# THURSDAY, 27 FEBRUARY 2020

***PROCEEDINGS OF THE OLD ASSEMBLY CHAMBERS***

The House met at 14:36

House Chairperson Mr C T Frolick took the Chair and requested members to observe a moment of silence for prayer or meditation.

Mr V ZUNGULA: Greetings to all of the members today. The economy in the African countries is predominantly informal due to the colonisation as well as oppression our African countries were subjected to.

The informal economy became a safe space for the locals to trade, make a living and grow their trade to formal businesses. The success story in leading African countries is the protection of the micro economy for the locals because this is a space where the locals strive and encourages mass participation of people in the economy in order to compliment their own Gross domestic product, GDP growth.

In our country, there’s a daring neglect of the township, rural as well the inner city economy. The micro economy is worth over

R400 billion. It is worrying that a huge chunk of this amount is not in the hands of South Africans. The informal economy contributes approximately 30% to the South African GDP. However, this contribution is artificial as a sector is highly dominated by non South Africans because businesses in the informal economy are not taxed and migrants do not pay any form of trade levies and it is a cash economy meaning, huge amounts of money leaving the country cannot be properly accounted for.

South Africa needs to secure the informal economy for its citizens to create a mass based economy to diversify the sources of employment and job creation.

According to the Ghana Investment Promotions Centre Act 865 of 2013, it reads as follows:

“A person who is not a citizen or an enterprise which is wholly owned by citizens shall not invest or participate in the sale of goods and provision of services in a market, petty trading, hawking or selling of goods in any place”.

The Ethiopia Tikdem, meaning first economic reforms of 1974 meant the interests of the locals prevailed over the interests of the non citizens, even to this day, banks and insurance and micro businesses are reserved for locals in Ethiopia.

Rwanda is another African country with a similar stunt on this sector of the economy. It is for this reason; these countries have the best performing economies in Africa. Ethiopia’s economic group by 7.7%, Rwanda was 8.7% and Ghana 8,87 in 2019. This growth can be attributed to locals participating in their economy and money circulating amongst the locals and getting reinvested instead of leaving the economy.

South Africa needs to catch up with the rest of Africa and develop a legislation that protects the micro economy for its citizens. We must put South Africans first. There can never be peace; justice and prosperity if locals are spectators in their own economy and migrants dominate the economy captivities

It should bother us as leaders who are elected to represent the poor majority of South African citizens, to have so many towns where more than 90% of businesses are not owned by the locals.

Ntabankulu, Mamusa and inner city Johannesburg, Nkomazi, Cofimvaba and a lot more towns have got this feature. With more than

10.4 million citizens unemployed, and 55% of the people living in poverty, economic reforms in favour of the citizens are a necessity.

South Africans who participate in the micro economy trade to make a living thus protecting micro economic space for the locals will reduce unemployment and poverty.

We need to restore people’s dignity and confidence by securing the micro economic space for them so that grants and handouts by the state are only reserved for the old, frail and weak.

The rand circulation among South Africans must increase ten times and our local businesses must be enabled to retain their profits here at home. The beauty of the informal economy is the mass participation of people, thus there’ll be a redistribution of income which will result in the reduction crime and increase avenues for fiscal collection.

We need to create space for more people like Njabulo Mbokane from Ermelo in Mpumalanga who started off selling fish and chips at a local filling station but now owns farms and creates employment for

the locals. In the long term, locals who start by being economically active in small to medium activities will eventually become industrialists.

This is how Rwanda changed its fortunes and is the most innovated country in Africa. The South African economy must be structured in a way that is favourable to the locals. This is a practice all over Africa.

As the ATM we are proposing a patriotic approach to the economy where South Africans come first in the micro and macro economy. South Africans must unapologetically dominate and be preferred in the micro economy of their own country. It is only fair. Thank you.

Ms P T MANTASHE: Honourable Chairperson and hon members, good afternoon. If the ATM was a real automated teller machine*,* ATM, we would all be rich because we would be withdrawing money from them [Laughter.] The ANC is an internationalist organisation conscious of its domestic obligations and international responsibility. Our primary focus is the wellbeing of the people of South Africa and all those who are found within our borders. Our internationalist posture obliges us to play a role in international affairs to ensure peace and friendship as the Freedom Charter outlines. We are advancing a

national democratic revolution, which seeks to create a nonracist, nonsexist, prosperous and united society. This includes the creation of a strong, dynamic and balanced economy, directed towards the elimination of poverty, and extreme inequality.

We are committed to the creation of an inclusive economic growth, the empowerment of the historically disadvantaged people; create employment as well as development and integration of the African continent. The motion for this debate talks of ring-fencing of the micro economy for exclusive use of South Africans. This is an antithesis of what we stand for as the ANC. This motion will not find expression or practicality anywhere in the world. Micro economy is interlinked and interdependent on the macro economy and vice versa.

We have heard argument like these which borders on xenophobia being advanced by some narrow nationalists. Some went to an extent of suggesting that nations should build walls between neighbours. I think we have our own Trump amongst ourselves. These arguments are dangerous and must be rejected by all good thinking people the world over. Many times, especially by some people in our country, when they talk of foreign nationals, they are in essence referring to our African compatriots. This is wrong. Our country has foreign

nationals from all over the world, doing business, working studying, etc. We must condemn this notion of afrophobia.

South Africa is a member of the international community of nations. We are part of the interconnected and interdependent global economy. Within our country, we have employees and businesses from all over the world that contribute to our economic growth. In the same vein, South African businesses are also in other parts of the world doing business and adding to our current account.

The inclusive thrust of the South African Constitution, its philosophy and spirit inform our approach to the country’s legal framework and how we develop government policies. Our approach is again informed by the balance of evidence. Evidence of what works, how, when and for whom. We are constructing a nation in an inclusive manner, not ring-fencing issues but appreciating the interconnectedness of things. We opt for a holistic approach as opposed to being sectarian, sectional or fractional for that matter. The interconnectedness and interdependence of our economy is further illustrated in trade statistics which shows that in 2019, 27% of South Africa’s world exports and 12% of world imports were intra- Africa.

South Africa's intra-Africa exports and imports amounted to 24 billion US Dollars and 10.2 billion US Dollars respectively. Apart from Nigeria, South Africa’s main African trading partners are the fellow members of Southern African Development Community, SADC. These statistics prove that a South African economy that is premised on the notion of exclusivity is unreal and unsustainable. Since 1994, our country has rejoined the international intergovernmental organisations such as the SADC, the African Union, AU, the United Nations, UN, as well as international trade organisations such as the World Trade Organisation, WTO.

Adding to this principle, the ANC Ready to Govern document of 1992 further emphasises that South Africa is part and parcel of the African continent in general and Southern Africa in particular. As such, the ANC will continue to work for the aims and objectives of the Organisation of African Unity, now the Southern African Development Co-ordination Conference, now SADC and the Preferential Trade Area for Southern and Eastern Africa in achieving the economic integration of the continent.

It goes on to say, a democratic South Africa will actively promote the objectives of democracy, peace, stability, development, together with mutually beneficial relations among the people of Africa as a

whole, as well as a Pan African solidarity. Our foreign policy objectives enjoin us to commit to a better Africa and a better world. This objective is premised on the understanding that on its own, our economy cannot grow. Economies of the world are characterised by movements of people and goods across frontiers.

Our political economy, like all economies in the world over, bears imprints of many years of movement of goods and people. The history of our country records the movement of people from the African continent, and from afar places in the East, who came to our country to provide labour, in the main cheap labour.

Therefore, our country has been home to foreign nationals for many centuries, which came to our shores either as labourers or business people and they have contributed to the growth of our economy and they will continue to do so. The motion for this debate falls short in appreciating this reality. As we stated earlier, these challenges which faces our people are in the main are unemployment, inequality and poverty. The President has acknowledged in the state of the nation address that unemployment has reached a crisis level and we must act decisively to ensure employment and job opportunities for our people, especially young people. The reality of poverty of our people, for which unemployment is big contributor, is central to all

our policies and interventions as the ANC. But we cannot resort to suggesting exclusionary measures to deal with a structural problem. We have to be responsible when we deal with these challenges.

However, there are issues which are of concern for us as the ANC. These include ensuring enforcement and compliance with our labour laws, especially as it relates to foreign workforce. Section 8 of the Employment Service Act outlines conditions for employment of foreign workforce. Among the provision is the instance of employment of foreign workforce for scarce skills which the country does not have. We call on the Department of Labour to enforce these provisions through labour inspectors, but we also urge the private sector in the retail, construction, farming and hospitality sectors to comply with our legislations. Private business people exploit our people who are foreigners and as such employing them as cheap labour, undermining their rights as employees. This is done to of course maximise profit for some of these private businesses. Foreign workers must exercise their labour rights and not allow employers to exploit them.

We are also sharing the concerns of our citizens regarding securing our borders to ensure that movement of people is regulated and that all foreign guests doing business, working or studying in South

Africa must be documented. Documentation of immigrants is not a deterrent; rather it is a way of ensuring proper planning for service delivery to all our people within our borders. We have made commitments as well in our Manifesto that we will help grow small enterprises, cooperatives and the township and village economy. The Minister of Small Business Development has initiated processes to streamline and coordinate the work of Small Enterprise Development Agency, Seda and Small Enterprise Finance Agency, Sefa to ensure that small enterprises that are supported by them get funding from SEFA. Comrade April will elaborate on this issue.

The complex nature posed by the high level of unemployment requires a comprehensive approach. Our young people must take advantage of the opportunities of the fee free higher education and get the skills which are needed in our economy, especially technical skills from our TVET colleges. Young people are encouraged and should be supported in their entrepreneurial endeavours. The expansion of incubation centres across the country is a move which should be supported as it will offer small enterprises support.

Coming back to the issue of our unwavering commitment to the African agenda, this year South Africa has assumed the Chairpersonship of the AU and we continue with our nonpermanent member of the United

Nations Security Council. The people of the world continue to have confidence in the capacity of South Africa to lead in international forums. The opportunity of chairing the AU comes at the hill of the people of Africa having signed the Africa Continental Free Trade Area in their majority. The free trade agreement will ensure the integration of African economies where in trade will further be entrenched. It will open South African businesses to a market of over one billion people. The socioeconomic integration of Africa must happen within an environment of legality. The movement of people and goods must be regulated. Travellers must have valid documents to move from one country to another, as outlined in the AU Protocol on Free Movement of People adopted by African countries in Kigali, in 2016.

As South Africans, we must take advantage of this initiative of the integration of our continent. We must promote people to people relations among African people and extend a friendly hand to the rest of the world. We are reiterating that as a nation, we must not resort to populist and narrow nationalist views when we deal with a complex problem which requires objectivity and appreciation of balance.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, your time has expired.

*IsiXhosa*:

Nksz P T MANTASHE: Xa ndivala Sihlalo ndifuna ukuthi, xa umnyama unetyala. Bangaphi oondlebe zikhany’ilanga abavela ku mazwe ase- Europe? Babuzwa ngubani bona? Enkosi.

Mr D W MACPHERSON: Hon Chairperson, I would like to acknowledge in the gallery the former DA Member of Parliament, Toby Chance. It’s nice to see you, Toby. [Applause.] This House has debated some of the most complex issues facing our country over the last 25 years. Generally speaking, these debates have sought to bring South Africans together around a shared and common vision of prosperity for all. However, what we have here today is an attempt to pit people against one another based on where they come from. It is ironic that the ATM wants to ring-fence a section of the economy to exclude Africans from the continent. It is one of the most vile attempts to sow xenophobic divisions amongst people of South Africa in a postdemocratic country.

But maybe that is exactly the motive of hon Zungula and his ATM party which was established under dubious circumstances - to begin a

lighting rod to pit factions within the ANC against one another. And we know that when Ace Magashule says, “jump”, hon Zungula says, “how high.” Could it be that the subject for this debate comes from Luthuli House but from the ATM Gmail account in the secretary- general’s office? I encourage all parties in this Parliament to reject outright this crass attempt to determine who should and should not be allowed to participate in our economy. The truth is that millions of people that have... [Interjections.]

Ms L S MAKHUBELA-MASHELE: House Chair, I am rising on a point of order. The hon member brings a person who is not a member of this House and cannot defend himself against the accusations that he is making. This says that the secretary-general is the one who is behind the ATM. The secretary-general, SG, is not a member of this House. He is casting aspersions. That’s a point of order and he must withdraw. [Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Order hon members! Calm down! Continue, hon member.

Mr D W MACPHERSON: Thank you! It was hitting close to home. The truth is that millions of people that have fled their homes across Africa to seek refuge in South Africa have done so under the most

extreme circumstances. From war, to genocide and famine, which you hon Zungula, have no ability to comprehend from the comfort of your air-conditioned office. These guests in South Africa should be afforded all the protection under international law that they deserve. Some in this House seem to have short memories. It was after all these fellow African countries that provided refuge and a safe haven for many ANC freedom fighters seeking safety from the apartheid government of the time.

House Chairperson, the fact is that if people are legally in South Africa, no matter their nationality, then they may have a right to trade and live freely in this country and we should make them feel welcome at all times. We will never allow this country to become like the apartheid government which ring-fenced sectors of the economy for certain people because South Africa is country for all who live in it, and not a country for some based on the language they speak.

However, we should not be blind to why some members in this House would wish to exploit the very real fear amongst South Africans that foreigners are taking their jobs or excluding them from the economy. That is why we need to have a hard look at how Mr Zungula's friends in the government have failed to improve the lives of 30 million

South Africans who earn less than R991 per month and the 10 million South Africans who are unemployed. We need Parliament to take seriously this crisis and to fight back against the enemies of growth and their patronage systems that lock out poor South Africans from the economy, 99,8% whom are black, instead of doubling down on enrichment schemes that seek to empower the same people who have the political and financial capital to leverage themselves at the expense of these 30 million people.

There is simply no justification to not be targeting people for empowerment on the basis of income. We do so with the National Student Financial Aid Scheme, Nsfas, housing allocations, pensions and grants, all which have financial means tests to determine who really needs them yet the broad-based black economic empowerment, BBBEE, remains an outlier and an anomaly. The question you have to ask yourself is, why. And we know why because it keeps those so close to the ANC very wealthy allowing them to even have their own reality programmes just to show those whose crumbling Reconstruction and Development Programme, RDP, houses they have built how actually very rich they are.

The microeconomy is something to be cherished and developed. It is born out of decades of struggle by people who were locked out of the

formal economy. But it is also a monument to the exclusion of millions of people because they don’t have the right political connections. It doesn't have to be this way.

In the DA-governed Western Cape, the Statistics SA, StatSA, again showed that it has the lowest unemployment rate in South Africa. Incredibly, eight out 10 people in the rural Western Cape have a job. We have a truly incredible statistics. We are working hard to provide more opportunities to citizens from the informal economy to the formal economy by connecting spaces, bringing markets closer to them and investing in infrastructure that supports economic development. It is not the case when you have a look at Free State where the Leader of the Opposition famously said it is where nothing is free and everything is in a state; where its first citizen was famously known as Mr 1O% and also had a particular love for Pierneef paintings.

The Western Cape should be the benchmark that all provinces are working towards and we take comfort in the President and the Finance Minister slowly but surely taking onboard the DA policies like the independent power producers, IPP, procurement and cutting the wage bill which will give more people more opportunities. [Interjections.] We have it in the country to be one that cares for

all no matter how light or dark your skin is, what your accent sounds like or what language you speak. But reserving sections of the economy for certain people is certainly not one way to do so. I thank you. [Applause.]

Mrs D B NGWENYA: Who are you to ask? Chairperson, fighters and commissars I greet you, the reality is that the ruling party has mismanaged the whole economy, and the micro economy which is the focus of today’s debate. It is a clear demonstration of incompetence, cowardice and indecisiveness.

In 2002, the Department of Trade and Industry developed some misguided, out of touch with reality guide to micro economic reform strategy, and promised a restructured adaptive economy characterised by growth, employment and equity by 2014 and 2014 has long come and passed, and we are now in more crisis than we were 17years ago.

Nevertheless, let’s take this opportunity and first explain what is the significance of micro economy in the context of South Africa, and then give you some advice on practical steps you can grow the economy, create employment, reduce unemployment and inequality.

Micro means small, it means we are talking about the economy that us, as individuals and small businesses participate in on a daily basis, make decision about what transport we use, where we buy bread

and maize, and the exchange of money at local level. In the context of South Africa, wherein majority of people, in particular black people, were excluded from participating in the economy, it was extremely misguided to replace subsidies and move straight to competition policy,

We cannot continue to bring from outside more live animals and animal products when we can farm locally. Our people are doing communal farming of cows, goats, sheep and live chickens on a daily basis but are not protected and do not have access to market. We bring from outside prepared foodstuffs, beverages and manufactured tobacco than we sell to the world, and these are consumed by our people on a daily basis. We import wooden products, we import plastic products, clothing, cement products, shoes, even scrap metals, things that we should easily produce locally.

We have also failed our people even at the most basic activities of the economy. Our people cannot get jobs in restaurants, they cannot get jobs in salons, in hospitality sector. There is a big micro economic around cellphones and electronic gadgets that break and are fixed all the time, but our people cannot participate in this economy because they don’t have the skill or cannot afford even the most basic tools.

To have a micro economy that will solve socio-economic problems, we need an inward industrial strategy that focuses on decentralisation. We need to produce goods that people consume and use on a daily basis closer to where they stay, and produce enough for export to other African countries.

We need to be decisive on how we reform the micro economy, and this is the most practical steps being done anywhere in the world.

We want to give you practical solutions, and in the absence of an active and patriotic private sector, we need leverage on the state.

Firstly, government must build government-owned and maintained malls, vegetable and fruits markets, and abattoirs in all communities where people can sell and buy their products. We cannot rely on Shoprite, Spar and Pick ‘n Pay for shelve space. Our people do not have places to sell their products. Secondly, we need to protect certain jobs for local people. In certain areas, we must emphasize that certain malls, restaurants, and for this government contracts only certain people will be employed. Thirdly, we need to be decisive and protect certain products. Let’s agree that if you want to sell clothing, paper, scrap metal, certain electronics,

certain services, only South African products should be sold in those shops.

Lastly, let’s agree ... Listen! Listen! ... let’s agree that all shopping malls must be instructed to have a certain percentage of shelve space reserved for South African products and must be sourced locally so that we don’t have trucks driving from Johannesburg to deliver cabbages in Thohoyandou, or trucks from KwaZulu-Natal to Mpumalanga in Ehlanzeni to deliver milk. But you cannot do all this if you still imagine new cities and economic activities in overpopulated cities like Johannesburg, eThekwini and Cape Town. We must do this in places where people have no shops or seeing manufacturing.

AN HON MEMBER: Can the member take a question?

The HOUSE CHAIRPERSON (Mr C T Frolick): The hon member has just left the podium hon member. Order hon members. You can have that discussion outside hon member.

Ms L L VAN DER MERWE: Chairperson, the reality is that South Africans are desperate, we are desperate because we have got one of the highest unemployment rates in the world. The constant refrain of

“a better life for all*”* has been reduced to a mere pipe dream replaced by over dependency on social grants and ever deepening levels of poverty and despair.

Hon Mantashe, you are quit right when you say that we have got to protect everyone within the side of our borders. But the real problem today is that your immigration system has collapsed. I am not the one who says so but it is the Auditor-General who says the ANC-led government has got no clue who is within the borders of South Africa and whether anybody who is here is legally or not.

That problem then causes people to enter our country claiming refugee status, when they are economic migrants. They are issued with a temporary permit. It takes our government sometimes 10years to ascertain whether that person is a legitimate refugee or not.

With that temporary permit, they able to work and live like South Africans therefore, creating a system which is unfair.

The following are examples that we have got, if you take an Uber here in Cape Town you will most likely be driven by a foreign national, at restaurants you most likely be served by a foreign national, at a beauty salon you will most likely be assisted by a foreign national, when you park your car the car guard would be a foreign national and when you buy from a tuck shop or even outside

the gates of Parliament, you are likely to be buying from a foreign national.

The problem is not with the foreign nationals but it is with the ANC-led government whose immigration system has collapse and therefore creating an unfair playing field between South Africans and foreign nationals. This is a situation that prevails in the trucking industry, security industry, construction and many other industries.

In fact, the Minister of Labour told Parliament just last year that some companies in the trucking industries are employing a 100% foreign national. I am led to believe that during a recent raid on factories in Gauteng, many were found to be employing foreign national only. This is not only unfair but it is also untenable.

Where South Africans used to run spaza shops in their communities they have had to close down as others moved in and undercut the markets that is the reality.

Chairperson, while our government has failed to protect the livelihoods of its people, other governments have stepped in to protect their citizens. In Ghana, which has been mentioned, its

government has announced the preservation of the informal traders’ market for their citizens only. In Angola, companies are compelled to employ at least 70% Angolans. In Nigeria, President Buhari announced his intention to close his borders to curb illegal migration, and announced job reservation in some sectors for Nigerians only. In the UK, post Brexit, low skilled job visas are no longer accessible to foreign nationals. Only visas for skilled jobs will be considered.

Yet here in South Africa, South Africans have been relegated to the back of the queue, because the ANC-led government has allowed widespread flouting of rules and regulations. We want South Africans to run their own businesses, to run their own spaza shops, to wait tables, to work in the security, hospitality, trucking industries and other industries. We want South Africans to work.

It is against this background that the IFP announced earlier this year that we will champion private member’s legislation to compel companies who are flouting rules and regulations to employ low skill or no skill workers, to prioritize the interests of South Africans.

We are proposing an employment quota which will favour South Africans while accommodating foreign nationals.

We have noted that both on the score of the issue of the referendum on the death penalty as well as the ring-fencing of jobs for South Africans, that the ATM as well has rendered those ideas. And I will be willing to give the leader of the ATM an IFP membership if he so wishes. I hope that when this private member’s Bill is tabled before Parliament the ATM will support it.

It is time to take bold and patriotic steps in the interest of our people. It is time to put South Africans first. I thank you.

Mr I M GROENEWALD: Thank you hon House Chair. Today we are talking about ring-fencing a great part of South Africa’s economy, namely the micro economy, for the exclusiveness of South Africans. Anand Mahindra, managing director, MD, of Mahindra said*,* “The opportunity to raise the quality of life is the biggest business opportunity going.”

The FF Plus’ view is that in a free and fair economy, merit should count as the only driver and there should never be an exclusiveness that is imposed by government. I agree with Mr Mahindra that when the economy is free for everyone to participate, everyone will have the opportunity to raise the quality of their lives.

Entrepreneurship is one of the hardest jobs and an entrepreneur takes the risk of losing everything, yet works hard to grow the economy and create job opportunities in a free market.

Entrepreneurs in a micro economy do this for the benefit of their communities but the South African government already ties them down with over-regulated red tape and restrictive labour laws. Government should regulate this sector as little as possible and make it as easy as possible for entrepreneurs to contribute to the economy of South Africa, no matter who it is. Government should not ring-fence the micro economy, or any part of the economy, thereby contributing to the difficult task that entrepreneurs already have.

Furthermore, in South Africa, black economic empowerment and affirmative action already create exclusivity in South Africa’s economy. Do we really want to exclude all foreign entrepreneurship by ring-fencing the micro economy? Who outside of South Africa would then invest in these companies?

Small, micro and medium enterprises, SMMEs, are also classified under microeconomics and most investment activities are in this sector. Small, micro and medium enterprises are one of the biggest job-creating champions, yet the proposal of today’s debate wants to

even strengthen and marginalise this important part of South Africa’s economy.

*Afrikaans:*

The VF Plus se voorstel is eerder om juis die ekonomie nie te marginaliseer nie maar om dit eerder uit te bou en te verbreed vir ekonomiese groei, om groter beleggings te lok en om meer werksgeleenthede te skep. Dit beteken om ontslae te raak van alle maatreëls wat eksklusiviteit bewerkstellig. Raak ontslae van regstellende aksie. Raak ontslae van swart ekonomiese bemagtiging.

*English:*

Relieve the red tape in government regulations. Relieve strict labour laws. Let merit be the only factor rather than exclusivity. Everything that is easy is not worthwhile; all that is worthwhile is not easy.

Rev K R J MESHOE: Hon Chairperson and members, while the ACDP recognises the need for government to balance regulating foreign- owned businesses with a view to attract foreign investments, it is prudent for government to consider how other countries in the world, particularly in Africa, deal with foreign nationals who want to start an informal business.

To my knowledge, there is no known government in the world that would allow foreign nationals to arrive in their country to start an informal business wherever they want without regulations. There are regulations, bylaws and requirements that apply, tax requirements to meet and licences to obtain before they can start trading.

According to *KasiNomics* author G G Alcock, South Africa has about

100 000 spaza shops which all used to be locally owned. Today, about 80% of these spaza shops are foreign owned by individuals who sadly have very little regard for our health, labour and tax laws. In townships in particular, these individuals do everything in their spaza shops. At their place of trade many wash themselves and sleep there, with no regard for hygiene. Even though many locals have complained about their blatant disregard for hygiene, nothing is done about it.

The ACDP supports calls for urgent legislative intervention to regulate the participation of foreign nationals in our micro economy, particularly those who trade informally, to ensure that they fully comply with South Africa’s laws, bylaws and regulations.

Furthermore, the ACDP welcomes moves by the Small Business Development Minister who set in motion legislative interventions

based on lessons and best practices by countries such as Nigeria, Botswana, Ghana, Tanzania, Ethiopia, Bangladesh and Pakistan. In these countries, certain sectors of jobs are reserved for locals only in order to mitigate against high unemployment rates. Given our staggering unemployment figures, we wonder why the South African government has not yet done so.

According to Trading Economics, around 58% of our youth are unemployed and many say this is a ticking time bomb. Rather than waiting for this bomb to explode, surely government must intervene and ensure that some categories of jobs, particularly in the informal sector, are prioritised for South African citizens.

It was reported some time ago by *Politicsweb* that the unemployment rate of foreign nationals in this country is estimated to be around 14,6% and if we consider that, according to Trading Economics, 58% of our youth are unemployed, something doesn’t add up and it is a recipe for disaster.

For this reason, the ACDP is in full support of prioritising South Africans in our micro economy while welcoming all other foreign nationals who are licensed to start their businesses in our country. Thank you.

Ms T L MARAWU: Thank you very much Chairperson and good afternoon all. The South African micro economy forms the primary source of livelihood for many previously disadvantaged citizens. I’m not surprised that the DA is not part of this debate and is distancing itself from this. It’s because they do not belong to the disadvantaged group. How I wish that one day these informal shops can be on their doorsteps and ... check whether they will say what they are saying today. It forms the backbone of sustenance for those who are excluded from formal employment and provides employment for the many marginalised South Africans living on the breadline.

Little effort has been made to ensure that this space is protected, yet government institutions exist whose function is to ensure that businesses in the micro economy are able to compete successfully in this space. Instead, undocumented and illegally documented foreign nationals are given free reign to corner the South African micro economy, manipulating prices and taking advantage of the poorest of black communities.

There is no creativity that would be worth listening to at a micro level if that creativity is not enabled at a macroeconomic level through national legislation. Not much attention was paid to a

special type of legislative framework to deliberately reverse the adverse effects of colonisation and apartheid.

Broad-based black economic empowerment, BEE, and affirmative action continue to be unenforced, and in many instances deliberately reversed, particularly by this sixth administration. The neoliberal macroeconomic approach by the ANC government, premised on, firstly, growing the economic cake and then the masses benefit through an imagined trickle-down effect, has failed. This dream has plunged South Africa into a deeper crisis, where the majority of citizens are turned into spectators and criminals while waiting for the trickle-down effect. The idle hands created by this neoliberal approach is responsible for the rampant criminality that we are experiencing, including burglary, vehicle theft and violent crime.

Increased crime results in poor levels of investment and consequently poor economic growth. We need deliberate interventionist type legislation to ignite the economy at the micro level in order to improve the country’s aggregate gross domestic product, GDP.

On land policy, land occupation in South Africa still reflects the objectives of the discriminatory dispensation of the colonial Native

Land Act of 1913, which prohibited blacks from owning, renting or sharecropping on land outside the designated reserves, which even today has ensured that black people own less than 15% of the land. No space for black people to trade.

The current land Bill has exposed the double speak of the sixth Ramaphosa administration, where in the rallies they talk about expropriation without compensation but in the Bill they have cleverly created space for compensation. The Bill talks about where compensation is nil, meaning the principle of compensation is upheld. Instead of assisting, the Procurement Bill ... [Time expired.]

Mr M NONTSELE: House Chairperson, with your permission I want to dedicate my address today to a colleague, a friend and a comrade; Mzwandile Poswa, who will be laid to rest tomorrow.

The motion by ATM helps us to clarify ourselves and to understand that we are not operating in a legislative vacuum. The SA Constitution helps us to understand that – with regard to the directives that it gives to us on how we deal with these matters both in terms of our ability to accommodate and to ensure that - everyone who comes or who lives in South Africa is properly

accommodated, allowed and secured with regard to work opportunities including the equality before the law. The issues that are raised today by ATM, are issues that perhaps can best be clarified as issues that ATM is trying to find a better posturing position in anticipation of its motion for a vote of no confidence. We are waiting for that because that is where you are going to. You lost this argument in a misplaced debate and then you come back to accuse that the President must be removed. We are waiting for you.

However, we want that you clarify yourselves, firstly with regard to the Constitution, just to take the areas that relates to the opportunities and the obligations that are placed on government on how it should take steps to ensure that our people are, in fact, assisted to develop economically. Chapter 13 on finance section 217 that deals with procurement deals with those aspects. It mandates and directs the arms of the state to empower our people in dealing with those areas; that is, in terms of preferential procurement as well as Broad Base Black Empowerment.

The other area which relates to this is the directive that arises from the Freedom Charter. If you talk, for instance, from the position that says that the people shall share in the wealth of the country, two of the subclauses of the Freedom Charter speak directly

to the debate at hand. The first one reads; all other industries and trade shall be controlled to assist the wellbeing of the people, the second one reads; all people shall have equal rights to trade where they choose, to manufacture and to enter all trades, crafts and professions. Taken together, they in fact, articulate and give a better picture and perspective of what has been said earlier on by my colleague, hon Mantashe, that as South Africans and particular as the ANC-led government, we commit ourselves to values of ubuntu, accommodate and accept the peaceful coexistence that is as South Africans with our fellow counterparts who come from Africa.

House Chairperson, the 53rd ANC National Conference articulated the positions that we must engage in with regard to dealing and addressing the problems that beset the micro economy. It reads as follows: we must continue to encourage the creation of new businesses, co-operatives and the expansion of small business by reducing the cost of compliance with regulations making it easier for companies to do business with government. Chair, in saying so, we also want to make reference to the state of the nation address made by President Ramaphosa in taking forward the development of the microeconomic sector through committing to the development of the domestic industrial enterprises in specific sectors such as tourism, poultry, sugar, clothing and textiles.

Here again, government expects that the basic conditions of employment would be adhered to, so that workers that are engaged in those sectors are not exploited. We further note and we want to emphasise as part of our debate that apartheid resulted in excessive close relationship between business and government, resulting in a closed and uncompetitive economy. We are still dealing with that legacy, Chair. The government introduced legislation, regulation and policy instruments for the development of the micro economy and there have been recorded improvement over the years. I think there are a number of examples that we can make reference to, in particular, if you go to Soweto today, the township economy that has developed over the period under review is in fact the best example that we can make reference to. We take note as well that government has long recognised the importance of this sector to the economy as it is labour intensive and it creates employment at lower cost than in large enterprises.

The government has made appropriate allocations for the development of this sector to ensure that there is participation of the historically disadvantaged communities who were excluded under apartheid from participating in legitimate economic activities. It should be self evident that the majority of those engaged in the microeconomic sector are in fact South Africans. The areas we are

raising as areas of concern are those that involve people who do not even constitute 5% to the SA population.

House Chair, we however also want to raise the point that relates to the usage of undocumented foreigners. This point has its origins from the ever present capitalist pursuance for profit maximisation at the expense of decent work and industrial labour peace. Those are examples we should be talking to when DA speaks. Those are good examples that you find in Western Cape where harsh experiences of unregistered and undocumented foreigners in use largely in the hospitality, transport and other sectors within this province.

The proliferation of businesses in our communities that are owned by both documented and undocumented foreign nationals is another example. However, when we look into that, the area that we need to be talking to – particularly in big cities and metros like Cape Town

– we should be talking about the extent to which we are able to make enforcement of bylaws. In most instances you would find that what has been turned into a shop is in fact, a house in terms of its own origin. Whether, for instance, bylaws have been complied with is another point that perhaps you would need to look at.

What is important as well is that we need to take cognisance of the interventions that government is making, particularly the recent commitment that has been made by the President in his state of the nation address; that is of the establishment of the university which will specialise on science and innovation. Of critical importance here, is basically to empower the young people so that they are able to contribute and to rebuild our economy in partnership with the government. Hon Macpherson, the most important point that you must also take note of as well is that, the ANC is not a sponsor of ATM. If you want to take responsibility for sponsoring ATM that is up to you, we will not stop you.

Again, we want to make reference to you, hon Marawu ... [Interjections.] listen ... listen hon Macpherson, the hon Marawu here was talking about of free reign of illegal Africans and the neoliberal policies of the ANC. The hon Marawu has been a member of this organisation, the ANC. She had occupied positions in this movement. We have allowed and given him an opportunity to provide leadership in the best understanding ... [interjections.]

Ms T L MARAWU: ... order, order, Chairperson!

Mr M NONTSELE: ... no, no! ...

Ms T L MARAWU: ... I am not he, I am not he I am she ...

The HOUSE CHAIRPERSON (Mr C T Frolick): ... no, no, no, hon member. Order, hon members! Order, order, hon members, Order! Hon members, if you want ... order! If you want to make appoint of order you can’t just grab the microphone and speak. You must ask to be recognised. You may continue, hon member.

Mr M NONTSELE: House Chairperson, the critical important point that we want to emphasise is that; we are still awaiting the economic articulations that hon Marawu still wants to make. So far, we just hear criticisms. She left us without hearing that and we are still waiting to hear.

The South Africans entering the micro economy have access to finance at competitive rates that has been a barrier to entry for those disadvantaged in the past. The Black Business Supplier Development Programme is a cost sharing grant for small enterprises to acquire tools, machinery and equipment as well as training to a maximum of R1 million per applicant. It is allocated over the medium term period of almost a billion rand. The spending on the scheme is situated in the [small, medium and micro enterprises,](https://www.google.com/url?sa=t&rct=j&q&esrc=s&source=web&cd=16&cad=rja&uact=8&ved=2ahUKEwioz62KxfvnAhWMDWMBHeqyCxQQFjAPegQIChAB&url=http%3A%2F%2Fwww.seda.org.za%2FPublications%2FPublications%2FThe%2520Small%2C%2520Medium%2520and%2520Micro%2520Enterprise%2520Sector%2520of%2520South%2520Africa%2520Commissioned%2520by%2520Seda.pdf&usg=AOvVaw3ygA947dR8b0JxbE-TNPui)

SMMEs, programme design and support, a subprogram under the enterprise development and entrepreneurship programme which has a total allocation of R248,4 million over the Medium-Term Expenditure Framework. The government provides support to co-operatives through co-operatives incentive scheme, the simplification of government regulatory processes such as company registration, licensing to ensure greater efficiency and improving regulation over the sector.

The positive impact on the micro economy through the development of skills programmes, financial and nonfinancial support are targeted at South Africans. The critical factor in the microeconomic sector is that government has passed legislation and regulation and this needs to be adhered to, and if needs be enforced to those in employment that do not face conditions of labour which are not in keeping with our hard fought democracy. The exploitation of foreign and South African workers through lower wages or poor working conditions in this sector is not in keeping with the ethos of our democracy and its accompanying legislation.

The challenges of the sector are ensuring enforcement of legislation and regulating the micro economy in certain industries and enforcement of labour laws including bylaws enforcement. The role of small and micro enterprises in the informal sector of the economy

will be the focus area for future development going forward. In the informal sector of the micro economy the government will have to examine the possibility of regulating this sector to bring it into the formal economy to the benefit of the fiscus and to ensure adherence to the legislation and regulation.

In conclusion, House Chairperson, we would want to again make few corrections. We want just to give a caution here because there has been a point that has been raised by hon Van der Merwe, who says that we don’t have a clue about border management. Eh ... you would not be seating with the history of South Africans leaving South Africa in large numbers if there was - during the white South Africa

... [Inaudible.] ... border management ...

The HOUSE CHAIPERSON (Mr C T Frolick): ... hon member, your time has expired].

Mr M NONTSELE: Thank you, Chair. [Applause.]

Mr L M NTSHAYISA: Thank you very much, hon Chairperson. Chairperson, I don’t think this motion has got anything to do with xenophobic issues. But it’s a matter of saying charity begins at home. Loving

your neighbour does not mean you don’t love other people at a distance.

It cannot be gainsaid that many South Africans bear the fruits of the South African macroeconomic policy choices, such as failure to narrow the mandate of the Reserve Bank to focus on inflation targeting and socioeconomic development, which have all not dented the legacy of the past.

The challenge with this debate, however, is that it assumes that ring-fencing microeconomic choices for the exclusive use of South Africans will automatically enhance their purchasing power and leverage the small and medium-sized enterprises competitiveness. Of course, the small businesses should be given a fair chance to compete. How is it possible to control the performance of domestic commodity products, for example, when there are exogenous factors such as inflation and international global dynamics that are a central cog to the assumptions that underpin microeconomic projections?

The reality is that we cannot wish away the key economic national variables in achieving inclusive growth for all South Africans. We can unlock the potential of small, medium and micro-sized

enterprises, SMME’s, by dismantling barriers to entry; harness the potential of individuals to build their own startups and, in the end, achieve the ATM’s vision of ring-fencing microeconomy for the exclusive use of South Africans. But we need to play our cards close to our chest. [Interjections.] You don’t understand English; you should have gone to school. [Laughter.]

This is an intricate subject because it’s laden with assumptions and anecdotes. It is equally true that most of the East Asian countries have developed largely because of SMME development and financial support for infant industries.

We can support this motion. It’s a good motion. It’s a good idea. It needs to be supported indeed because it doesn’t mean we are just wishing away or chasing away the foreign nationals. It should not be interpreted that way. Thank you very much. [Applause.]

Mr W M MADISHA: Thank you, Chair. The topic that’s here before us today is extremely useless, I must say. [Laughter.] It really plays the second fiddle to the momentous challenges that we face as a country. What are the problems? The problems we face are jobs and hunger. Now how do we deal with that? By facing the truth, for example, I know the Minister; of course, we do know all of us.

Yesterday put before us and the whole country where we are economically. But then, let’s move away from this kind of topic and say what is happening internationally looking at ourselves and the entire world.

Moody’s, for example, has put us at 0, 7%. I know what the Minister said. We all know. He told us that we will be at around 0,9%, but that does not solve the problems that we are faced with. Now we need to look into that. If we go on and talk about these things that has been put before us, it therefore says that we are not looking at the problems such as energy, for example, and you have to rise and say, look at the power outages that has affected manufacturing, that has affected mining, agriculture and wider business sector. Now these have led to unemployment of beyond a 50% of the population of our country. Now we have got then looking at this that have been put before us today address the offshore business investment. What is happening? We are not doing that. Of course, there are very many materials that we produce. You talk about platinum, you talk about gold and you talk about all the other materials that are getting used.

If you have to produce cars, clothes and so on, you have to use those. But then, now where is the problem? Then this is where the

government comes in because all these materials are taken too for example, to China and there in China, they produce cars, clothes, etc using the materials that they have taken from South Africa.

Those things, the manufactured goods, when they come to South Africa, they are extremely expensive. Therefore, you lose jobs, you lose these materials and that is a very serious problem.

On the entire continent, South Africa is supposed to be the richest. We are not supposed to be having this more that 50% of unemployment. But that is the realm within which we exist today. This is scary because we are not looking at those kinds of things that we are supposed to be looking at.

Now the other thing is the political elite in our country that is not using that which we have for the people of our country. But they take the funds; they take each and every thing and invest that beyond our sees. Those are the things that we must look at as South Africans instead of simple going out and looking into this mini micro kind of topics that have been put here before us today.

Basically, we are not going anywhere. What we need to see is we start to safe South Africans. Thank you, Chair. [Time expired.]

Mr M G E HENDRICKS: Thank you very much, hon House Chair. I am just hope that I am wrong but I just hope that the Minister of Small Business Development does not support this position. She must come out clearly.

The ring-fencing of the macroeconomy for the exclusive use of South Africans and excluding Africans is nothing but job reservation like we had in the worse days of apartheid. [Applause.]

Al Jama Ah is disgusted that the debated is even being entertained. Our President is a Chair of the African Union and head of the African Peer Review Mechanism. Where must he hide his face? This debate will embarrass him. This debate, if it goes further will insult the liberation values of the founding father of the liberation movement of a United States of Africa.

So, Ghana has betrayed this principle. Why must South Africa follow suit? We cannot be sell out like Ghana.

We must focus on the exciting plans of the President in state of the nation address and the provision in the Budget of the Minister of Finance to address unemployment

Business in the macro economy is mostly one man one woman operations and in lieu of a job. So, the motion in progress is nothing else like reintroduction of job reservation in South Africa.

The Department of Trade and Industry and Small Business Development must carry out its mandate and the oversight of hon members is very important in this regard.

This motion would wants to derail a United States of Africa, the African Peer Review Mechanism and the values of ‘Ubuntu’. Those who support this motion must hang their hats in shame.

Mr A N SARUPEN: House Chair, in listening to so many parties come up and make arguments today, I am not surprised that the South African economy is in the state that it is, because the economic illiteracy on display today has been shocking. Absolutely shocking! We have learnt today that the EFF does not understand comparative advantage. We have learnt today that the ATM has put nothing before us other than a crude form of economic populist nationalism.

We have heard from so many speakers that we have set of political arguments aimed at blaming undocumented migrants for the ANC’s failure to grow this economy and create jobs. We cannot blame

migrants for cadre deployment, cronyism and corruption; and we cannot blame migrants for the ANC enrichment scheme that they call BEEE; and we definitely cannot blame migrants for energy shortages that are the fault of mass looting at Eskom as a result of the ANC. [Interjections.]

Human beings, when left to their own devices, will self-organise, will compete and will trade. This is the natural order of things. This is why we have an informal economy that contributes between 8% and 11% of GDP; and why 64% of the people who work in the informal economy are employees. So this notion that the informal economy is taking jobs away from South Africans is complete rubbish. They would not have these jobs without this informal economy.

What this topic suggests is that human beings engaged in free trade should be hampered and their ability to generate an income and create jobs should be curtailed by the state and the misguided belief that somehow South Africans will benefit. A basic understanding of economics would tell everybody that this is not the case.

So, what we actually need to be debating is not this crude nationalistic chauvinism that is on the Order Paper today, but a

proper conversation about immigration policy. South Africa has maintained a policy of porous borders that is seen an influx of undocumented migration into South Africa of people fleeing war, poverty and strife.

But we also make it incredibly difficult for skilled people to enter this country. The critical skills list for migration has not been updated since 2009. And you might want to note – or find this interesting, Robert – hon Mashego, my friend over there, that for every skilled vacancy we fill in this country, we create jobs for a further seven unskilled people. That is a statistical fact.

Now, we need to take a hard look at our borders and ensure that we know who is in our country and why they are here, but we must also consider the very real impact of scapegoating undocumented migrants as this motion does. Xenophobic violence is a reality we have to confront, and proposals like this exacerbate the risk of flare-ups again.

We live in a country where the ANC has failed to maintain the rule of law, making undocumented migrants soft targets. We live in a country where corruption is endemic, and even documented migrants

are targeted because there are perceptions that you can go to Home Affairs and buy paperwork and bribe someone to get documentation.

The failures of South Africa’s diplomatic efforts, such as the so- called quiet diplomacy towards Zimbabwe that we have now forgotten, have directly contributed to millions of undocumented migrants fleeing their home countries and entering South Africa because of political violence and economic collapse. I’m not sure what the point of chairing the AU is if we are not going to use the platform to help our fellow African countries get themselves in order.

So, effectively, this government has created a situation in which people who lack economic opportunity feel as though they are competing with undocumented migrants for economic opportunity. The reality is that this government has pursued policies that have trapped millions of people in poverty, while enriching the politically connected elite - and scapegoating undocumented migrants for this fact is morally indefensible.

So, the DA will continue to stand for freedom, free enterprise and federalism. And, yes, the ATM is right when they say that they are not surprised that the DA distances itself from this motion. We will distance ourselves from xenophobia wherever it rears its ugly head.

There is no evidence to suggest that foreigners commit crimes at higher levels than local South Africans. There is no statistical data at all. You can look at the Institute for Security Studies to tell you about this. I find it deeply ironic that the ANC is complaining about bylaw compliance considering how many municipalities are in a total state of collapse. [Interjections.]

The undertones from the ANC there was that this is all caused by foreigners. The undertones, even where people have spoken about condemning xenophobia, are deeply disturbing in this debate, hon House Chair. I think it must be made clear that the DA will not support this. We support free enterprise, and we believe that we should, rather, be creating more jobs than less. Thank you. [Applause.]

The HOUSE CHAIRPERSON: Thank you, hon member. The next speaker is the hon April.

Mr D W MACPHERSON: Chair ...

The HOUSE CHAIRPERSON (Mr C T Frolick): Yes. Why are you rising, hon member?

Mr D W MACPHERSON: ... just an issue, on a point of order. [Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Order! Order, hon members!

Mr D W MACPHERSON: The hon Gungubele made a very disparaging remark to the hon Sarupen, when he told him to stand up while he was standing up. Now, that is a direct ... [Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Order, hon members! Order!

Mr D W MACPHERSON: That is a direct attack on the characteristics of a member based on his looks or how he is composed, and I think that that should be ruled unparliamentary and he should withdraw.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Gungubele, did you make that remark?

Mr M GUNGUBELE: Yes, hon Speaker, I did, and I withdraw it.

The HOUSE CHAIRPERSON (Mr C T Frolick): Thank you. The next speaker

... [Interjections.] Order, hon members! The next speaker is the hon April.

Mr H G APRIL: Greetings, hon Chair. Hon members, guests in the gallery, Chairperson, I would just like my time to be adjusted correctly because I don’t have eight minutes but 12 minutes. [Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Order! Order, hon members! Order! Hon member, the Whips changed your time. You must sort it out with the Whips. The hon Nontsele was supposed to have eight minutes and he was given 12, and your time has been adjusted to eight minutes. [Interjections.] You may continue.

Mr H G APRIL: In a study conducted by the Sustainable Livelihoods Foundation and Institute for Poverty, Land and Agrarian Studies, PLAAS, 1 100 interviews with spaza shop keepers across all nine provinces of South Africa were conducted.

Spaza shops currently number over 100 000 across the nation. They make critical contributions to the local food security, self employment and community cohesion. This sector accounts for up to 80% of business activity in townships, peri-urban and rural areas.

However, some of the findings of this research should give us all as lawmakers food for thought. This research suggests that in South

Africa the rule of law is in danger of becoming a casualty in an industry that has rapidly adapted in order to compete and survive.

The benefits of the sector, which include access to a wide variety of cheap consumer goods, have come at a cost - especially where the active avoidance of regulation has become an explicit business strategy.

The impact of competition between local and foreign national operated small retailers in townships and rural areas is well documented. The unhappiness about illicit trade in mostly counterfeit goods in our cities often results in violence. Foreign nationals disproportionately bear the brunt of the anger of South Africans.

Having noted these challenges, I must state categorically that any attempts to create an impression that the ANC-led government does not care about the survival of the micro enterprises owned by our own South African citizens is nonsensical at best.

Recently, the Ministers of Small Business Development, Home Affairs, Police and SA Revenue Service, Sars, were hard at work downtown in Johannesburg. I can tell you that illegal traders were looked at and

we are confiscating counterfeit goods in the fight to eradicate an illicit market that hurts the South African economy.

Such operations are being planned all around the country and the lesson that we have learned in Gauteng we are going to employ all over the country. We are proud to say that under the leadership of the Premier of Gauteng more that R5 billion of illicit goods have been confiscated.

Customs administration on the other hand is being strengthened to ensure co-ordination among various state and law enforcement agencies to effectively and efficiently combat illicit trade and customs fraud. On the policy front, bylaws are being overhauled to address these challenges. Through the District Development Model, national government is strengthening partnerships with municipalities to bring products and services at the door steps of informal traders.

The Informal and Micro Enterprise Development Programme has been in existence since 2016. Let us give you some numbers: It has assisted

9 340 informal and microenterprises; this year’s target is 1000, and we can assure that you that this target will be exceeded.

It is clear that there is a gap in our current legislative framework, which government is working on filling to address the current challenges in the micro economy.

The Businesses Act of 1991, for instance, was enacted to regulate licensing of businesses in South Africa. Unfortunately, the Business Act does not make specific provisions in respect of foreign nationals nor does it empower the Minister of Trade and Industry to do such. Ring fencing, therefore, cannot be allowed according to our Constitution.

The National Small Enterprise Act, 1996 does not accord any powers to the Minister for Small Business Development to make determinations in relation to the ring fencing of certain sectors. The Immigration Act provides for admissions of persons to their residence to do business in South Africa.

Section 15(1)(a) deals with the issuing of business visas. It further provides that no business visa may be issued or renewed in respect of any business undertaking which is listed as undesirable business activities.

The Act provides that for business visas to be issued to foreign nationals they are required to invest a minimum of R5 million in our economy. This has been the law of the South African government since 2010.

While we know that the ATM has just recently joined Parliament, it would be advisable that they go and do some research on what the government and the Constitution of our country says.

While we are clear that government is guided by the ethos of ubuntu and inclusion embedded in our Constitution, as previous speakers from the ANC have said, it would be helpful to get a sense of how other African countries regulate the micro economy. Places like Ghana and Botswana have decided that transportation, rental barber shops, employment estate agencies, bakeries and so forth are some of the industries that they don’t allow foreign nationals to handle, including South Africans, they do not want us to do this there. How has that model worked for them? It has not, hon ATM. [Interjections.]

In South Africa, the National Small Enterprise Act also provides that these guidelines include ... The Minister for Small Business Development is finalising guidelines in line with the provisions of

the Act to guide the Department of Home Affairs, provincial and local governments in terms of regulating the participation of foreign nationals in the micro economy and sections of the small, medium and macro enterprises, SMME, sector that do not require investments of more than R5 million.

It is our view that government must enable participation of South Africans, particularly the unemployed and the poor, in the sectors where the barriers to entry are minimal. We wish to emphasise that through tighter enforcement of the laws and regulations, South African entrepreneurs must get the protection and support and our government must help in order to ensure the success of South African entrepreneurs.

Furthermore, the Refugees Amendment Act, which came into operation on 1 January, published by the Minister of Home Affairs, list a group of sectors that cannot be entered by foreign nationals. The Department of Small Business has, in this committee, submitted some of the jobs and businesses that we would like to see South Africans being given preference to in order to empower the South African entrepreneurs even more.

It is also a fallacy that there are no jobs and opportunities for South African entrepreneurs knowing that it is impossible for anyone to get a grant from our government if they do not have a South African identity document, ID, and South African vetted documentation.

Therefore, we want to put it that if you look at the statistics you will find that it is more South African entrepreneurs that get access and opportunities from our government.

We would like to say to the hon who is scared of Broad-Based Black Economic Empowerment, BBBEE, Mcpherson, that it is inline with our government’s objectives to make sure that we empower black Africans. They can’t just be used for their votes; you want their votes and then after you have had the votes most of you are sitting here in Parliament. Our objective is to ensure that the African child is empowered in this country. The BBBEE will stay. Amandla!

Mr V ZUNGULA: House Chairperson, thank you to all members who are participating in this debate. Let me start with hon April, you spoke about Ghana. The unemployment in Ghana is less than 10% and in South Africa it is above 30%. The economy of Ghana grew by 8,8% and in our

country it grew at 0,7%. So, the model is working very well in Ghana.

I want to thank the fighter for clarifying what a micro economy is. I hope the ANC as well as their sister party, the DA, were listening.

Putting the interests of the locals can never be xenophobic. You need to understand what xenophobia is because the ring fencing of the micro economy is law in Ghana, in Botswana, in Nigeria and in a lot more other countries. Therefore, it can’t be regarded as xenophobia when South Africa is following suit.

Mr M GUNGUBELE: Hon House Chairperson?

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, there is a member rising at the back. Why are you rising, hon member?

*IsiXhosa*:

Mnu M GUNGUBELE: Bendifuna ukuqonda ukuba ilungu elihloniphekileyo liyazazi kusini na ukuba lilodwa kule ncilikithi yalo?

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, the member literally has a few seconds left. So, let’s give him the opportunity to complete his speech. Continue, hon member.

Mr V ZUNGULA: As the ATM we are not saying we must not have foreign nationals in our country. We are saying the structure of the economy must benefit the locals first. You need to understand, members, starving your children and feeding your neighbour can never be ubuntu.

*IsiXhosa*:

Kufuneka nifundiswe ukuba yintoni na ubuntu kuba aniyazi, into eniyaziyo lurhwaphilizo. Yinto yenu leyo.

*English:*

It can never be fair and just if South Africans are restricted from the micro economy of many countries and the citizens of those countries are dominating the micro economy of our country.

Thank you, hon Van der Merwe, for the distinction between economic migrants and refugees. Lastly and most importantly, if South Africa had a proper border management system and certain parts of the economy were reserved for the locals, firstly, Chris Hani would be

alive, and secondly, many members of the DA would not be members of this Parliament. [Applause.]

Debate concluded

# CONSIDERATION OF REPORT OF JOINT STANDING COMMITTEE ON FINANCIAL MANAGEMENT OF PARLIAMENT – ON PARLIAMENT OF REPUBLIC OF SOUTH AFRICA’S 2019-20 MID YEAR PERFORMANCE

Ms B P MABE: House Chairperson, at the end of the period under review, Parliament has spent approximately R1,3 billion or 101% of the budgeted amount of R1,2 billion, which signifies an overspending of R12 million. This expenditure also means that Parliament has spent 48% of the 2019-20, annual budget. Importantly, the bulk of the funds of R1,3 billion was spent on producing 469 committee minutes, 230 committee reports, 220 translations and 236 research within time allocated.

The over expenditure recorded by Parliament at the end of this period is projected to increase to R240 million by the end of the year if it’s not dealt with precisely. The main drivers for these over-expenditures from Direct Charges and Programme 5: Associated Services. The over-expenditure under Direct Charges Programme 5:

Associated Services; is due to the payment of exit gratuities and loss of office to non-returning members after the May 2019 general elections. The number of non-returning members was larger than anticipated. Whilst the over-expenditure under Associated Services: Programme 5; is due to the payment of medical aid contributions for former members of Parliament and Provincial Legislatures. This has placed an enormous burden on the budget of the Parliament.

Parliament reported that it has approached National Treasury during the budget adjustment period to fund this gap, in particular for Direct Charges. Only R73 million was provided by National Treasury out of R11 million, which was required. The question remains as to where will the Parliament get the difference of R66 million. It is on those grounds that the committee recommends that the Parliament should submit a proposal on how it plans to deal with this budget shortfall.

We need to invoke the ANC conference resolutions that speak to reviewing and improving the legislatures’ budgets, their configuration and human resource issues. This was further reiterated in its 54th conference, whereby, the ANC resolved to undertake an assessment to establish whether legislative sector is properly

configured and adequately resourced. We need some political expediency to deal with this matter.

Chairperson, in respect of performance information, it is however, worrisome to note a continued trend of non-achievement of some performance targets, such as average number of days taken to reimburse members which dates back from the previous financial year. Subsequently, the committee has resolved to be furnished with proper mitigation plans detailing how such non-achievement would be addressed. Those plans should be provided on a monthly basis until the constraints that have led to non-achievement are addressed.

We note the stabilizing of the labour environment. However, on the tragic suicide of Mr Lennox Garane, the committee is due to receive a progress report on the implementation of the Public Service Commissions recommendations. In respect of the protection services matter, we recommend that an amicable out of court settlement be reached. In view of this, the committee hopes that Parliament’s strategic plan for the Sixth Parliament would not have performance targets which are not measured at the at the end of the year. All performance targets will be broken or measured on a quarterly basis. Thank you. [Applause.]

Mr J W W JULIUS: House Chairperson, the Financial Management of Parliament and Provincial Legislatures Act, provides for an oversight committee to hold the executive of Parliament to account. Now this committee was indeed established but its limping along with no-allocated time in the weekly programme. This committee could not sit once for this year. Meetings are continuously postponed due to the non-availability of members.

We must note that without these meetings, this committee cannot fully hold the executive of Parliament accountable. We need a slot in the weekly programme. This is a very important committee. The last time we met, Chairperson of the committee, we received a report that was riddled with discrepancies and there is no time to come back and look at the changed report or the revised report as we recommend it.

House Chairperson, participatory democracy is a core business of Parliament just like many other programmes but there are very low targets that are set for these outcomes. Even when public hearings are held, the busses are operated from ANC offices. It is only the ANC members that are allowed in these busses. Yet, it is Parliament paying for these busses.

The HOUSE CHAIRPERSON (Mr M L D NTOMBELA): Hon Julius, please hold. Hon member, why are you rising?

Mr H G APRIL: I just wanted to find out if hon Julius Malema ... I mean Julius will take a question. [Interjections.]

The HOUSE CHAIRPERSON (Mr M L D NTOMBELA): Will you take a question, hon Julius?

Mr J W W JULIUS: Yes, if ... [Interjections.] ... you are ready ... [Interjections.] I see your pike is ready. You’ll be ready as well. [Interjections.]

The HOUSE CHAIRPERSON (Mr M L D NTOMBELA): Okay, hon member ask a question. Hon member what is your question? He has agreed to ...

Mr H G APRIL: No, my question is just that in terms of your experience in your financial background, do you know what you are talking about? It sounds like you are really far off in terms of the financial management of government ... [Interjections.]

The HOUSE CHAIRPERSON (Mr M L D NTOMBELA): Hon member, would you allow the member to go ahead. Please just go ahead with the speech. [Interjections.]

Mr J W W JULIUS: Well for starters, my experience in finances ... [Interjections.]

Mr C H HUNSINGER: Point of order Chair. Chairperson, I am addressing you on National Assembly Rule 69 sub (a), which refers to deliberate creating of this order and disruption. What we have just experienced here was a deliberate attempt to break off the speaker with ... [Interjections.] ... Chairperson, can I get protection please?

The HOUSE CHAIRPERSON (Mr M L D NTOMBELA): Carry on hon member.

Mr C H HUNSINGER: ... because the member seems to get the gist of my point and he is aggravating the situation. So my point is he deliberately caused disorder by posing that he wants to ask a question and when he got ... [Interjections.]

The HOUSE CHAIRPERSON (Mr M L D NTOMBELA): Thank you, hon member.

Mr C H HUNSINGER: ... and when he had the opportunity to pose the question, he didn’t have a question. [Interjections.]

The HOUSE CHAIRPERSON (Mr M L D NTOMBELA): Thank you hon member. I will address that. Hon Julius, could please continue? [Interjections.]

Mr J W W JULIUS: Yes, if my time will be stopped, allow me to answer the member’s question. Yes, I will answer your question, hon member. As far as it is concern with my history on financials, let me tell you honestly, I am still learning like any South African should and I think you should do the same. We are here to learn. [Applause.] But, here is the thing with finances, if the ANC knew anything or were experts in finance, we wouldn’t be in this mess that we are in today. [Applause.] And, I know that you might know lots about finances because the ANC members stole all the money of this country and that is why you know about your personal finances. [Interjections.] You can check your pockets but not Parliament finances. I hope I answered you, hon member. I am willing to give R5 for another question House Chairperson. [Laughter.] [Interjections.]

Now, this is not participatory democracy when the ANC fill these busses. Chairperson, the gratuity for non-returning members is a

serious problem and I think it can be better planned. We all knew that at the end of the term, a lot of members would not return or at least we plan ahead. But instead of that, Parliament had to use a lot of its funds; about 48% and spend it on gratuity instead of planning ahead. But what happened? Parliament was now crippled because they had to spend other monies on other programmes which were not given proper attention that it was supposed to get.

Under support services as a programme, one of the main strategic objectives is to create conducive working environment. Now, members do not feel this is a conducive environment to work in. Just yesterday, we saw the police. We spend so much money on security at this precinct. But when it comes to days like state of the nation address and budget debate, the security and people that we don’t even know and they treat members as if this is not the working place.

The Speaker and the Chairperson of the NCOP must intervene. [Interjections.] We must feel safe at this precinct. Now, the committee also recommended that this executive authority should provide this committee with a report on why section 56(2)(d)(3) of the Act was not complied with. It speaks to the absence of criminal or a disciplinary step taken for loses, unauthorised expenditure,

irregular, fruitless and wasteful expenditure. No one was held accountable. The committee asked that this report be sent 30 days after the tabling of this report. It was tabled on the 9 December 2019. We are now going for more than 90 days and we still do not have the report. I suggest that we do everything in our power to get this committee in order. I thank you. [Time expired.] [Applause.]

Ms N N CHIRWA: Chairperson, greetings to the CIC of the EFF, Julius Sello Malema ... [Interjections.] ... the commissars, leaders and ground forces of the EFF ...

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Order, ho members! Give her a chance please!

Ms N N CHIRWA: To date, there is no strategic framework that has been adopted for the Sixth Parliament on the sixth administration of Parliament which, in essence, means that we, as the Parliament of the Republic of SA, are currently operating illegally. This also affects committees negatively on how they operate because the Parliament of the Republic of SA is literally on autopilot.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Order! Order, hon members! Hon members do not drown the speaker, please! She is on the platform. You too, hon member! Hon member ... [Interjections.]

Ms N N CHIRWA: It must also be noted that only 50% of Parliament cleaners have been insourced so far and the rest are still exploited via the tender system. Yet, the same House claims to be the People’s Parliament. This is a farce until all workers are fully and completely insourced by this Parliament. Some have even been working for this Parliament for over 10 years and yet, they are still on contract with no employee benefits, no medical aid, and nothing to take back to their children once they retire. This exploitation is happening right under your watch as parliamentarians.

There is also no adequate transparency in the appointment of the secretary and this makes room for corruption, allegiance and loyalty pledged to individuals and organisations and not the Parliament of the Republic of SA. The process of appointing secretaries must be transparent, all of us must take part in it, and it must be open to scrutiny.

We also propose that much less money be spent on the ludicrously- elitist event that is the state of the nation address. We are public

servants and not celebrities. It is absolutely cress and vile that those entrusted with alleviating poverty and have absolutely nothing to celebrate, celebrate the most on the day of admitting the failures of the current government of the day. It is the people of South Africa who must decide whether you deserve a red carpet or not, and not you.

Legal services must also be strengthened to ensure that Parliament passes proper laws. Wastage on bouncers should also come to an end. It cannot be that this House ... [Interjections.] ... legitimises violence by paying for and funding bouncers who are tasked to intimidate, violate and work against Members of Parliament chosen by the people to represent them in Parliament. [Interjections.]

*Sesotho:*

SETHO SA PALAMENTE: Bua! [Speak!]

*English:*

Ms N N CHIRWA: The people voted for political parties and not for bouncers. Members of Parliament are capable of looking after themselves.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon member, just hold on for a second. Hon member, why are you rising?

Ms M L S MAKHUBELA-MASHELE: Hon House Chair, the hon member on the podium says we are public servants. We are not employed under the Public Service Act as Members of Parliament.

Ms N N CHIRWA: I said public representatives. [Interjections.]

Ms M L S MAKHUBELA-MASHELE: We are not ... We are public reps.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon member, that is not a point of order. Continue, hon member.

Ms N N CHIRWA: Thank you, Chairperson.

*IsiXhosa:*

Umona phantsi!

*English:*

Members of Parliament are capable of looking after themselves within the allocated budget for the accommodation. Therefore, enriching tenderpreneurs in the name of members via the Department of Public

Works is malicious and spitting in the faces of voters. Parliament must carry out its own responsibilities where members are concerned and not the Department of Public Works.

Lastly, the process of capturing motions should also be looked into. Motions are adopted in the House and that is the last we hear of them. There is no follow-up system prevalent in the House and this is also with regard to holding the executive accountable. A Minister can be asked one question five times and he or she’ll come, and respond to the same question at five different times. This is untruthful in essence because our system is not strong enough to detect contradictions. It must be strengthened. This is why the EFF rejects the report. Thank you, Chairperson.

Mr N SINGH: House Chair, the overall assessment of Parliament through its medium-term review reflects a sense of stability. Currently and in concurrence with the committee observations and recommendations, we see several challenges in Parliament that require attention. Some of these were highlighted when we considered the Mid-Year Performance Report.

One is the appointment of Director in the Parliament Budget Office. This has been a long outstanding issue and even today when I

attended the Programming Committee, we realised that we are not quite ready to appoint the director. I think that something should be done sooner rather than later. That’s a very important office and it is something that we highlighted in the report.

Hon Chairperson, we are aware that last year we agreed to the removal of the Secretary to Parliament due to findings of gross misconduct. In the interest of ensuring that a fit and proper person is employed to fulfil the role, we ask that the Speaker includes Members of Parliament from different political parties in the interview committee. This did not happen in the past. They had some independent analysis to make some suggestions and the presiding officers appointed the Secretary to Parliament. The Secretary to Parliament accounts to all of us and we need to be part of that process.

There’s another shortcoming in that the Treasury advice office has not been established as yet. That’s something that is in the report as well. It should have been done by 01 February and I don’t think it has been done. This is something that we, as the committee, need to follow up.

Our colleagues spoke about the heavy securitisation of Parliament. I have never seen so many blue-clad men and ladies in this precinct from the time I have been here. I know during Sona we have them but in the past week there have been just too many SA Police Service members. I think we need to do what other parliaments around the world do. We went to some of them as the Chief Whip’s Forum. They have their own parliamentary protection services.

Whether you call them white shirts, red shirts or blue shirts, but we need to have our own parliamentary protection services that would know and understand what members would want. If there is any security risk at any particular time, then we can call in the SA Police Service. So, that’s something we need to consider.

Lastly, the state of the infrastructure in Parliament is abhorrent to say the least. It is absolutely terrible just going to the wash rooms, the gym, squash courts and many areas. In Marks building air- conditions are not working – they are just blowing hot air like some Members of Parliament do - some of our colleagues. [Laughter.] So, these are things that need to be corrected and we hope that the delay in the refurbishment of the Old Assembly dining room here should have been ready by now. They say it will take another six months and at what cost? These are issues that we need to follow up

but we support the recommendations made by the committee in this report. Thank you. [Interjections.] [Applause.]

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon members! Hon members, apparently hon Sonti, I am going to take a quantum leap from ... yes, right to the bottom of the list. The next member to the podium is hon J G Hendricks. Has he arrived? Okay, he is not here. So, our last speaker of the day is hon Mahlo.

Ms N P MAHLO: Hon Chairperson, our Deputy Minister Mme Magadzi and all protocol observed ...

*Sepedi:*

... ke rata go tšea sebaka se ke re go lena, kgotsong batho ba gešo.

*English:*

Chairperson, the ANC rises in support of this report and welcomes the efforts of the ANC-led government. Hon Chairperson, let me say that the joint committee which came up with this report ... [Interjections.]

Mr J W W JULIUS: What is the name of the committee?

The HOUSE CHAIPERSON (Mr M L D Ntombela): Please, hon member do not disturb a member.

Ms N P MAHLO: The report on Joint Standing Committee on Financial Management of Parliament indicates that sound financial management of Parliament is linked to the effective of this Parliament’s administration ... [Interjections.]

The HOUSE CHAIPERSON (Mr M L D Ntombela): Hon members, please keep quiet now.

Ms N P MAHLO: ... in accordance to day-to-day business which is guided by the following values:

*Sepedi:*

Wa mathomo molawana wa rena ke gore ...

*English*:

... we are open to everything that we do.

*Sepedi:*

Wa bobedi ke taba ya gore ka nnete ...

*English:*

... we are responsible and ...

*Sepedi:*

... ke nyaka go bontšha gore re tšwela pele ka go fetola tše di sa sepelego botse mo nageng ya rena. Wa boraro ke taba ya ...

*English:*

... accountability ...

*Sepedi:*

... mo go bontšhago gore re na le maikarabelo rena re le mmušo woo o eteletšwego pele ke ANC. Wa bone ke gore re šoma ka seboka - re šoma ka seboka, ga go šome motho ka o tee. Wa bone ke gore re na le bokgoni; re na le botswerere – re a kgona. Ye nngwe yeo ke nyakago go le botša yona ke gore re tloga re tseba mošomo wa rena – re na le tshekego re le mokgatlo wa ANC.

*English:*

Chairperson, section 4 of the Financial Management of Parliament and provincial legislature provides the establishment of an oversight mechanism. Hon Chairperson, given the current economic climate and the fiscal consolidation framework, it has become imperative to

display sound financial management of this institution. It is important to acknowledge that during 2018-19 financial year, Parliament received an unqualified audit with no material findings. Therefore, we are here to be happy about that because some of our people have been doing the work where we get good ... [Applause.] We did not have wasteful expenditure during those same periods ...

*Sepedi:*

... ka gobane re na le batho bao ba nago le bokgoni mošomong wo. Re tloga re na le bokgoni e le ruri. Bao ba se nago bokgoni le botswerere ba tla fela ba belaela ka mehla.

*English:*

Chairperson, let me say that the 50th National Conference of the ANC emphasises on the importance of building the active Parliament, which is committed to the idea of the development space. Hon Chairperson, we will remember that our struggle for liberation was not only about the right to vote, but to eliminate apartheid machinery or system including the current the monopoly of capital in our country. [Time expired.] [Interjections.]

Debate concluded.

The mini-plenary session rose at 16:24.