

## **Rescuing and reforming economy our primary focus – Mmusi Maimane- Politics Web 18 August 2019**

DA FedEx says Mkhwebane unfit to hold office, but Office of PP must be respected regardless  
**Rescuing and reforming SA's economy is our primary focus**

*16 August 2019*

Over the past two days, the Democratic Alliance's Federal Executive (FedEx) convened for its first sitting of the 6<sup>th</sup> Parliament, to discuss and decide upon matters of importance to the party and the nation.

*SA's Economic Crisis*

On top of FedEx's agenda this weekend was South Africa's deep and persistent economic crisis and how we plan to rescue and reform the economy. The perilous state of the economy is the single biggest threat to our country's future. It is with great concern that over the past months the conversation has moved from how to grow the economy, to how we avoid total collapse.

There exists a tangible mood of fear throughout the country, with the vast majority of South Africans lacking hope in the future. Discontentment with the current downward spiral is fast producing fertile soil for mass rebellion. The reality is that change will come, whether by the ballot or other means. We have no more time to kick the can down the road. We need immediate action.

Despite this, there lacks both the requisite urgency and a bold reform plan from Cyril Ramaphosa and his ANC government. For the past 18 months Ramaphosa has occupied the presidency it has been business as usual, with an added dose of economic gimmicks in the form of summits, talk shops, roadshows.

Unemployment is at a post 1994 record high, breaching the sobering 10-million mark for the first time. 10.2 million South Africans are without a job, with an expanded unemployment rate of 38%. There are now 746 000 *more* jobless South Africans than there were 18 months ago when Ramaphosa assumed office. This is a clear vote of no confidence in Ramaphosa's much heralded yet ineffective "Jobs Summit" held earlier this year.

In terms of growth, the South African Reserve Bank (SARB) has forecast growth for 2019 at a meagre 0.6% - the worst since 2016. Last year, South Africa experienced its first recession in over a decade – with two consecutive quarters of negative growth. We also saw the economy contracting by 3.2% during the first months of this year – the biggest decline in a decade. It appears we may just narrowly avoid another recession in 2019.

As things stand, we are the closest we have been to complete, all round junk status since 1994. In July this year, ratings agency Fitch changed their outlook for SA to junk status. Moody's, the only agency that has SA above junk status, also expressed its concerns especially given the lack of change or plan to reform SOEs - specifically Eskom. Once we hit complete junk status, we are staring down the barrel of an International Monetary Fund (IMF) bailout.

Investment is plummeting at an alarming rate. The President's investment summit has yielded little positive impact as foreign investors have sold a record-high \$4.8bn of South African equities and bonds in 2019 -the most on a year-to-date basis in over 20 years. Both at home and abroad, investors see South Africa as a risk not worth taking.

There is no sign of any "green shoots" in the economy, and instead of halting the decline, it appears Cyril Ramaphosa is exacerbating it. His open support for economically damaging policies such as Expropriation Without Compensation, the National Minimum Wage, the National Health Insurance, and the Eskom monopoly – among many others – is proof that when it comes to the test, Cyril Ramaphosa is loyal to the ANC above all else.

*The DA's Economic Recovery Plan*

In order to avoid economic collapse and bring about rapid growth, a clear and concrete plan for urgent reform is required. The DA is currently in the process of expanding our “Economic Recovery Plan” – a comprehensive package of reform interventions that are unashamedly pro-growth, pro-investment, and pro-job creation.

The focus of this “Economic Recovery Plan” is on deliberate structural reform that will act as shock to our economy, in order to revive it and usher in rapid economic growth. The plan will include the following proposals, among others:

1. Splitting Eskom into two separate entities while allowing IPPs to come on board by passing the Independent Electricity Management (IEMA) Bill;
2. Passing our “Jobs Bill”, consisting of a wide range of incentives for foreign companies to invest in SA - bringing thousands of job opportunities to our shores.
3. Implementing a government-wide Comprehensive Spending Review aimed at reviewing the efficiency of spending, the composition of spending, and future spending priorities in order to “tighten our belts”;
4. Placing SAA under business rescue with a view to sell it off;
5. Scrapping BEE and replacing it with a pro-growth plan that offers real broad-based inclusion in our economy;
6. Beginning the rollout of a Voluntary Civil Service Year for young people;
7. Introducing tax incentives for big job-creating sectors including manufacturing, tourism, mining and financial services;
8. Rejecting investment-killing policies including the National Health Insurance (NHI), Expropriation Without Compensation (EWC), the National Minimum Wage (NMW) and the nationalisation of the South African Reserve Bank (SARB);
9. Cutting the Public Sector Wage Bill; and
10. Creating an enabling environment for job creation by freeing up micro enterprise and relaxing labour legislation.

In addition, provinces in which persistent drought continues to affect the agricultural sector must declare such as a provincial disaster. One such province in the Northern Cape, where over 60 000 jobs are on the line due to 5-year long drought.

This plan and the details thereof will be tabled early next month during Parliament’s urgent debate of national importance on the economy, which I requested in light of our current economic crisis.

In order to halt our economy’s spiralling decline and create opportunities for those left outside the economy, we need bold and urgent reform. This is the DA’s plan, and we intend to pursue it with intensity.

#### *The President and the Public Protector*

FedEx reaffirmed the party’s stance that Public Protector, Busisiwe Mkhwebane is unfit to hold office and Parliament must initiate an inquiry into her fitness without delay – as requested by the DA.

The DA was the only party that objected to Mkhwebane’s appointment almost two years ago, citing the very concerns which have now manifested themselves in the daily operation of her office.

The Office of the Public Protector is a crucial Chapter 9 Institution tasked with fostering accountable democracy. Under Mkhwebane’s tenure, it has been reduced to an arm of a certain faction within the ANC. Mkhwebane lacks both the impartiality and technical ability required to justify her continued occupation of the role of Public Protector, and there is little evidence to suggest otherwise. She must be removed at once.

Notwithstanding, it must be made absolutely clear that questions around Mkhwebane’s impartiality and ability have *nothing* to do with President Cyril Ramaphosa’s wrongdoings as

it pertains to Bosasa. Mkhwebane's unfitness to hold office has no bearing on whether the relationship between Bosasa and the President is corrupt, nor whether he misled Parliament. Ramaphosa's misleading of Parliament, and his and his son's dodgy dealings with Bosasa, are all established facts independent of the Public Protector and her supposed agenda. We will continue to monitor President Ramaphosa's review application as it pertains to the Public Protector's report into his Bosasa dealings.

We will not relent in our pursuit of accountability because the principle of equality before the law must be upheld, and the Office of the Public Protector must be respected regardless of whether the incumbent is fit to hold office.

This coming Thursday, 22 August, I engage Cyril Ramaphosa in Parliament on this matter during the scheduled Oral Question Session. Presidents and their families who abuse their power for personal benefit must be treated as equal before the law and held accountable for their actions. Cyril Ramaphosa is no exception.

#### *National Health Insurance (NHI)*

FedEx noted Health Minister Zweli Mkhize's tabling of the National Health Insurance (NHI) Bill in Parliament last week.

The South African healthcare system is an unequal one, with a minority of South Africans paying for quality, private healthcare, and the majority of South Africans with access to free, but overwhelmingly substandard healthcare.

The DA supports the move towards the provision of universal healthcare. This is non-negotiable in our unequal society. However, we disagree that the NHI is the way to achieve this. The NHI is a deliberate attempt to nationalise healthcare in South Africa, and it is based on this core aspect that we reject the bill.

Moreover, it is both naïve and irresponsible to have an academic debate about the merits of the NHI in the abstract. The debate must consider both this ANC government's dire governance deficiencies and its tendency to loot public money at every juncture. As with the approach to both property rights and land, and the SARB, this is a push for more state control and thus more inefficiency and corruption.

We also have serious concerns as to the legality and constitutionality of the NHI bill, particularly around its impact on the constitutional mandate and power of provinces as it pertains to health services. We have urgently requested that on behalf of Parliament, Speaker Thandi Modise, instructs the Parliamentary Legal Services to obtain a legal opinion on the bill. On Thursday, the Committee folded to our demands and there will be extensive legal scrutiny of the bill. Our alternative plan, *Sizani*, is a hybrid model, seek to achieve the following:

1. It will be funded through the current budget envelop which includes the tax benefit currently afforded to medical aid clients;
2. It would strengthen the role of primary healthcare in many communities;
3. It would invest heavily in the provision of maternal and child health services, and the training and provision of healthcare professionals;
4. It would reinforce the powers of provinces by ensuring they are adequately funded and equipped to provide quality healthcare to all;
5. Through these interventions, all South Africans would have access to a quality health system that provides them with a standard package of care across all facilities;
6. Medical aid companies would be used as a top up measure for those South Africans who choose to use them and who can afford to do so;
7. Ultimately this system would increase competition, drive up quality, and afford every South African the choice of which medical provider they wish to use.

The DA has a workable alternative that will ensure all South Africans are provided with quality healthcare, without crippling the economy.

### *Road to 2021*

South Africa has entered the space where we go from election to election, with little time to rest in between. This is illustrated by the fact that following the 2019 National and Provincial Elections, we have contested 24 by-elections, with success in the vast majority, and the need for reflection in others. There is another tranche of by-elections between now and the end of the year, most notably, all 15 wards in Maluti-a-Phofung municipality in the Free State. Between the 2016 Local Government Elections and the 2019 National and Provincial Elections, the DA showed growth in every ward in Maluti-a-Phofung, which bodes well for the upcoming by-elections on 28 August 2019.

Our public representatives are currently engaged in a focused ground campaign where they are winning back the confidence of voters we lost in 2019, while constantly engaging those who voted for us. We are strengthening our branches and we are recruiting new members every day. The work has begun on the ground as we build momentum towards the 2021 Local Government Elections.

In the build up to 2021, we are concerned by the capacity and impartiality of the Independent Electoral Commission (IEC). To date we have not received an update or correspondence regarding two key investigations into ANC conduct. One of the complaints dates back to the 2016 election, where the ANC ran a black-ops social media campaign. The other case relates to the Bosasa-sponsored ANC election "war room." These matters cannot be allowed to gather dust, especially when they impact on South Africa's democratic processes and we implore the IEC to act in this regard.

Moreover, the voters' roll is of great concern. It is vital that the voters' roll has the most accurate and up to date geographical information of voters in order to ensure the credibility of the election.

At the end of the last Federal Council, it was announced that James Selfe will step down as the head of both the Federal Executive and Federal Council in order to head up our Governance Unit. This unit will act as the Party's direct line with our governments at an executive level. James has hit the ground running, and we will work to fully capacitate the office, to ensure that we have real-time information from DA-led governments so that we truly deliver on our commitment to job creation, clean governance, and the acceleration of basic service delivery.

### *Mayor Herman Mashaba*

The Democratic Alliance is fully behind Mayor Herman Mashaba in the frivolous Motion of No Confidence (MONC) tabled by the ANC in the Johannesburg City Council. Throughout his term, Mayor Mashaba has prioritised service delivery to forgotten communities, rooted out corruption, created jobs and attracted investment, and channelled millions of freed up funds into building a city that works for all.

The Motion of No Confidence tabled against Mayor Mashaba must be seen for what it is – an attempt by the ANC criminal syndicate to get their hands on the people's money and reverse the gains made by Mashaba's multi-party government.

Mayor Mashaba is a strong and capable leader who has the best interests of Johannesburg at heart. We call upon all Johannesburg residents to rally around Herman Mashaba on 22 August. The message to the ANC crooks is clear: 'Hands off Mashaba!'. We do not say this for the sake of staying in government, we say so because we have made significant changes to better the lives of residents across the country's economic capital.

In the time that the DA and Mayor Mashaba have led the multi-party government, the following key interventions have been made:

- 44 000 Expanded Public Works Programme (EPWP) job opportunities have been created;
- Extended operating hours have been introduced at 22 clinics;

- 1,500 Metro Police Officers have been recruited to ensure the safety of residents and to maintain order. Furthermore, regular updates are given on the state of crime and the interventions made in the City;
  - Over 5,000 cases of corruption worth more than R34 billion in transactions have been uncovered;
  - Just this week it was announced by the Household Satisfaction Survey that customer satisfaction with the city's services has risen by 12 points to 73 in 2019 from 61;
  - For 2018/19 the City of Johannesburg attracted over R17-billion in investment.
- We have full confidence that we will have the support of our coalition partners to successfully defeat this motion so that Mayor Mashaba can return his focus to delivering services to the people of Johannesburg.

#### *DA Governments*

Premier Winde's Western Cape provincial government has been hard at work during its first 100 days in office. With its focus on job creation and economic growth, we welcome the establishment of an "Economic War Room". The Western Cape continues to lead in job creation, with the province boasting an unemployment rate that is 14% below the national rate. Other achievements include:

- Advertising the tender for the conducting of lifestyle audits on the entire Western Cape cabinet;
- Introducing the Open Government First Thursday - an ability for citizens to engage directly with politicians and officials;
- Starting the process of revising the Ministerial Handbook for a second time. The first review conducted ten years ago has already saved the province in excess of R100 million;
- Conducting a "speed dating" event with mayors and municipals managers across the province, hosted the Premier's Coordinating Forum (PCF). The purpose is for these individuals to learn from each other and share best practice;
- Engaging with key stakeholders in the agricultural sector, business organisations and religious leaders.

FedEx considered the current situation in Tshwane and resolved to intensify our daily engagement with the political leadership. We have been given assurance that Mayor Mokgalapa will apply consequence management to employees of the city who caused damage during the recent unprotected strike.

Lastly, we continue our call for Mongameli Bobani to be removed as mayor of Nelson Mandela Bay as he is wholly unfit to hold the position. The DA has submitted a Motion of No Confidence in Bobani, which will be debated and voted upon in the coming weeks.

*Issued by Mmusi Maimane, Leader of the Democratic Alliance, 16 August 2019*