

The DA will support economic reform in the face of hostile political factionalism

By Dean Macpherson MP – DA Shadow Minister of Trade and Industry & Economic Development

House Chairperson,

There is that old saying that you can't keep doing the same things and expect different results. However, that is exactly what our politics and economics have been doing for the last 10 years.

We find ourselves bound up in reverence for economies like Zimbabwe and Venezuela as our true north to economic liberation from the shackles of western imperialism. Our politics has morphed into a vehicle to achieve these ideals, where battles over state led growth, nationalisation of the Reserve Bank and nationalisation of land without compensation, are becoming the latest quick fixes to settle internal factional battles.

Our quest to achieve economic freedom has become nothing other than a proxy battle to regain access to state sponsored patronage for those who lost out after being removed from former political parties and those that were defeated at conferences. This setup causes very real and human consequences, almost always paid for by South Africa's most vulnerable people.

They are the face of the 10 million unemployed country men and women of whom more than 50% are young people.

They are the people who are locked out of broad-based employment opportunities because they don't have the right political connections, they are the people who lose their jobs due to load shedding, red tape, continued tax increases, crumbling and archaic infrastructure and unions who only protect the employed.

These are the very people that the government mocks when they refer to them as 'our people', as if they have ever had their interests at heart.

House Chair, this is the human tragedy that we must fix as Members of Parliament if we are to obey our oath we took before the Nation.

That's why during last week's first meeting of the portfolio committee, I was incredibly encouraged to hear Minister Patel talking about what needs to be done to get our economy growing and creating jobs.

The Minister gave a commitment to truly come up with a package of solutions for the Sugar Industry, which the majority of the committee abandoned at the end of the 5th Parliament by outsourcing its responsibility to the previous Minister because 'they had no time'.

The Minister spoke fondly about seeing evidence-based policy and legislation being developed that supports the goals of job creation, which, would signal a big shift from the hocus-pocus fairytale stuff that spews forth from Luthuli House, wrapped up as conference resolutions.

The Minister spoke with great passion about partnering with the private sector to see investment in our economy, underpinned by a capable state that was able to spend infrastructure grants and create an environment that was conducive for private sector development to expand on the nearly 8 out of 10 jobs being created by it.

The Minister spoke with determination when he said that BBBEE had failed South Africa, and required a rethink if we are to see truly broad-based empowerment over the narrow ownership and control model being guarded at all costs.

In truth, House Chairperson, this is exactly what we were hoping to hear from the Minister - but not what his colleagues who sit next to and behind him were wanting to hear, because it is these three issues that define and entrench the patronage networks that so many have worked so long to build and benefit from.

Minister, you have a friend in the Democratic Alliance (DA) should you meaningfully wish to drive these reforms.

We will back you when your colleagues will not.

We will propose alternatives when they will install roadblocks.

We will support you when they vote you down because you know as well as I do, they can't stomach the thought of putting the 10 million unemployed South Africans before themselves.

Minister, if you truly want to embark on this journey, the DA proposes the following:

- Table a Manufacturing Bill that cuts corporation tax to 15% on the condition that a percentage of turnover is invested in improving factor floor efficiency to drive down costs that creates jobs;
- Amend the 1976 Sugar Act to allow farmers to diversify their farms in bio-ethanol as well as becoming power producers;
- Finalise the 10-year overdue Gambling Bill to regulate the multi-billion Rand online gaming sector, which we don't receive a single tax cent for; and,
- Table a comprehensive Credit Amendment Bill which protects low income South Africans from illegal credit, drives down the costs of credit, as well as open the unbanked market to new players, to build up a culture of repayment and a credit score.

However, the biggest reform we need to see is to scrap BBBEE and put an end to the rent seeking, cost inflation and patronage network this system has become.

We must develop a new model of empowerment that creates a shared future that all South Africans can be a part of, one that recognises real disadvantage, talent and opportunity and this is exactly what the DA is doing with passion and purpose.

I believe that the time is now, and we dare not miss this chance.

Honourable Members, it is time to stand with those that have given up and given in, and those that have been marginalised and discarded because of bad economic policies and politics. Because if we give in to those that want to maintain the status quo, we will have failed in our mission to build a better, more inclusive and more prosperous future.