimated to create more or less 1 500 jobs over a long term. It is expected that this MaraPhone will start its cellphone manufacturing - the first of its kind in South Africa - in the next few months. As highlighted by the President in his state of the nation address, our focus will be on expanding the SEZ programme to reach all provinces. Our aim is to establish at least one SEZ per province.

President Ramaphosa also highlighted in his state of the nation address, that government will prioritise, amongst other things, the creation of digital hubs. Youth unemployment remains high and requires concerted efforts. The digital hubs seek to provide young people with skills and access to e-learning opportunities, basic business development support and business intelligence to encourage them to pursue entrepreneurship. The development of business plans for 10 digital hubs is at an advanced stage and will be finalised by the end of the third quarter, so that implementation can commence before the end of the financial year.

We have set ourselves an objective to create a fair regulatory environment that enables investment, trade and enterprise development. In this regard, we developed various legislations and policies such as the Broad-Based Black Economic Empowerment Act, the Consumer Protection Act, the Gambling and Liquor Act, amongst others. We will extend our efforts to educate and raise awareness to our citizens so that they can have knowledge and understand these policies. To achieve this, we are rolling out over 90 advocacies, consumer protection and broad-based black economic empowerment, BBBEE, educational campaigns across all provinces. We will collaborate with the provincial departments and corporates, to showcase business opportunities, access to finance and consumer rights.

Hon members, as I speak, the department is in the Free State sharing information with the communities of the Setsoto, Matjhabeng and Mangaung municipalities. This information-sharing campaign seeks to educate the public about the Liquor Act and the socioeconomic impact of alcohol abuse, legal and illegal gambling activities, how copyright can assist creative persons, debt-relief measures to reduce the impact of high levels of overindebtedness, credit affordability and fundamental rights of our consumers. We believe that these education sessions will help our communities know exactly what is there, and what is it that the government is providing so that they can grow to be the entrepreneurs as they wish to be.

We are pleased with the work of the BBBEE Commission in confronting noncompliance whether by private or state-owned entities. This commission's findings on Eskom, for example, for noncompliance with the Act, are a clear indication of our commitment to zero tolerance for this type of behaviour. We are really serious about it.

In conclusion, we are saying that despite important achievements, the challenges facing the domestic economy are still immense – we are aware of that. Low levels of economic growth and investment; high levels of inequality; and high rates of unemployment continue to hold back our vision of an inclusive South Africa.

We acknowledge these structural weaknesses and know that the magnitude of the economic challenges we face requires a new and stronger approach. We need to take extraordinary measures in order to realise the lofty aspirations outlined in the National Development Plan. It is for these reasons that the new approach and the implementation of the industrial strategy Minister Patel spoke about at length, needs to be prioritised by all government agencies supported by all social partners. That is why we are even calling upon all the provincial governments and the municipalities to come together and work with all other departments so that we face this challenge of unemployment head-on. Thank you very much, hon Chairperson. [Applause.]

Ms N P KONI: Presiding officer, let me take this opportunity to greet the officials of the EFF, commissars, fighters and the supporters in nine provinces at large. Deputy Minister of Trade and Industry, Amilcar Cabral also says:

> Hide nothing from the masses of our people. Tell no lies. Expose lies whenever they are told. Mask no difficulties, mistakes, failures. Claim no easy victories.

That is what he says; don’t quote him when it suits you. Minister Patel, in fact, for the last 25 years the ANC-led government has dismally failed to develop and industrialise our economy. Instead, the economy is shrinking and jobs are being lost. Yet, you continue to believe that if we encourage foreign direct investment, FDI, our economy will strengthen.

I am here to tell you that this will fail, as it has failed for a quarter of a century. The neoliberal order on which this government has based its economic policy is failing, and the best example of this failure is your National Development Plan, NDP. The whole NDP idea was based on an annual gross domestic product, GDP, of 5,4%, and during your decade of nothing, we barely grew the economy past the 1,5% mark.

You said to us by 2020, unemployment will be 14%, but we are at a tipping point of 27,6% today. You promised to increase employment from 13 million in 2010 to 24 million in 2030, yet nine years later, only 3 million more South Africans are employed. We are not surprised by the failure of the NDP, because you, Minister, as the communist, should understand the basics of economics.

Opening the markets, privatisation and foreign investment have never developed an economy.

Wena le Blade lo makomonisi a a bokoa. *(Translation of Setswana sentence follows.)*

[You and Blade are weak communists.]

These policies only fatten the pockets of white monopoly capital and their stooges in government. That is why despite all the promises capitalists made to the President last year at the Jobs Summit, we are seeing a blood bath of job losses across all sectors of the economy, with Multichoice, mines, banks, retail shops, and restaurants retrenching people and those are the poor masses of this country. To give you an idea of why the economy is so underdeveloped, you have to understand the colonial economy.

Colonies were designed for the extraction of raw materials and the exploitation of labour, with those materials being exported in the form of cheap raw goods, and then being imported as expensive finished products. So, much of these imports and consumes are produced somewhere else. If we had a proper industrial policy and plan, not this useless NDP, South Africans would be consuming and exporting finished industrial products.

We import billions of rand worth of smart phones, laptops, tablets, and computers, but none of the parts are produced in our beloved South Africa. We import machinery parts, rubber tyres, medical equipment, printing machines, sugar, shoes and coins, to name a few. We are one of the few countries in possession of rare earths which are critical to the production of microchips and other high-end technologies.

Why are we not processing these minerals and turning them into finished products? Why are we still importing things as simple as toothpicks?

Gompieno jaana, re itukula ka seitukulo se se tlodileng melapo e le mentsi. *(Translation of Setswana sentence follows.)*

[Today, we pick our teeth with imported toothpicks.]

The answer is that your government does the bidding for white monopoly capital. We need to change our industrial policy strategy and focus on decentralised industrial strategy with the capacity to produce enough imports and take advantage of existing technology. We must establish multiple special economic zones, SEZs, in various regions of South Africa with tax benefits on a strict condition that investors create real sustainable and decent jobs.

Government must also use state procurement to ensure that a minimum of 80% of all the goods and services procured by the state including all state-owned companies like Eskom, Transnet, SA Airways, SAA, Passenger Rail Agency of SA, Prasa, municipalities, hospitals, and schools are produced locally. As the EFF we are also going to table a Private Member's Bill to amend the Mineral and Petroleum Resources Development Act to ensure that a minimum of 50% of all South Africa's mineral resources are beneficiated locally, processed and add value to the economy.

Minerals extracted in South Africa must be beneficiated. When it comes to shelf space, let us ensure that the majority of food in our retail shops are produced and processed locally. A certain percentage of shelf space must be dedicated to locally-produced products. Let us look at a rural development plan and prioritise the growth in the industries in predominantly rural and neglected provinces such as the Northern Cape, where I come from, and Limpopo, where my President comes from.

Our rural economy offers huge economic potential, but this government remains trapped by apartheid spatial development and planning. We also need industrial policy and programmes that integrate our economy with the rest of the African continent. There needs to be a continental-wide exchange of goods, services, ideas and peoples.

We also need to use our collective power for production and consumption to guarantee the development of the African continent. Finally, no industrial capacity can be built with unstable electricity supply. That is why Eskom needs to be strengthened and Jamnadas needs to be fired. That man is a constitutional delinquent and is purposefully collapsing Eskom so that it can be privatised.

Minister, the EFF rejects Budget Votes 31, 25 and 34 because the neoliberal economic policies and of this government have failed our people. Now, with my two minutes left, I wish to take this opportunity and wish the EFF a happy sixth anniversary that we will be celebrating this coming weekend in KaNyamazane in Mpumalanga, where hon Jomo comes from. I thank you. [Applause.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Koni, you know that what you are doing is not in line with our Rules. You are smuggling two minutes that are not there.

Mr K M MMOIEMANG: Hon Chairperson, let me take this opportunity to also extend greetings to our hon Ministers, Deputy Ministers and hon members ...

Le ba agi ba Afrika Borwa kabophara. *(Translation of Setswana sentence follows.)*

[... as well as South Africans at large.]

Hon Chairperson, my entry point is the referral to what President Ramaphosa said in his state of the nation address, as part of meeting our growth targets. The President said that for us to grow our targets, there is a need to rebuild the foundations of our economy by broadening the productive sectors of our economy. He also asserted that the revisiting of our industrial strategy must be geared towards harnessing the support of private investment and rally the state to mitigate the economic exclusion of the working class and the poor.

Hon Chairperson, what are these foundations and the economic fundamentals? These economic fundamentals are set out in the Reconstruction and Development Programmes’ objectives and they are follows: Firstly, they are geared towards ensuring that fiscal deficit targeting was adopted. Secondly, the independence of the Reserve Bank is guaranteed in the Constitution. Thirdly, there's commitment to ensure that there is trade liberalisation as agreed to in terms of the General Agreement on Tariffs and Trade Act. The fourth one is that legislation is passed to open the banking sector and the Johannesburg Stock Exchange to foreign participation, capital controls on run residence are scrapped and there are capital reforms which started in 1993.

I think these economic fundamentals are important given the assertion that the Minister made with regard to the size of our provincial economy, because without these economic fundamentals, we would not be where we are. These economic fundamentals have its roots in the statement that was made by O R Tambo in 1981, in London in addressing the SA Communist Party's anniversary meeting and he cited that and I quote:

> The objective of our struggle in South Africa, as set out in the Freedom Charter, encompasses economic emancipation. It is inconceivable for liberation to have meaning without a return of the wealth of the country to the people as a whole. To allow the existing economic forces to retain their interests intact is to feed the roots of racial supremacy and exploitation. This does not represent the view of our very democratic movement. It is therefore a fundamental feature of our strategy that victory must

embrace more than formal political democracy; and our drive towards national emancipation must include economic emancipation.

Indeed, this is the legacy that was bequeathed to us by our two greatest icons of this congress alliance.

Hon Chair, it is important to know that indeed the assertion that we made helped us liberate our constitutional provision to ensure that the unitary nature of our state is able to assist. This means that the inter-relatedness, the interdependence and the distinctness of the future of our state must be used to ensure that we are able to address the legacy of apartheid colonialism.

Hon Chairperson, it is within that context that the National Development Plan outlines the challenges in achieving the attributes of a developmental state. It says that these are caused primarily by the weaker forms of co-ordination and collaboration within and across the spheres of government.

I think it is important also to note that the ANC in its 54th National Conference resolutions, identified challenges which, as a country, we may face in executing the developmental state agenda. I am raising this point precisely because small business and co-operatives play a critical role in creating jobs and alleviating poverty among our people. So, we need all the three arms of the state and the three spheres of government to be able to deliver in terms of redressing poverty amongst our people.

Correctly so, one of the examples that one would want to cite is what is happening in Kenya where one in five people, is a member of co-operatives and 20 million Kenyans directly or indirectly derive their livelihood from co-operatives.

In Singapore, 50% of the population constitute members of co-operatives.

Indeed, in her Budget Vote speech, the Minister of Small Business Development echoed these reports when she said most of the developed countries’ economies are driven by small businesses and to which we may add the role of co-operatives in growing the economy.

The work of government to revitalise township economy is also important and it also present opportunities and challenges. According to the 2014 Global Entrepreneurship Monitor, Gem, report, township enterprises are diverse, with high rate of informality and are also survivalist, and 70% do not last beyond three years. However, it is important that we are able to deal with that.

How do we mitigate that? We mitigate that by ensuring that we establish appropriate legal and regulatory framework that suits the needs of township enterprises and village enterprises; promote productive activities; invest in appropriate economic and social infrastructure; build logistics for emerging business; promote entrepreneurship; and open access to funding and financing including market access.

In the interaction that one had with the leadership of Gamagara Corridor Chamber of Commerce and Industry which is a forum that is existing within the iron ore and the manganese belt around Kathu ... I am happy that the Kathu Industrial Park is one of the projects that was referred to by the leadership of the Department of Trade and Industry, DTI. In the interaction that we had with them yesterday, hon Minister and Deputy Minister, one of the issues that they raised is this challenge. Therefore, what is critical is for us to ensure that we assist them to foster partnership with established businesses and also ensure that we support innovation, research and development.

Hon Chairperson, we also appreciate and support the government policy direction to create a single policy co-ordinating body based on the existing institutional structure for small businesses and co-operatives. We believe that the renewed mandate of the department will improve and enhance the co-ordination of small businesses and co-operatives support programmes. Furthermore, to strengthen allocation and spending of budget earmarked for the small businesses and co-operatives across government, and work as a ladder for small businesses and co-operatives to access finance and business support from the private sector.

If we are to ensure a better life for all our people, the transformation of our economy becomes our central focus. Small businesses and co-operatives require such support as financial and nonfinancial.

On this note, we are encouraged by the commitment made by the department that in response to the goals set by the President in the state of the nation address, the department will ensure that small businesses and co-operatives contribute to growing our economy at a much faster rate than our population and that two million more young people find employment in the next 10 years.

Consequently, Small Enterprise Finance Agency, Sefa and Small Enterprise Development Agency, Seda, become critical for the development and sustainability of small businesses. However, the collaboration and co-ordination of these entities is important and has to be attended to. It would not make sense for Seda to support aspiring small business entrepreneurs with development of their business plans, but these businesses receive no financial support from Sefa. The right hand must know what the left hand is doing.

Earlier, we highlighted the need for an integrated and co-ordinated government system, premised on the principles of distinctive, interdependent and inter-related spheres of government. The issue of double dipping by some of the beneficiaries, both small businesses and co-operatives, can be curbed through a co-operative government system.

The effective and efficient allocation of resources is critical for economic development. Therefore, it is important that we are able to address poor policy co-ordination in particular between national department and local municipalities regarding small businesses.

There are bylaws that bar small businesses from operating in certain areas, especially informal businesses. This is a matter that has to be attended to.

Also critical to this programme of small business, hon Chairperson, is black farmers in rural areas and villages which can also be tapped into to contribute to economic growth in job creation. The Land Bank gross loan booking amount of R5,4 billion which is aimed at realising the transformative objectives in the agricultural industry, has helped many young people, women and people residing in rural areas. We take note of the number of black farmers who were supported both male and female. All these initiatives, hon Chairperson, can contribute to transformation-financing programme that also covers small, medium and micro enterprises, SMMEs. This initiative further enhances social inclusion.

According to the University of the Western Cape, Institute for Poverty, Land and Agrarian Studies, UWC-PLAAS, approximately 30% of South African population reside in these areas. These areas are characterised by High Deprivation Index. However, the rural areas do have vast tracks of land, which present an agricultural potential. There is a great opportunity for agricultural co-operatives to be established. This is the area that the department needs to link up with the Department of Agriculture, Land Reform and Rural Development to ensure that they are also supported.

All policy hindrance should be cleared. That also means the security of tenure needs to be improved to support our agenda for transformation, particularly for women and youth residing in rural areas.

Hon Chairperson, our manifesto for 2019 elections is premised on the theme that says, “Let us grow South Africa together.” In my province they talk about a modern growing province. So, this theme calls for social compact. It is a rallying call for all South Africans, private businesses and civil society formations to come together to grow our economy. This social compact will help us to address monopolies in our economy, excessive concentration and the growth-inhibiting structures.

We take note of announcements made by both Ministers with regard to the Special Economic Zones, SEZs, but coming from the Northern Cape province, I take a particular interest in the announcement made by the Minister with regard to Upington Special Economic Zone. I am mindful of the fact that the Minister has put a timeline of six months for this process to be properly finalised.

However, I think it is important to also note that this programme, also coming from a region called John Tale Hayitsbee, I have also noted Kathu Industrial Park - I made reference to this - however there is a clarion call from our province that the Special Economic Zones be reconfigured. In the reconfiguration of the SEZs of the Northern Cape the expectation is that the Gamagara Corridor Chamber of Commerce and Industry, because it hosts 80% of world manganese resource, has emerging black manganese players and also black emerging iron ore players, our proposal is that this region must also be included in the reconfigured SEZs. But we are also mindful of the fact that in Namaqua the President went to Vedanta to open a Vedanta Mine. So, Namaqua as a zinc potential has to also be included in the SEZ. However, in Priska, there is also a new mine that has a potential and has just listed. So, the message from the province is to have a reconfigured SEZs to ensure that all our five regions are also included.

In conclusion, it is important to indicate that the commitments made by the Minister are welcomed. As representatives of our various provinces, we must ensure that there is a policy co-ordination and co-operation implementing these commitments. The silo approach must be averted. We are confident that these Special Economic Zones will go a long way in creating job opportunities in the located provinces. As part of the transformation agenda of our economy and the creation of inclusive economic growth, we welcome again the commitment by the Department of Trade and Industry to support an additional 400 black industrialists projects with financial support of R40 billion over the next five years. We therefore support these Budget Votes No 31, 25 and 34. Kea leboga. I thank you. [Applause.]

Mr A B CLOETE: Chairperson, with all due respect, hon Minister of Small Business Development, I don’t know you. We have never met. You are probably a nice lady, but this department is unnecessary and senseless. How stall does the ANC think and dream by keeping this department.

Natuurlik is ons ten gunste van kleinsakeontwikkeling, maar as die President regtig daartoe verbind was om sy Kabinet meer vaartbelyn te maak, kon hy dit saam met Ekonomiese Ontwikkeling gevoeg het. In plaas daarvan om seker te maak dat werk geskep word vir sy mense, kry mense eerder poste in die ANC-regering. Die ANC se beleid van werkskepping binne die regering beteken niks vir ons kleinsake nie.

Waar dit die rol van die Presidensie is om ’n oorsigrol in die ontwikkeling van ons ekonomie te speel en aanpassings te moet maak waar nodig, skep die ANC net nog ’n departement wat niks gaan doen nie. *(Translation of Afrikaans paragraphs follows.)*

[Of course we are in favour of small business development, but if the President were really committed to streamlining his Cabinet, he could have lumped it with economic development. Instead of ensuring that jobs are created for his people, people get jobs in the ANC-led government. The ANC's policy of job creation within the government means nothing for our small businesses.

Where it is the role of the Presidency to play an oversight role in the development of our economy and to make adjustments where necessary, the ANC just creates another department that will do nothing.]

Honestly, all the functions and programmes that this department will be responsible for could have been merged with another.

Die VF Plus bly by sy beleid dat dit nie die regering se verantwoordelikheid is om werk te skep nie, maar om 'n gunstige omgewing te skep – en ons hoor dit van die Minister - waar kleinsake en groot industrieë wil en kan ontwikkel. *(Translation of Afrikaans paragraph follows.)*

[The FF Plus sticks to its policy that it is not the government's responsibility to create jobs but it is its job to create a favourable environment - and we hear this from the Minister - where small businesses and large industries want and can develop.]

To the Minister of Trade and Industry, thank you. We have heard about maize-milling plant. We take notice of it, but please don't let this become another Estina. We cannot have a Magashule maize-milling plant.

Kleinsake is een van die belangrikste komponente van ons ekonomie. Ons wil hê dat kleinsake moet groei. Ons wil hê dat iemand met 'n idee om 'n behoefte te vervul, daardie idee kan uitbrei na 'n produk of diens.

Ons wil egter hê dat daardie besighede moet werk en werk moet skep vir ander. Ons wil ons idees sonder regeringsinmenging implementeer. Die kleinsakeman wil net daarvan seker wees dat die regering alles in sy vermoë doen om 'n omgewing te skep waar sy besigheid sal floreer; dat munisipaliteite hulle verantwoordelikhede nakom om dienste te lewer en infrastruktuur te bou en instand te hou; dat die polisie funksioneer en veiligheid in ons gemeenskappe verseker; dat mense geld in hulle sakke het om te kan koop, want dan kan ons ekonomie groei en ons kleinsake kan ondersteun word. *(Translation of Afrikaans paragraphs follows.)*

[Small business is one of the most important components of our economy. We want small businesses to grow. We want someone with an idea to fulfil a need to be able to expand that idea into a product or service.

However, we want those businesses to work and create jobs for others. We want to implement our ideas without government interference. The small businessman wants to be sure that the government is doing everything in its power to create an environment where his business will flourish; that municipalities will fulfil their responsibilities to provide services, build and maintain infrastructure; that the police will function and ensure safety in our communities; that people will have money in their pockets to be able to buy, because then our economy can grow and our small businesses can be supported.]

Minister Ntshaveni, you have mentioned the private sector. They stay away from the party because of policy problems within the ANC.

Werkloosheid moet daadwerklik aangespreek word. Ons almal stem saam. Geen regering kan egter werk volhoubaar skep nie. Werkloosheid kan slegs oorkom word as regeringsbeleid verander word om ’n gunstige omgewing te skep waar beleggings sal plaasvind.

Werk kan ook nie deur wetgewing geskep word nie. Wetgewing wat poog om meer werkloosheid te beperk, sal lei tot verdere oorregulering wat ongunstig vir volhoubare werkskepping is.

Die VF Plus sê dat arbeidswetgewing aangepas moet word om werkskepping te bevorder, terwyl billike arbeidspraktyke steeds in stand gehou moet word.

Die VF Plus is ook ten gunste van ’n jeugloonsubsidie, veral vir kleinsake, wat, indien dit korrek en billik geimplementeer word, daadwerklik hierdie uitdagings kan behandel.

Die subsidie moet egter nie aan regstellende aksie en swart ekonomiese bemagtiging, SEB-maatreëls onderwerp word nie. Werkloosheid strek oor rassegrense heen.

Daar moet ook ’n balans tussen die fondse vir hierdie subsidies en fondse vir beurse en opleiding wees. Die jeugsubsidie moet ook voorsiening maak vir die bevordering van indiensopleiding. Hiermee kan die Suid-Afrikaanse bevolking omskep word vanaf een wat van welsynstoelae afhanklik is, tot een wat die land se dryfkrag vir ekonomiese groei is.

Ons land, asook die hele Afrika-kontinent, beskik oor ’n demografiese dividend in die volgende paar jaar, weens ons jong bevolking, wat aangewend kan word om grootskaalse groei te bewerkstellig. *(Translation of Afrikaans paragraphs follows.)*

[Unemployment must be actively addressed. We all agree on that. However, no government can sustainably create jobs. Unemployment can only be overcome if government policy changes to create a favourable environment for investments.

Jobs cannot be created by legislation either. Legislation that seeks to limit unemployment will lead to further over-regulation, which is unfavourable to sustainable job creation.

The FF Plus says that labour legislation must be adjusted to promote job creation while fair labour practices must still be maintained.

The FF Plus is also in favour of a youth wage subsidy, especially for small businesses, which, if implemented correctly and fairly, can effectively deal with these challenges.

However, the subsidy must not be subjected to affirmative action and black economic empowerment, BEE, measures. Unemployment cuts across racial lines.

There must also be a balance between the funds for these subsidies and the funds for scholarships and training. The youth subsidy must also provide for the promotion of in-service training. With this, the South African population can be transformed from one that is dependent on welfare allowances to one that is the country’s driving force for economic growth.

Our country and the entire African continent have a demographic dividend in the next few years, due to our young population, that can be used to achieve large-scale growth.]

But this department is senseless, and the FF Plus cannot support this department or its budget.

Chairperson, yesterday the President said that South Africa should brace itself for massive job losses. How will this department brace South Africa for those job losses?

To the EFF, I would like to say, Let your researcher do some research regarding the retail principle. Ask them to do some research. We will be debating that. I thank you.

Manana B T MATHEVULA: Mutshamaxitulu, Xosungula ndzi rhandza ku xeweta Maafrika-Dzonga etindhawini hinkwato laha va hi yingiselaka va ri kona. (*Translation of Xitsonga paragraph follows.)*

[Ms B T MATHEVHULA: Chairperson, firstly, I would like to greet all South Africans who are listening to us from wherever they are.]

Minister, when the President announced the reduction in his Cabinet size, we were hoping that this department would be reduced to a programme or office under the current Ministry of Economic Development. We don’t need a Minister, a Deputy Minister and a director-general for a department that can exist as a programme within an existing department. This will save R230 million, and will also allow for more co-ordinated and efficient bureaucratic economic policy.

Small businesses are successful, sustainable and create jobs wherein they are linked with manufacturing of things that local people consume with the capacity to export. In Germany ,for example, small businesses are foundational to the economy more particularly manufacturing. South Africa's small businesses must be a pathway to raising incomes and living standards for millions of South Africans who live in poverty. For this to happen, small businesses in the country need proper support. This support must be in the form of regulations, infrastructure, protection from cheaper imports, access to the market and finance.

Since the existence of the EFF, small businesses have come to the EFF offices asking for assistance in accessing a loan, because the Small Enterprise Finance Agency only gives loans to those who have a government connection. We need to clean up the funding process for small businesses.

A single agency needs to be developed where small businesses can submit applications for support, whether it be in the form of finance or access to markets. Qualified people must be appointed to understand the role of small business and how best small businesses can be supported. Government must also use its procurement policy to support small businesses.

In 2015, there was a promise that government will set aside 30% of appropriate categories of state procurement for purchasing from small, medium and micro enterprises, SMMEs, co-operatives as well as townships and rural enterprises. This promise was repeated again in the ruling party manifesto during the elections. But we still have not seen this happen. This process of using government procurement has been corrupted. Contracts are not given to small businesses that offer goods and services at the best price. They are given to small businesses linked to the ANC and white monopoly capital. This is why the EFF will be tabling a private member Bill to amend the Public Finance Management Act and Municipal Finance Management Act to ensure that a minimum of 80% of the goods and services procured by the state must be procured by local producers, with 50% of that 80 coming from small businesses owned by black people, and women in particular. Government must legislate that all big corporates and companies must source their key industrial inputs from SMMEs.

The state also needs to build state-owned trading and retail platforms in communities so that small businesses can get their products on the shelves.

Minister, it is extremely disturbing and worrying that in major central business districts, especially in Cape Town, Johannesburg, Durban and Port Elizabeth, the city police goes around confiscating the goods of informal traders and harassing them. These informal traders do not do what they do because they want to, but they are informal traders because they have no land, and because there are no jobs. Government is punishing these informal traders for its own failures. We cannot continue to have municipal by-laws that discriminate against informal traders. They are racist, antipoor and take food out of the mouths of the families of informal traders who do not have any other income to survive.

If we protect small businesses and provide them support as we have outlined here, they can produce jobs and improve the living conditions of our people. In our townships and in the rural areas, the establishment of properly planned Special tax-free Economic Zones will further stimulate small businesses growth. This development and industrial activity will come with demand for service inputs and the provision of goods and services for newly employed workers which small businesses can provide. But this government does not have the political will, capacity or vision to realise the true potential of small businesses in this country.

Tanihi vandla ra EFF a hi pfumelelani na yona Budget Vote leyi. Ndza khensa. (*Translation of Xitsonga paragraph follows.)*

[As the EFF we reject this Budget Vote. Thank you.]

The DEPUTY MINISTER OF TRADE AND INDUSTRY (Mr F Z Majola): Hon House Chairperson, Minister Patel, Minister Ntshavheni, Deputy Minister Gina, officials of the three departments and distinguished guests, this debate takes place when our country is confronted by severe challenges and our people continue to endure the persistent triple challenges of inequality, poverty and unemployment. In the midst of these challenges, we want to reiterate our message of hope that as resilient patriots, we shall overcome.

Hon members, the elections are over now and the ANC has won those elections decisively. [Applause.] Our immediate task is to grow the economy and create jobs. In order to realise this remarkable accomplishment, we must extend our focus beyond the South African market of 57 million population and expand to the African market with a projected population of 1,2 billion people. In this regard, one of the major milestones towards achieving economic sustainability for the continent is the establishment of the African Continental Free Trade Area, AfCFTA, which Minister Patel referred to.

The AfCFTA is one of the AU's Agenda 2063 flagship projects which are aimed at enabling Africa to significantly boost intra-Africa trade. It is intended to improve economies of scale, promote regional integration and place Africa on a sustainable industrialization trajectory.

The AfCFTA was unveiled in March 2018, in Kigali Rwanda. In June 2019, the 8th African Union Ministers of Trade, AMOT, meeting took place in Addis Ababa Ethiopia as part of the road map for the completion of the negotiations on the AfCFTA.

This meeting was followed by the Extraordinary Summit of the African heads of state and government. The summit took place in July 2019, in Niamey, Niger, to witness the historic moment of the official launch of the operational phase of the AfCFTA.

These remarkable events marked Africa's commitment to the creation of an integrated and diversified market of approximately US$2,5 trillion.

To date, 54 countries have signed the agreement. All member states are required to submit their initial tariff offers by September 2019 as alluded to by Minister Patel. The effective date of trade of the AfCFTA is July 2020.

The establishment of the AfCFTA can be a game-changer for our economy, providing a massive market for South African goods and services. South Africa is the largest contributor to intra-Africa trade, accounting for approximately a quarter of intra-Africa trade in 2018 with a value of half a trillion rand in goods traded with other African countries.

Hon members, the survival of the South African economy is dependent on the consolidation of the African integration to forge ahead to a new way of thinking, the beginning of a new dawn and a step closer to the Africa we want.

Another significant milestone worth mentioning is the recent signing of 93 trade agreements between South Africa and China valued at an estimated R27 billion. This marks a realisation of our economic development objectives in line with the existing comprehensive strategic partnership agreement of 2010, signed by Forum on China-Africa Co-operation, Focac.

Hon Chairperson, galvanised by the vision of President Cyril Ramaphosa and our manifesto, we will continue to strengthen our work with our provinces to achieve our mission to grow the economy and create jobs.

The Special Economic Zones, SEZs, programme is one of the strategic tools that will help us realise our economic objectives through industrialization. The purpose of this programme is to, amongst others, focus on a comprehensive long-term planning that is co-ordinated across and within the various spheres of government and key agencies; creation of new industrial hubs and to attract foreign direct and domestic investments.

To this end, government has designated 10 SEZs in seven provinces. Some of these were designated as Industrial Development Zones, IDZs, and are as such presently in the process of transitioning their institutional governance and ownership structures in compliance with the requirements of the Special Economic Zones Act.

In Gauteng, the OR Tambo Industrial Development Zone aims to develop land around the OR Tambo International Airport in order to stimulate economic development. This multisite development consists of several industry-specific precincts and will be developed in phases over a 10 to 15-year period.

The Coega Industrial Development Zone in Eastern Cape is the largest in Southern Africa. It is strategically located on the east-west trade route to service both the world and African markets. The IDZ has attracted investment in the agroprocessing, automotive, aquaculture, energy, metals logistics and business process services sectors.

The East London Industrial Development Zone, ELIDZ, remains one of the country’s leading specialised industrial parks characterised by innovation, efficiency, growth and sustainability. The ELIDZ offers growth-oriented companies a specialised manufacturing platform, innovative industrial and business solutions and access to new markets.

The Musina-Makhado SEZ in Limpopo comprises two geographical locations that address unique industrial clusters. The site in Musina targets the light industrial and agroprocessing clusters and the Makhado site is a mineral beneficiation complex. A third site has been identified to target the petro-chemical industries.

This SEZ is strategically located along the N1 North-South route into the Southern African Development Community, SADC, very close to the border between South Africa and Zimbabwe. This makes it the location of choice for investment in the mineral beneficiation, agroprocessing and petro-chemical industries.

It forms part of the Trans-Limpopo Spatial Development Initiative and has been developed as part of a greater regional plan to unlock investment and economic growth and address the development of skills and employment.

The Nkomazi SEZ in Mpumalanga is conceptualized as an agroprocessing hub that will be supported by mixed services such as warehousing and logistics. The targeted value chains that will underpin economic activity within the proposed Nkomazi SEZ include secondary and tertiary stages of processing, amongst others, citrus fruits; sub-tropical fruits; aromatic plants; ground and tree nuts and sugar cane.

Complementing the SEZs programme is the structured programme for the revitalisation of the industrial parks located in old industrial areas across the country. These parks are recognised as catalysts for broader economic and industrial development.

Going forward, we will focus on the following identified future industrial parks; in Gauteng, we have identified Orlando West industrial park, Eldorado industrial park, Pennyville industrial park and Winterveld industrial park. In Eastern Cape, we have identified Fort Jackson industrial park and Butterworth industrial park. In Mpumalanga, we have identified Kabokweni industrial park and Siyabuswa industrial park.

Hon members, informed by our immediate task, working with the Gauteng province, we shall focus our energies on the finalization of the business case for the proposed science and high-tech SEZ in Ekandustria in Bronkhorstspruit; designation of the Automotive SEZ in Tshwane and investment promotion for the OR Tambo SEZ.

In Limpopo, the focus will be on finalising the planning for bulk infrastructure and consolidation of the signed investments for the Musina SEZ and the finalisation of the business case for the proposed Tubatse SEZ in Burgersfort.

We shall continue to ensure that the incentive package offered by the government is continued.

As I conclude, I quote Madiba: “Sometimes, it falls upon a generation to be great. You can be that great generation. Let your greatness blossom.” I thank you. [Applause.]

Mr S E MFAYELA: Madam Chairperson, inequality in South Africa remains a runaway train. We have an overspending Gini-coefficient and no clear way in sight to address some. This, together with our very weak economy, translates into a growth-restrictive environment in which small business in South Africa must grapple with as a challenge and overcome if it wishes to flourish.

The IFP finds it very disconcerting that this department which was established in 2014 is still preoccupied with making plans when one would expect it to be implementing plans.

The President himself in his Sona said that the time of rhetoric is over. So, it can only be an embarrassment that the organizational structure of this department remains to be yet approved.

Chairperson, our thinking must be youth-centred regarding employment. They are the ones who are encouraged to strive at school and university, only to find that when they are finished with their studies, no jobs are to be found.

This government speaks continually about radical economic transformation that will not only create jobs but also eliminate poverty and reduce inequality.

Our rural economies are where we should be concentrating with the small, medium and micro enterprises, SMMEs, development. Agriculture, agribusiness and agritourism are readily available models that can be rolled out in this regard.

A highly unequal society suffers from fragility which will not assist us in any way, shape or form in building the resilience that is required in today's economic development arena.

Our economy rests upon the shoulders of few economic giants and its fragility fosters contestation over poor resources. Our tax base is small and our social welfare base is severely financially strained.

Critical infrastructure must be in place for economic development, yet we still see our current rail and ports system which was developed mainly to cater for large international mining conglomerates still excluding other kinds of enabling transport framework for smaller businesses.

The IFP supports getting South Africa working. Self-help and self-reliance within a supportive legislative and logistical infrastructure are essential ... [Interjections.] ... if we are to create a one South Africa for all and it is this spirit that the IFP will support this Budget Vote debate. [Applause.]

Mr T J BRAUTESETH: Is my time correct? It says I only got 18 seconds. Okay, wonderful.

Hon Chairperson, hon Ministers, hon members and fellow South Africans, South Africa is on the brink of total economic collapse. The gross domestic product, GDP, figures released for the first quarter of 2019 show that the South African economy has contracted by 3,2%; its worst performance in 10 years.

The most depressing statistic is the fact that the fastest growing expenditure item in the budget is debt-servicing costs, with the country spending R182,2 billion in fiscal 2019 and that will rise to R247 billion by 2022. In fact, according to the hon Tito Mboweni, South Africa is borrowing about R1,2 billion a day, assuming that we don’t borrow money on the weekend.

Now, my friends in the ANC have an interesting approach. Their last approach to economic development was the Seven-Point Plan in former President Jacob Zuma’s Nine-Point Plan. We know the former President wasn’t very good with numbers.

So, let’s hope that the new Eight-Point Plan under President Ramaphosa will yield more fruit.

And my friends from the EFF have a very interesting theory on personal economic development. They believe that stems from donations from cigarette smugglers, loans from VBS Mutual Bank and of course, the odd conversation with white monopoly in Stellenbosch. That’s their idea of economic development. [Interjections.]

Ms N P KONI: Chairperson, on a point of order.

Mr T J BRAUTESETH: Who’s going to take me on? Come on!

Ms N P KONI: Ya [Yes], the Whip is taking it.

Chairperson ...

... ga re tle go dumale go tla go rogakakiwa ke magodu a lefatshe mo teng ga Ntlo eno, a bua dilo tse di sa siamang ka maloko a lekoko la EFF.

Ke kopa gore sebui se se mo phodiamong se busetse mafoko a gagwe morago ka gonne ga a na bopaki jwa dilo tse a buang ka tsona. Go fitlha a tla ka bopaki jwa dilo tseo a di buang, a ka nna a tswelela ka go di bua. Ke a leboga. *(Translation of Setswana paragraphs follows.)*

[... we are not going to allow disrespect, from the land thieves, in this House. They are damaging the reputation of the members of the EFF.

I am requesting that the speaker at the podium withdraws his statement since, he does not have evidence to support it. He must stop talking until he has supporting evidence. I thank you.]

The HOUSE CHAIRPERSON (Ms W Ngwenya): Hon member, that’s not a point of order. [Interjections.] Yes. Continue hon member.

Mr T J BRAUTESETH: Chairperson, I’m sure my friends from the EFF have realised we are just having a bit of fun, anyway.

So, the fact is there’s a lot of doom and gloom in South Africa. The point is, “How do we go forward?”

I would like to take the opportunity to come up with a couple of practical steps that we can take to get out of the muck, the rubbish, the poo that we are in:

The public sector, let’s start there, does not need to reform. But the problem with the public sector is not just that it’s bloated, it’s that we don’t get value for money from it. The country needs a productivity-enhancing pact with the public sector. We need to ensure that there are moderate wage increases but improved management and a set of agreed output measures that will improve the levels of productivity and service delivery.

Land reform should seek not only to address a political legacy but should be part of a strategy to unlock the economic potential of land and assets in the rural economy. In addition, to redress in the commercial farming sector, the potential of land and rural assets under traditional authorities must be unlocked. Land reform must be accompanied by support measures for agricultural development and food security to ensure the potential of freed-up land is realised.

Energy is a key driver of economic growth, and the problem is that the narrow interests of Eskom are a barrier to unlocking the potential of energy to foster economic growth. Eskom’s business model is just hopelessly out of touch with the needs of the economy. The government should act decisively to unbundle Eskom and allow new entrants into the energy sector to promote competition.

We should also introduce some manufacturing Bill that will cut corporate taxes to 15% on condition that a certain percentage of turnover is used to improve factory-floor efficiency in order to drive down costs that can accommodate the creation of new jobs.

State-owned enterprises, SOEs, should be reformed on the basis of strategic purposes rather than ideological. Some, such as SA Airways, SAA, are failed business models and are based on outdated notions of what the public sector should be. There is no need for South Africa to continue to pour billions of rand into a state-owned airline. SAA and others like it should be sold off or closed. Other SOEs, on the other hand such as Transnet, are of huge strategic importance for solving critical constraints in the economic infrastructure, such as transport. These should be strengthened, given a clear mandate and be effectively managed.

The manufacturing sector should also find new markets. Two initiatives – and I’ m glad to see Minister Patel touched on this –

is we urgently implement a free trade area for Africa and manufactured export growth to China.

South Africa must tackle inequality urgently. Policies such as sectoral minimum wages need to be speedily implemented to increase the income of the poor, while earnings of the top executives should be checked. Most importantly, however, are policies that will create a larger middle class, and here we need very clear, precise education policies.

South Africa should address the fact that also half the economy is dominated by men. Half of the population must compete in a patriarchal and hostile economy. Policies that address women’s economic empowerment, to promote women’s participation in both the formal and informal economy, will contribute significant new resources to the economy and boost growth.

There is also great potential for the green economy to boost economic growth. A key part of this is renewable energy, and South Africa should promote policies that recognise the full environmental costs of investments and that promote investments in environmentally sustainable production in mining, industry and agriculture.

Just this week we learnt that Kenya are about to open the largest wind farm in Africa with 365 turbines, years ahead of where we are.

It’s absolutely insane that us as the giant of Africa are behind Kenya on this.

Finally, everybody is talking about the digital economy and all the jobs that could be lost. But we’ve got to realise that the Fourth Industrial Revolution, coming with the digital economy, could be the game-breaker; it could be the opening up for so many small enterprises to allow them to make a massive, massive difference in our economy and we must welcome it and embrace it. We should probably also understand what it means.

Hon Chairperson and specifically the Ministers, we all know that talk is cheap. And I issue a warning, unless South Africa implements measures such the ones above, and quickly implements them, we are on a one-way road to a punitive date with the International Monetary Fund, IMF.

There are three types of politicians in the world: Those who make things happen; Those who watch things happen; And those who wonder what happened. I know which category I belong to; which one are you?

Siyabangena!! [We are on top of things.] [Laughter.] [Applause.] [Interjections.]

Mr M DANGOR: Chairperson, Ministers, Deputy Ministers and officials from all departments, our policy is premised on building a better

Africa, a better South Africa and a better world. We are advocating for the building of south-south relations and advancing north-south relations. This will be carried out in the rule-based international system.

South Africa is a member of various international intergovernmental organisations which include the Southern African Customs Union, Sacu, Southern African Development Community, SADC, African Union, AU, UN, World Trade Organisation, WTO, and Brazil, Russia, India, China and South Africa, Brics, to mention just a few. The participation of South Africa in these international bodies is guided by our policies as highlighted.

We are advocating for an international system in which international disputes can be resolved within multilateral fora. In the recent past, the world has witnessed a shift from multilateralism to unilateralism. The big economies are imposing tariffs measures against each other outside the agreed rule-based international system. To illustrate this point, the US has imposed section 232 measures on the basis of national security. This has affected South African exports of steel, aluminium, autos and components. This will inevitably impact negatively on our steel industry and global productivity.

The tit-for-tat trade war between the US and China also put a burden on global productivity and worsens the commodity-based economies in the developing countries. Our view is that deviation from rule-based international system may lead to chaos in the international system.

Our trade policy is part of broad developmental strategies of government that aims to promote and accelerate economic growth along a path that generates sustainable decent jobs in order to reduce poverty and extreme inequalities that characterise the present South African society and economy.

The integration of Africa was further intensified by the African Continental Free Trade Agreement, AfCFTA, by South Africa earlier this year. The former Minister of Trade and Industry commented that the coming together of Africa comprises 55 African countries, and once entered into, it will constitute the largest free trade area globally. As a flagship project of the African Union’s Agenda 2063, the AfCFTA aims to build an integrated market in Africa that will see a market that will cover one billion people with a combined GDP of approximately $3,3 trillion. It will create a single market for goods and services in Africa as envisaged and it will be unlocked by 2022.

In advancing the south-south relations, South Africa participates in the Brics group. We have witnessed the signing of the Southern African Customs Union-India Preferential Trade Agreement, India-Sacu, and the Southern African Customs Union, and the Southern Common Market, Sacu-Mercusor Preferential Trade Area. These agreements create a legal basis for further integration and co-operation including through possible further exchange of tariff preference as well as co-operation in other areas.

We also commend our government for the pre-emptive steps is undertaking in the face of the Britain exit, Brexit, matter. The discussions around the roll-over of the economic partnership between Sacu and Mozambique and the UK is a step in the right direction that will ensure that in the event of the finalisation of Brexit, the partnership agreement will be rolled over. These discussions aim to maintain the effects of the existing Economic Partnership Agreement, EPA, provisions, focusing on technical amendments without necessarily amending the substance of the current agreement and to avoid trade disruption once the UK leaves the European Union, EU.

Coming closer to home, we all know that the economy can only grow and flourish in an environment of peace and the rule of law. Crime and corruption are impediments to our economic growth. We commend the steps taken by our government and other state institutions in dealing with corruption and crime. Violence has led to loss of lives of our people in various parts of our country and is a cause for concern. The intervention by the military to curb gangsterism in the areas of Cape Town is a welcomed move.

It should be concerning for the City of Cape Town and the Western Cape provincial government as to why there is such a high level of gangsterism and crime in the Cape Town metro. Is gangsterism and crime not linked to the failure of the socioeconomic policies? And it is all our responsibility, and not only the Western Cape. Every one of our citizens is responsible for resolving this problem. We need a comprehensive approach to deal with crime in our country, and Cape Town in particular. These young people who are involved in crime might have lost hope. We need to revive their hopes for the future. We must in the context of social compact, as outlined by the President, call upon all role-players - government, civil society organisation and our people in general - to engage in a dialogue to find a lasting solution to the problems of crime in our country. Young people cannot lie idle on our streets. We must use initiatives and programmes of our government, especially Small Business Development and Trade and Industry together with communities to find ways of supporting young entrepreneurs.

I cannot conclude without commenting on what some of the other people have said here. Minister, you spoke about changing the narrative in the country on the DTI. In fact, it is important that we change the negative narrative. Part of my past job was to invite people to invest in South Africa. The difficulty is the kind of perceptions that are created by some of the opposition people. They create a negative perception when they talk about the rand and investment. Fortunately, more investors look at the facts; they look at the fundamentals and I not scared by the perceptions that are created. [Interjections.]

An HON MEMBER: You can’t tell us what to look at.

Mr M DANGOR: The Minister of Small Business ... [Interjections.] ...

An HON MEMBER: We are the opposition. We can’t romance ...

Mr M DANGOR: ... spoke about the cutting of the red tape and a less expensive way. The chairperson of the committee presented the view of this committee very successfully in supporting Vote 31, Vote 25 and Vote 34.

Hon member Boshoff spoke about the loss of jobs and people wanting to leave the country. I think I just need to remind her that the Agricultural Revolution created jobs, the Industrial Revolution created jobs and gave rise to trade unions, and the Technological Revolution has made unemployment systemic throughout the world - whether you are in London, New York or Paris. All of these are because of the technological revolution. Have we dealt with the policy issues? We have to deal with that. Actually, the north is now considering a four-day working week to deal with these kind of issues because they are looking at the policy issues.

I want to say to my young fighters that there was an author who wrote that no person is an island; no country is an island; for whom the bell tolls; it tolls for thee. South Africa is not by itself; South Africa is small and its economy is small. You must realise that we are part of the larger world and we have to look at what the larger world is doing. Sometimes and unfortunately, we compromise and look at how we actually fit into that. [Applause.]

The President said he buys his suits in Salt River. But some of the supermarkets buy tomatoes and cherries from somewhere in the Middle East and sell them to us. I think we should all become proudly South African and buy South African. And together with the trade union movements, we must go on a campaign and persuade the business community to buy South African. With those few words, thank you very much, Madam Chair. [Aplause.]

The MINISTER OF SMALL BUSINESS DEVELOPMENT: House Chairperson, maybe let me start with hon Boshoff. I thought you were present during the Sona debate when we explained the things that we are repeating today. I think it is not worth it to repeat.

There is one point I want to address. You say we must follow the Western Cape. We live in Khayelitsha, Nyanga, Gugulethu and the Cape Flats and there is no change. I am sure the youth of Gugulethu, Nyanga and Khayelitsha will tell you that the braai cafés, which we needed to support to do a franchise, have taken five years for the Western Cape to remove the red tape. That would not have happened ... [Applause.] ... if those young people were in Constantia and related areas.

We shouldn’t be selective and claim easy victories. You then said Small Enterprise Development Agency, Seda, and Small Enterprise Finance Agency, Sefa, are not working together. We articulated here measures for Sefa and Seda to work together. We mentioned that at a minimum, we are going to use common templates to apply for businesses. I thought it was a problem of the fighters. Maybe, I should have said ‘same application forms’ so that approval is easier. [Applause.]

When we throw around statistics, we must be factual. We said something about municipalities ... and you said we did what? It will take us 20 years ... we have done 133 municipalities with regard to training because we accept the responsibility that businesses and small businesses in particular operate at a local level. You are saying to us that we ... Maybe, I should also ask the question, hon Cloete. Hon Cloete, you said the department is not necessary. Contradictory to that, you said small businesses are the engine of the economy. Then somebody goes into detail about the how the German economy is driven by manufacturing and all that. It’s like you never listened to Minister Patel when he was presenting the focused areas of this administration where he spoke about manufacturing, agriculture ... I don’t need to list them. The President has also done the same. I think we shouldn’t be opposition for the sake of opposition. We should be opposition that builds because we are loyal to South Africa.

Maybe I must ask. Beneath the overalls, what are we wearing because I am wearing Ara Emporium from 27 Boxes, in Melville, Johannesburg. It is made by a young black woman.

Wena Mathevula, tshama kahle ehansi u miyela, u yingisela. Ku va u tekela ehansi mabindzu lamatsongo a swi vuli leswaku a ya na nkoka. Loko a wu langutile u tlhela yingiserile, a wu ta swi twisisa leswaku mabindzu lamatsongo hi wona ya pfunetaka eka ikhonomi ya hina. Hambi ku ri eGermany laha u vulavulaka hi kona, BMW, Audi na Mercedes Benz a va kurisiwi hi ikhonomi ya Germany kambe va langutisisa eka mabindzu ya misava hinkwayo. Ikhonomi ya le ndzeni ka tiko yi kurisiwa hi mabindzu lamatsongo ni ya le xikarhi. Hikwalaho ke, hi fanele hi dyondza ku yingiselana. (*Translation of Xitsonga paragraph follows.)*

[Mathevula, just sit down, keep quiet and listen. The fact that you undermine small businesses doesn't mean that they are not important. Had you looked and listened, you would understand that small businesses are the ones helping our economy. Even in Germany, to which you are making reference, BMW, Audi and Mercedes Benz are not advanced by the German economy - they look at international businesses. The economic growth of a country relies on small and medium businesses. Thus, we must learn to listen to one another.]

[Interjections.] Hon Mfayela, we are not talking about plans; we have articulated to you the exact measures we are doing to implement the plans. We have spoken about eight incubators across the provinces, the TVET colleges having the rapid incubators and digital hubs. Maybe we didn't give you details on the digital hubs.

Already, the Department of Education and Vodacom have worked on 72 youth centres and those are the ones that we are expanding on. We are not talking about starting anew; we are renewing those that were there. They are in all your provinces, hon members. There is one in Makhado, Alexandra ... I won't list them as they will take my time. I need to deal with your ... [Interjections.]

Hon Cloete, you said private sector is staying away. You should have listened to the complete speech because we also said the private sector is coming to the party. It has offered to partner with us on the blended financing model and to engage us and we signed agreements on the small, medium and micro enterprises, SMMEs, supplying the value chains of their businesses. So, they are not staying away anymore. They are responding to the thuma mina and khawuleza message of our President. [Applause.]

Hon Boshoff, let me come back to you. You said to us SMMEs must be exempted from broad-based black economic empowerment, BBBEE. Those exemptions are there. We committed in the Budget Speech that we are going to assist them to ensure that they access them easily because we have spoken about one-stop shop of supporting SMMEs to say ... and we said we are not the co-ordinator of small businesses for government; we are the co-ordinator of small businesses for South Africa.

Our part is to ensure that wherever a small business exists, it must be supported whether in the private sector or government, they will find it from us. It is actually Minister, ma’am. [Time expired.] [Applause.] [Interjections.]

The HOUSE CHAIRPERSON (Ms w Ngwenya): Order members. Hon members, hon member Koni, listen, the time you spoke here, I was sitting there. All of us were listening to you because what we are doing here is serious to us. I am asking you, hon members, can we behave like hon members? At home our children and our parents are listening to us. [Interjections.] Hon Koni ... [Interjections.] ... Order comrades! Order! Hon members, we are all from home and ... [Interjections.] ... the whole country is looking at us and watching us. Can we behave as hon members? [Interjections.]

I think you have heard what I am saying even if you make noise.

The MINISTER OF TRADE AND INDUSTRY: House Chair, may I acknowledge the presence and excellent work of directors-general, October and Tom and their teams which have helped to put all of the hard work that we have publicised together.

There is much to welcome in the debate that took place today. Hon Rayi’s comment about the role of competition policy cuts to exactly what we need.

Hon Mmoiemang’s call for a social compact echoes what this government is about. Hon Dangor reminded us that the change in the global political economy and its implications for South Africa must inform our policy right now. But of course, those are ANC members of the NCOP but it is also for opposition members, today, that I think ... I want to express my appreciation; appreciation to hon Mfayela, who reminds us of the interplay between infrastructure and growth; something that this government has embraced.

Hon Cloete, recognising the enabling environment that government needs to create is something that is been echoed in so much of what we are doing.

Hon Koni, I wish to thank you for supporting the policies of government on SEZs with tax benefits; for supporting government’s calls for greater localisation by state-owned companies and for supporting government’s call for more competitive energy prices. [Applause.] That’s really great.

I would also like to thank hon Brauteseth for the support for the African Continental Free Trade Area and women’s empowerment, and also crucially, land reform that helps to unlock economic assets.

When I listened to him, I thought, my word! That's the 54th national conference resolution that is coming out there. I think that's great.

Hon Boshoff's focus on action; she has picked up on the theme that the President has made – the major theme of his administration – implement – khawuleza [hurry up.].

And so, I say, the day after Sona ... so, the President in the state of the nation address said this is what we will do. The day thereafter, we signed an agreement involving R27 billion worth of purchasing by Chinese companies from South African companies. [Applause.]

Seventeen days after Sona, the President got together with heads of state across the African continent to give effect to Kwame Nkrumah's dream of a united Africa when, in fact, that summit endorsed that an African Continental Free Trade Area will be put in place.

Let's just look at the last week, Ford Motor Company said 12 000 new jobs will be created out of R3 billion investment in expanding their plant. A day later, BFG Africa Rail composite said they were going to put R50 million in a plant in Germiston so that they can expand capacity. Tomorrow, Aberdare Cables, in Nelson Mandela Bay will be opening up a new high-voltage power cable plant that will receive an additional investment of R135 million. That's action, that's not talk, that’s doing, that’s not saying, that says let’s get the country working, lets get moving on these things.

I do think that there are some areas in the debate that we should not overstate the differences amongst us but identify what is common as South Africans and work across the different political parties in building this great nation. I listened, for example, to what hon Boshoff said about the importance of provincial growth. I am very proud every time there is growth in the Western Cape. Every job that is created in Cape Town is a job for South Africans in South Africa and should be celebrated, like we celebrate the fact that in the year 2015, North West was the fastest growing province in South Africa. In 2016, Gauteng was the fastest growing province in South Africa. In 2017, Limpopo was the fastest growing province in South Africa. We only have provincial data until 2017.

In the last 10 years, Gauteng, for the decade 2007 to 2017 was the fastest growing. But let’s celebrate every bit of growth, every job that’s created, whether in Western Cape, Limpopo, Free Sate, KwaZulu-Natal or Eastern Cape; this is one South Africa in which we must celebrate all of that. [Applause.]

I want to say one last thing and that is the work that my colleague, Minister Ntshavheni does is very important. What she does is in every programme that we do in different departments. As I conclude, she asks us a sharp question, How are you promoting small business?

How are you promoting township enterprises? And that helps to ensure that we don’t have only growth but it is inclusive growth.

So, thank you very much. We are really looking forward to working very closely with the NCOP and the members who are here today. Thank you very much. [Applause.]

Debate concluded.

The Council adjourned at 18:49.

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