**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**WEDNESDAY, 1 SEPTEMBER 2021**

***PROCEEDINGS OF THE NATIONAL COUNCIL OF PROVINCES***

The Council met at 14:04.

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

The Deputy Chairperson announced that the virtual sitting constituted a sitting of the NCOP.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon delegates, good afternoon. Let me first apologise for being a little bit late. It is because my link was sent via WhatsApp and I was looking for it in the emails. So, that is what happened here.

However, I am here now, can I then request all delegates to observe a moment of prayer or meditation.

Thank you very much.

Before we start, let me just welcome all the delegates as well as the special delegates, as well as those that will participate in the debate today. Remember that the Rules applies for the virtual sitting. The virtual sitting constitutes the sitting of the NCOP. The place of this sitting is deemed to be Cape Town where the seat of the NCOP are.

Delegates in the virtual sitting enjoy the same powers and privileges that apply in the sitting of the NCOP. For purposes of the quorum, all delegates who are logged on to the virtual platform shall be considered present. Delegates must switch on the videos when they are addressing the House. I would not say it at all times, but when they are addressing the House. You know that we are generating a lot of emissions when we are using all the # ... # [Inaudible.] # ... # to save time.

We should also ensure that all the microphones on our gadgets are muted and must remain muted, unless you have permission to speak. We take that the interpretation service is active and every delegate wants to make an input should use the raise hand function.

So, hon delegates, let me put the House in order, and acknowledge the Deputy Ministers of Small Business

Development, Tourism, Trade, Industry and Competition, Economic Development and all special delegates and SA Local Government Association, Salga, representative in the House.

Once again you are welcomed and we shall now proceed to

# NOTICES OF MOTION

Mr T B MATIBE: Hon Deputy Speaker, I hereby give a notice that on the next sitting day of the House I shall move on behalf of the ANC that the House notes with concern that the municipal debt remain a thorn on Eskom’s side with areas felling to 26% to R35 billion. Since the end of the financial year the municipal debt has increased to R39 billion. Believing that long-term solution that would not negatively affect customers is necessary to resolve financial difficulties at Eskom and the financial stable and Eskom would remain a dependable electricity supplier. Therefore, calls this House to initiate discussion with the Ministerial Task Team, the Departments of Public Enterprises and Co-operative Governance and Traditional Affairs to find a long-term solution to this problem of municipal debt. I so move, Deputy Chairperson. Thank you.

Mr S F DU TOIT: Hon Deputy Speaker, I hereby give a notice that on the next sitting day of the House I shall move on behalf of the FFPlus that the House considers the current backlog at most vehicles licencing offices across South Africa, discourages South African’s faith in and use of the system. This House takes note of the shortage of staff in this offices be addressed and that the House debates the local government responsibility and mandate to ensure the decent functioning of these offices across the country as service delivery to the community and a source of revenue. I so move.

Ms M O MOKAUSE: Thank you, hon on Deputy Speaker. Am I audible?

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Mokause. You were not. Yes, you are now.

Ms M O MOKAUSE: Hon Deputy Speaker, I hereby give a notice that on the next sitting day of the House I shall move on behalf of the EFF that the Council debates the establishment of pharmaceutical company that will benefit South Africa and its people. I so move.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Mokause, I did not hear you, but I hope the system has picked up what you said. Thank you.

Ms M O MOKAUSE: Hon Deputy Speaker, I hereby give a notice that on the next sitting day of the House I shall move on behalf of the EFF that the Council debates the establishment of pharmaceutical company which will benefit South Africa and its people. I so move. Thank you very much.

Ms S SHAIKH: Hon Deputy Speaker, I hereby give a notice that on the next sitting day of the House I shall move on behalf of the ANC that the Council debates the persistence of the killing of the police officers in our country. That these killings are clearly orchestrated by organised criminal syndicates to force the police officers into submission against their criminal intent. Further as a matter of urgency the criminal cluster to review the efficacy and the effectiveness of the current protocol system and the legislative framework on the security of the police officers and call for the operation of the special legal dispensation within the ambits of the Constitution to criminalise the violent attacks and killings of the law-enforcement officers. I so move, hon Deputy Chairperson.

# GOVAN MBEKI MUNICIPALITY ABUSES STATE RESOURCES

(Draft Resolution)

Ms H S BOSHOFF: Hon Deputy Chairperson, I move without notice:

That the Council—

1. notes with concern the use of municipal resources by the ANC in the Govan Mbeki Municipality during their candidate selection process for their upcoming local government elections;
2. also notes that the ANC in this municipality had several public meetings where people were told that they had to elect their candidates and they are therefore under the impression that these people will be their councillors after the local government elocutions;
3. further notes that during at least two of these public meetings the people of Govan Mbeki Municipality wanted to nominate DA members not

understanding that this is an ANC process and not the actual elections;

1. also notes that Cllr Thandi Ngxonono and member of the mayoral committee, MMC, attended of these meetings with law enforcement officers attending the meetings to provide the protection to her;
2. also notes that the *Government Gazette* No 43246 dated 24 April 2020, makes it very clear that only executive mayors and speakers are entitled to two body guards and deviation from the norm may only be based on recommendations of the SA Police Service; and
3. further notes that the DA calls on the provincial MEC for the Department of Co-operative Governance and Traditional Affairs, Cogta, to investigate why Cllr Ngxonono needed body guards, who paid for these officers to accompany her, who gave the approval for this unlawful expenditure and why it was deemed fit to have officials participating in political gatherings.

Motion not agreed to.

The DEPUTY CHAIRPERSON OF THE NCOP: As the motion without notice is not agreed, it now becomes a notice of a motion.

# SOL PLAATJE LOCAL MUNICIPALITY CRUMBLING

(Draft Resolution)

Ms D C CHRISTIANS: Hon Deputy Chairperson, I move without notice:

That the Council—

1. notes that the diamond City of Kimberly and the Sol Plaatje Local Municipality continue along its path of degradation and collapse despite a massive

R500 million project launched by premier Dr Zamani Saul to uplift the city;

1. recognises that the latest form of collapse can be seen in the historical Oppenheimer Gardens that was once the pride of Kimberly used for flea markets, Christmas candles and even just by residents looking

for some sun and fresh air. It has also since come to form a central park for students of the Sol Plaatje University and the Northern Cape, Technical and Vocational Education and Training, TVET, college, but our far cry from the green and clean grounds that once were. They are instead hazards to students due to exposed electrical wires that can be seen all over the gardens and open drains that have become a ramshackle slab. The historical biggest memorial is thrown in take away containers, plastic bags, bottles and even used condoms as they are entire grounds;

1. takes cognisance of the fact that Sol Plaatjie Municipality is literally situated across the road from the gardens, but fails to lift a finger to fix up the gardens. In fact, municipal workers were last week caught on camera sitting on the outskirts of the park from 10:00am until 12:00pm instead of cleaning and caring for the gardens and securing exposed cables;
2. notes that the gardens are sole reminder of the ongoing reflect of Kimberly and of a lack of a

political will by the ANC-run municipality to give the dilapidated city a makeover. I hereby once again call on the President and the Deputy President to return to Kimberly after their disappointing visit to the city for the ANC’s 106 birth celebration in 2018 to see for themselves that the city has yet to regain in spite of the instruction to the provincial and municipal government leadership to fix ... [Time expired.]

Motion not agreed to.

The DEPUTY CHAIRPERSON OF THE NCOP: As the motion without notice is not agreed, it now becomes a notice of a motion.

# UMTENTWENI COMMUNITY COUPLE BRUTALLY MURDERED

(Draft Resolution)

Mr L C BEBEE: Hon Deputy Chairperson, I move without notice:

That the Council—

1. notes with sadness the shocking murders of a well- known KwaZulu-Natal South Coast couple of the Umtentweni community, Mr Murray and Ms Julie Ross on Saturday 28 August 2021;
2. also notes that the police found their bodies with multiple stab wounds to their heads and necks after they were alerted to the double murder;
3. further notes that their house was ransacked, forced entry was used to gain entrance and the police have opened charges of murder and house robbery for investigation; and
4. therefore, calls on the police to leave no stone unturned in their effort to find the perpetrators of this brutal crime.

Motion agreed to in accordance with section 65 of the Constitution.

# DYSFUNCTIONAL WASTE WATER TREATMENT PLANTS IN THE RISE IN SOUTH AFRICA

Mr S F DU TOIT: Hon Deputy Chairperson, I move without notice:

That the Council—

1. notes that there is a significant increase in the amount of dysfunctional waste water treatment plants across South Africa;
2. also notes that, this is one of the main contributors of pollution to our fresh water system;
3. further notes that the current sewage spillage in Ventersdorp which forms part of the J B Marks Municipality in North West poses a major health concern since traces of COVID-19 might be present in the effluent directly next to the settlement; and
4. finally resolves to urgently debate the matter.

Motion agreed to in accordance with section 65 of the Constitution.

# MS BABITA DEOKORAN BRUTALLY MURDERED

Mr M DANGOR: Hon Deputy Chairperson, I move without notice:

That the Council—

1. notes with a great sense of grief the brutal murder of the senior official of Gauteng Department of Health, the late Ms Babita Deokoran and that this brutal murder was carried out towards the end of the Women’s Month when the country celebrates a collective heritage of trials, tribulations and resilience of women in South Africa;
2. therefore, salutes Ms Babita Deokoran for her selflessness, death defying courage, bravery and integrity in the service of our people by exposing corruption;
3. further extends our heartfelt condolences to her family and colleagues in the Gauteng Department of Health; and
4. lastly, salute the men and women in blue for their swift action in arresting the suspects.

Motion agreed to in accordance with section 65 of the Constitution.

# MS BABITA DEOKORAN BRUTALLY MURDERED

(Draft Resolution)

Mr D R RYDER: Hon Deputy Chairperson, I move without notice

That the Council—

1. acknowledges and salute the life of Babita Deokoran, a proud servant of the public who was murdered apparently in an effort to silence her as she was blowing the whistle on corruption in the Gauteng Department of Health;
2. further move that this House denounce the dusty actions of her killers and also those who conspired to have her killed. We encourage the police and the justice system role-players to ensure that the

perpetrators are brought to book to make sure that the people committing fraud and corruption in our government departments get the message that their time is over; and

1. send our condolences to Ms Deokoran’s family in a hope that they will find peace knowing that she was a heroine and her death is mourned by us all.

Motion agreed to in accordance with section 65 of the Constitution.

# EFFECTS OF GENDER-BASED VIOLENCE

(Draft Resolution)

Mr M S MOLETSANE: Hon Deputy Chairperson, I move without notice:

That the Council—

1. notes that gender-based violence is a serious problem which affects woman and the girl-child; and
2. also note that gender-based violence is a pandemic facing this country.

Motion agreed to in accordance with section 65 of the Constitution.

# PASSING OF MR SECHABE DAN MONTSINTSI DUE TO COVID-19 RELATED COMPLICATIONS

(Draft Resolution)

Mr M E NCHABELENG: Hon Deputy Chair, I move without notice:

That the Council –

1. notes with great sense of loss, the untimely passing of one of our own, a former member of this House and the National Assembly, Sechaba Dan Montsintsi, who succumb to Covid-19 related complications;
2. also notes that, Dan Montsintsi embodied the collective heritage of the selfless and courageous martyrs of

young people of our country who shook apartheid system to its core on 16 June 1976;

1. further notes his selfless service to this country and its people without expectation of material reward or fame; and
2. therefore, extends our heartfelt condolences to his family and the movement that he dedicated his entire life to, the ANC.

Motion agreed to in accordance with section 65 of the Constitution.

# PASSING AWAY OF KEBBY MAPHATSOE ON TUESDAY, 31 AUGIUST 2021

(Draft Resolution)

Ms N E NKOSI: Hon Deputy Chair, I move without notice:

That the Council –

* 1. notes with sadness the untimely passing away of hon Kebby Maphatsoe on Tuesday, 31 August;
	2. also notes that, hon Maphatsoe served as the Minister of Defence between 2014 and 2019 and was a former member of the Congress of South African Students, Soweto Youth Congress and SA Youth Congress;
	3. further notes that, hon Maphatsoe went to Angola and the Soviet Union to receive his military training and was also exiled in Angola before returning to South Africa; and
	4. therefore, sends our heartfelt condolences to his family and his organisation the ANC.

Motion agreed to in accordance with section 65 of the Constitution.

# FAILURE BY THE GA-SEGONGYANA LOCAL MUNICIPALITY IN THE NORTHERN CAPE

(Draft Resolution)

Mr W A S AUCAMP: Hon Deputy Chair, I move without notice:

That the Council -

1. notes with concern the failure by the Ga-Segonyana Local Municipality in the Northern Cape to deliver basic services such as sewer and water service as contained in Chapter 2 of the Constitution of South Africa;
2. further notes that residents in certain parts of Ga- Segonyana are without water on a frequent basis;
3. further notes that this local municipality has not maintained its infrastructure for years leading to the near collapse of service delivery in the municipality;
4. also notes that the communities under the jurisdiction of Ga-Segonyana Local Municipality have been subjected to an unhealthy environment as raw sewer flows freely down the streets and into the rivers, thus also contaminating the underground water sources;
5. further notes that the roads in Ga-Segonyana are a down right disgrace with little to no maintenance being done;
6. further notes that the DA has on numerous occasions in the past called on this municipality to fulfil its obligation towards service delivery for the people of Ga-Segonyana, but to no avail.

I thank you.

Motion agreed to in accordance with section 65 of the Constitution

The DEPUTY CHAIRPERSON OF THE NCOP: Is there any objection to the motion? [Interjections.] Since there are objections, the motion will become a notice of motion. Can you just listen. It is not lost. It is not lost; it becomes a notice of a motion.

The DEPUTY CHAIRPERSON: Hon Motsamai? I cannot hear you. where are you now. Hon Motsamai?

Mr K MOTSAMAI: Thanks you, Chairperson.

The DUPUTY CHAIRPERSON OF THE NCOP: You have got one and a half minute. You have got one and a half minute. You may continue. Motsamai, where are you? What’s wrong? [Interjections.]

Mr K MOTSAMAI: Thank you, Chairperson. I have a problem of network.

The DUPUTY CHAIRPERSON OF THE NCOP: I understand, sir. You may continue. Unmute or should we just ... The time is up for motions without notice. In the next meeting we can possible allow you as the first one to raise your notice motion or your motion without notice.

# DEBATE ON THE TOWNSHIP ECONOMY: BUILDING A SELF-RELIANT AND VIBRANT TOWNSHIP ECONOMY

(Subject for Discussion)

Mr M I RAYI: Hon Deputy Chairperson, hon Chairperson of the National Council of Provinces - greetings to you, hon Chief Whip, hon Deputy Ministers, hon MECs, permanent delegates and special delegates, hon representatives of the SA Local Government Association, Salga, good afternoon, colonialism and

apartheid left a geographical pattern of core and periphery regions in South Africa, which is increasingly manifesting in an economic pattern of leading and lagging regions or rather the urban-rural divide. This geographical pattern confers benefits to metropolitan cores that enjoy the advantages of sophisticated economies and links to international markets at the expense of the rural and township peripheries that are located far from key infrastructure as well as links to regional and international markets.

Thus, townships in the postapartheid South Africa face the thorny challenges to becoming self-reliant and vibrant locations of economic activity. This in turn makes the delivery of basic services in these areas extremely inefficient. Combined with weak governance, this often leads to townships getting caught in a low growth trap and hence act as a drag on the national growth potential.

The ANC understands the dialectical and reinforcing nature of the relationship between economic growth and human development. Inclusive growth must necessarily create opportunities for those who are excluded. It is only through creating new opportunities for those who are excluded that growth becomes truly inclusive. The townships and rural areas

are where the vast majority of our people live, and where focus should be as we seek to transform the South African economy.

Our townships are endowed with micro enterprises that offer a plethora of services to ordinary South Africans on a daily basis including, amongst others, spaza shops, street vending, hair salons, and minibus taxis, to mechanical services and manufacturing which are all important drivers of the township economy and its sustainability. According to the World Bank, the township economy is estimated at about R100 billion. This is evidence of how important the township economy is to the recovery, integration and transformation of our national economy.

Following President Cyril Ramaphosa’s state of the nation address in 2019, the national and provincial governments are implementing the District Development Model, DDM, to strengthen the capacity of municipalities to manage their own affairs, and to more effectively manage the use of resources in the three spheres of government in order to achieve efficiencies and economies of scale. Although the DDM has not been rolled out effectively in all municipalities, its self- objective goals are to put development and the provision of

basic goods to the service of the people as defined within the local contexts.

While it is an important intervention, the DDM lacks detail on how it intends to respond to the lack of capital investment in public transport infrastructure, especially rail transport, that can transform the polarising effect of the colonial and apartheid spatial patterns of urban-rural divide. Therefore, the national government’s geographic Strategic Infrastructure Projects, Sips, as well as the aspiration to shift freight from road to rail must address the issue of public transport infrastructure to a level that can establish seamless links between township economies and regional markets.

Most important, the success of geographic SIPs as well as the aforementioned shift depend largely on a mutual partnership between the Passenger Rail Agency of South Africa, Prasa, and Transnet Freight Rail, especially regarding the maintenance of railway lines and rolling stock. Unfortunately, this level of partnership remains limited.

Going further, mutual partnership must not end with Prasa and Transnet Freight Rail. Presently, in terms of capital investment in public transport infrastructure, evidence shows

that the national government is subsidising large mining companies. These subsidies should not be limited only to maintenance costs on dilapidated roads that heavy trucks carrying bulk mineral commodities impair, but also take cognisance of the contributions of mining companies towards geographic Sips and the shift of freight from road to rail which are designed to benefit them as well.

This undermines the public-private sector partnership in providing a cost-effective transportation of goods. Moreover, it weakens the national government’s attempt to increase the level playing fields insofar as public transport is concerned, which is likely to contribute to further reduction of the gap in development outcomes between urban and rural areas. As a result, it is important for the SA Revenue Services, Sars, to rethink corporate taxes in line with the international standards that reflect the South African conditions.

The Department of Mineral Resources and Energy should also consider extending the scope of the Mineral and Petroleum Resources Development Act beyond consultation obligations as well as social and labour plans to include guidelines that regulate Social Corporate Responsibility in the mining sector. There is a laudable desire to build township economies through

the effective use and resourcing of the National Youth Development Agency, NYDA.

Even though the NYDA is committed to ensuring that young genuine entrepreneurs do not face formidable hurdles in all lines of business, new economic opportunities in emerging industries like renewable energy and industrialisation are capital intensive – that is, they require sizable start-up capital. Moreover, the population size of young people who enter the job market is growing rapidly and beyond the capacity of the NYDA. This presents two trends that are contradictory and do not intersect.

On the one hand, the abovementioned new economic opportunities are likely to create sustainable jobs and other spill over effects that are necessary for township economies to be self- reliant. On the other hand, the NYDA as an enabler of entrepreneurship across all sectors of the economy is resource constrained. Therefore, it is important for the NYDA to vouchsafe the interests of aspiring young entrepreneurs with concomitant resources.

In the short run, the NYDA should consider launching a stokvel type of funding that allows up to 12 young entrepreneurs to

come together to apply for a fund. This will curb the higher levels of youth poverty, inequality and unemployment as well as absorb a large number of young people in the market. In the long run, this initiative will enable young entrepreneurs to use their joint credit scores when seeking large funding from private financial institutions.

The Gauteng Township Economic Development Bill is one of the most progressive initiatives in the postapartheid South Africa. The Bill attempts to transform the Gauteng province from an enclave economy where formal economic activities function in isolation from informal economic activities. More importantly, it limits the harmful effects of the former on the latter. For this reason, the Gauteng experiment is undoubtedly a trend setter that other provinces should try to emulate.

However, we should not have a mistaken confidence of believing that other provinces have favourable conditions to implement a similar policy without any challenges. Consider, for example, the fact that many townships located in the former Bantustans or homelands have limited economic bases and are poorly integrated with the more developed metropolitan regions. They have many issues of capacity of the municipalities and

governance challenges. In such settings, it is hard for the local state to build capabilities that enable independent businesses to prosper.

Furthermore, in some of the more rural provinces, the holding of sway over land administration by tribal authorities enables some of the traditional leaders to use land to meet their rentier interests. These have been proven to be anti- developmental and retard the potential of enterprises to thrive.

The Economic Reconstruction and Recovery Plan, ERRP, presented by President Ramaphosa places aggressive infrastructure and industrial investment among the key priority interventions to put our economy on a growth trajectory. Industrial development brings integrated connectivity and accessibility to new infrastructure. The need for industrial development in townships is necessary to create an inclusive economy that serves all South Africans, and to address the existing spatial division in our country and to bring work to our people. It is an essential component to achieve the 2030 target reduction of unemployment to 6% and grow the economy at 5,4%.

We welcome the commitment by the ERRP to kick-start industrialisation through localisation with the priority of key value chains such as basic consumer goods like clothing, textiles, leather and footwear. Strengthening the productive base of manufacturing has the potential to create large sustained decent jobs and steady sectoral growth. Co-operation with the private sector to enhance the localisation of the supply chain will assist in resuscitating the sector.

The need to intensify localisation through manufacturing became most evident during the COVID-19 outbreak where most medical equipment and personal protective equipment had to be imported. It exposed our country’s excessive reliance on imports which can pose serious threats and limitations on our capabilities to respond to emergencies.

The need for aggressive investment in manufacturing where our people live and work, is indispensable and cannot be overemphasised. The involvement of township enterprises in the manufacturing value chains must be accompanied by promoting regional integration and taking advantage of the African Continental Free Trade Area.

We are thoroughly pleased that the recovery plan prioritises manufacturing as one of the key actors to develop small, medium and micro-sized enterprises, SMMEs, and aggressively support localisation to improve competitiveness and resilience of the sector. We want to see more creative young people being supported to successfully operate within this sector - investments in industrial parks and infrastructure.

It is common course that our economy in the townships is largely based on the services sector. It is also factual that the majority of our township spaza shops and hair and beauty salons are run by foreign nationals, which has overtime contributed to the xenophobic sentiments amongst our people. In developing our SMME sector, the state, especially local government level, has to create a sense of cohesion and cooperation among foreign nationals and South Africans in order to foster an environment conducive for vibrant and dynamic township economies.

Successful economies around the world have acknowledged the positive contribution that SMMEs and co-operatives play towards growth and development of the economy. The small, medium and micro-sized enterprises in our townships are dynamic but are faced with distinct challenges from those in

cities. The lack of access to finance and high levels of crime and vandalism are among the basic challenges. Interventions from government and financial institutions are important for the survival, development and growth of SMMEs as far as it relates to investment.

There is further a need to invest decisively in education and training of young entrepreneurs to capacitate them to sufficiently respond to the needs of specific markets, be innovative and to create new products and markets. The Competition Commission must be on high alert and dismantle barriers to entry for emerging SMMEs and the abuse of dominance by monopolies who have greater market share and power.

We salute the conscious and deliberate effort from the ANC government to support SMMEs by procuring 30% of its goods and services from SMMEs. We must call for a greater proportion of this to be allocated to SMMEs located in townships and rural areas.

The National Development Plan views agriculture as critical to employment and food security. It is estimated that agriculture could potentially create a million jobs by 2030. Investment in

Agri-parks is therefore essential to achieve this objective as well as the alleviation of poverty and hunger as they serve to support small-holder farmers to become competitive, to create an agricultural sector that has capabilities of agro- processing and to grow the economy. They also enhance food security and job creation for local communities, as well as competitive local food production and financial stability.

Well-supported Agri-parks have the potential to unlock the creation of value chains within the food services sector, which are among the most vibrant and dynamic enterprises in our townships.

Government, working together with social partners, needs to transform townships from labour reserves, largely consumption based, into productive hubs that serve the immediate needs of the community. The revitalisation of industrial parks is important and will serve as a huge boost, particularly for automotive hubs which will empower auto maintenance and repair services by increasing local value addition.

We applaud the work of the Competition Commission in dismantling barriers to entry for vehicle repairs which closed market access for emerging micro panel beaters by compelling and limiting in-warranty vehicle owners to specific

manufacturers and approved service dealerships, or face cancellation of the warranty. This will open opportunities for township entrepreneurs to develop and grow.

In conclusion, the ANC government is unwavering in its commitment to transform the structural and systemic features of our economy. The township economy is a key driver of transformation and economic growth, poverty alleviation and the creation of decent sustainable jobs. I thank you, hon Chair.

The DEPUTY MINISTER OF SMALL BUSINESS DEVELOPMENT (Mr S M

Dlamini): Thank you very much, hon Chairperson of the National Council of Provinces. To our Ministers and Deputy Ministers and hon members, this debate is taking place in the context of a number of challenges facing the economy of our country which on, among others, includes increasing unemployment. For an example, according to the recent Quarterly Labour Force Survey, the unemployment rates according to the expanded definition of unemployment increased by 1,2% points, 44,4% in quarter 2 of 2021, compared to quarter 1 in the same year.

These changes resulted in the official unemployment rates increasing by 1,8% points from 32,6% in the first quarter of 2021, to 34,4% in the second quarter of 2021. The highest

since the start of the Quarterly Labour Force Survey, QLFS, in 2008. All this is happening at a time when the country was ... [Inaudible.] ... with the addressing the negative socioeconomic impact of colonial and apartheid system that left black and African population excluded from participating in the main economic activities of their country.

Just as we were taking qualitative steps to address the colonial and apartheid legacy, the country had to deal with the 2007-08 global economic crisis, just as we were beginning to consolidate our activities. To address the impact of this crisis, we had to face the attack and impact of coronavirus disease 2019, Covid-19, on the economy. As if this was not enough, the country had to face a wave of unrest which mainly affected KwaZulu-Natal and Gauteng and affected in the main the small, medium and micro enterprise, SMME, sector. Today’s debate on the Township economy with the theme, I quote, “building a self-reliant and vibrant township economy” echoes a clarion call by the Freedom Charter that the people shall share in the country’s wealth, that all other industry and trade shall be controlled to assist the wellbeing of the people, and that all people shall have equal rights to trade where they choose, to manufacture and to enter all trades, crafts and professions.

Historical perspective and background, the starting point in this debate should be to acknowledge that in our country townships and rural villages were a source of cheap and unskilled labour at the service of the white colonial and apartheid economy. This painful reality continues to stare at us as we see our people being carried by bakkies to be exploited as cheap labour. The economy of this country grew and developed on the basis of the state intervention. Our approach in this debate is, therefore, informed by the history of our country which shows that in the aftermath of the British invasion and conquest over the Cape in 1795, the colonial part of Port Elizabeth was established. It is here that specialists segregated urban development was first designed along racial divisions. The process of dispossession was coupled with British authorities enacting the Native Reserves Locations Act 40 in 1902, granting powers for the establishment of residential areas for blacks on the periphery of urban areas. It was through the direct and decisive state intervention which allowed Broederbond to form the Volkskas Bank in 1934.

It is the Afrikaner’s Broederbond, the National Party and Afrikaner Economic Movement which made a call for a stop to the issuing of trading licences to black. This was taken up by

the National Party in its 1944, social and economic manifesto which declared that under apartheid nonwhites would only be issued trading licences in nonwhites’ areas. This pressure from Afrikaner business culminated in the Notorious Group Areas Act of 1950. This background has been provided to communicate a point that successful enterprise development will not happen on its own without strategic calculated deliberate and decisive state intervention. What work has been done and what are the plans underway? Hon Chairperson, we have, therefore, come here today to continue on the work of removing all the remaining effects of apartheid and we want to remove them, root, stem and branch.

Chairperson, we proceed from an understanding that the work of building a self-reliant and vibrant township economy is linked to the work being undertaken by the Department of Human Settlement and Agriculture, Land Reform and Rural Development on spatial planning and land use management services which is aimed at transforming the apartheid spatial set up where our people were settled away from well-located land in prime urban areas and away from arable land. It is linked to the vision of building urban spaces that are spatially and socioeconomically integrated, free of racial and gender discrimination and segregation enabling people to make residential and employment

choices to pursue their ... [Inaudible.] ... It is linked to building cities that are environmentally sustainable marked by a balance between quality built environment and open spaces as well as a balance between consumption needs and renewable and nonrenewable resources.

Work being undertaken by the Department of Small Business Development, the work done to provide support towards township and rural enterprises includes the following: Nonfinancial support provided as at 31 July 2021: (a) spaza shops and general dealer support scheme 7 300; (b) clothing leather and textile supports scheme 3 229; (c) chisanyama and cook food scheme 2 865; (d) personal care scheme 1 508; (e) bakeries and confectioneries 1 291; (f) auto body repairs and mechanics

1 289; and (g) butcheries support programme 207. Approvals for financial support as at 5 August 2021: (a) spaza shops and general dealer support scheme 5 608 approvals to the value of R19 880 million with 6 717 jobs facilitated; (b) small-scale bakeries and confectioneries programme, 321 SMMEs, small-scale assisted with financial support committed to the value of

R49 596 and 881 jobs will be facilitated; (c) small-scale clothing and textiles programme 416 SMMEs assisted with financial support committed to the value of R67 023 and 1 114 jobs will be facilitated; open-air food outlets support scheme

241 SMMEs assisted with financial support committed to the value of R40 081 and 434 jobs will be facilitated.

Disbursements as at 5 August 2021: (a) spaza shops and general dealer support schemes 5 608 disbursed to the value of

R19 818 million and 6 717 jobs facilitated; small-scale bakeries and confectionaries programme 206 SMMEs assisted with financial support committed to the value of R31 340 and 500 jobs facilitated; (c) small-scale clothing and textile programme 253 SMMEs assisted with financial support committed to the value of R423 799 and 500 jobs facilitated; open-air food outlets supports schemes 116 SMMEs assisted with financial support committed to the value ... [Interjections.]

The CHAIRPERSON OF THE NCOP: Can you conclude, hon Dlamini.

The DEPUTY MINISTER OF SMALL BUSINESS DEVELOPMENT: Thank you,

Chair. We will remain pragmatic in our approach and I’m pleased to advice that the fruit and vegetable will, indeed, include spending R271 million. There would have been a lot to say, Chair, but the job is out in our hands to get us to do the work. I thank you very much, Chair.

Mr M NHANHA: Hon Chairperson, with your permission please, can I switch off my video? My signal is rather unstable. Hon Chairperson, allow me to begin my contribution to this important debate by conveying my sincere and heartfelt condolences to the families of two people who unfortunately succumbed to their injuries in a vehicle accident involving the Executive Mayor of Nelson Mandela Bay, Cllr Nqaba Bhanga. I would like to assure the families that, I feel your pain and your sorrow is ours during this hour of need. I would also like to wish Cllr Bhanga strength and speedy recovery.

Hon members, a debate about township economy is correct and relevant. However, I do think it is exclusionary. Rural areas in our country largely comprised of Bantustans where in the past, they were left to fend for themselves. It can’t be right that these underdeveloped areas are once again left to fend for themselves.

The CHAIRPERSON OF THE NCOP: Please proceed!

*Sesotho:*

SETHO SE HLOMPHEHANG: O ya kae?

*English:*

Mr M NHANHA: Hon members, despite ... [Inaudible.]

The CHAIRPERSON OF THE NCOP: Speak to the gadget in front of you and speak directly if you can, hon Nhanha.

Mr I NTSUBE: He must park his car.

Mr M NHANHA: ... some succeeded, and others were less fortunate. Running a spaza shop ... [Inaudible.]

The CHAIRPERSON OF THE NCOP: It does seem we have a problem there. We’ll ask the Table to do whatever they can to assist. Hon Nhanha, it seems you have a problem. I think we should proceed with the next speaker. Hon Ntsube.

Mr M NHANHA: Chairperson, I’m here. Can you hear me?

The CHAIRPERSON OF THE NCOP: Please proceed!

Mr M NHANHA: Must I go ahead, Chair?

The CHAIRPERSON OF THE NCOP: Ntsube, wait a bit. Nhanha, please proceed!

Mr M NHANHA: Thank you. So, I’ll have to start at my third paragraph, Chair. The debate about township economy is correct and relevant. However, I do think it is exclusionary. Rural areas in our country largely comprised of Bantustans where in the past, they were left to fend for themselves. It can’t be right, hon members, that these underdeveloped areas are once again left to fend for themselves.

Despite hardships faced by businesses in the countryside, some succeed while others are less fortunate. Running a spaza shop in villages is not only expensive to the shopkeeper because he has to travel long distances to town to get supplies. Whilst he has to contend with the rising fuel costs and trying not to pass the cost to his clientele, he more often than not has to carry the cost of maintaining his vehicle due to the bad state

... [Inaudible.] Back home in Alice ... [Inaudible.]

*IsiXhosa:*

... utat’ uQadi.

*English:*

... was the first person to start a taxi business back in the days and some of the routes he started are still operational today and are serving hundreds of villages ... [Inaudible.]

... that traditional area to Alice town. He was known for living a simple life. Every day, he ate half a loaf of brown bread and fresh milk.

He was ... [Inaudible.] ... that he did not have formal education. When purchasing a new car, he went to the local Alice ... [Inaudible.] ... dealership with a briefcase full of money. He couldn’t count because he was not educated. So, the

... [Inaudible.] ... for the brand new Toyota ... [Inaudible.]

... and leave the rest in his brief case. This gentleman relied on ... [Inaudible.] ... to run his taxi business. For years ... [Inaudible.] ... taxi business without formal education.

The CHAIRPERSON OF THE NCOP: Hon Nhanha, are you still there? Please try again for the next two minutes.

Mr M NHANHA: I was saying, Chair, he was known for living a simple life. Every day, he ate half a loaf of bread and fresh milk. It is rumoured that he did not have formal education.

When purchasing a car, he went to the local Alice Toyota dealership with a brief case full of money. He couldn’t count. So, he instructed the branch manager to take his money for the brand new Toyota Hi Ace and leave the rest in his brief case.

He relied on his indigenous knowledge to run his taxi business. For years until ill-health, he ran his taxi business without formal training. Yet, he was successful. Today, the taxi industry is believed to be worth billions of rand and taxi bosses owe it to people like utat’ uQadi who sacrificed so much of his energy and time to lay a solid foundation for the industry.

Unfortunately for both the shopkeeper and utat’ uQadi, there is not a lot to show for their hard work except a dilapidated building resembling ‘untozonke’ of yesteryears and a backyard littered with old Toyota Hi Aces and car parts worthy of scrap metal. With so much effort ...

The CHAIRPERSON OF THE NCOP: Please conclude, hon Nhanha!

Mr M NHANHA: Thanks Chair. With so much effort of the two gentlemen and hundreds of them put into their businesses without training in business finance management, investment portfolio diversity and succession planning, their businesses could be running to this day; and they would have left a legacy we can all be proud of.

As I conclude, Chair, the story and plans about township economy can never be completed unless the rural youth, men and women aspiring to follow in the footsteps of utat’ uQadi and the shopkeeper ... [Inaudible.] ... utat’ uQadi the taxi pioneer. We’ll never know if Oprah Winfrey or Patrice Motsepe is lying in wait to be discovered. His birth is disadvantaged and left behind. I thank you very much, Chairperson. [Time expired.]

Mr I NTSUBE: Hon Chairperson of the Council and hon Deputy Minister, the development of different township enterprises with particular emphasis on textile industry, the indigenous market food product retail and service sectors become imperative of our times. What is to be done? How do we unlock economic capacity of our township economies and create much- more needed? What is to be done? How do we unlock economic capacity of our township economies and create much-more needed job opportunities?

It is a well-known fact that black townships were not created with an intention to have them as economically viable, self- reliant and sustainable, but rather primarily as a labour reserves heavily dependent on the colonial and apartheid economy, and again as secondary consumers of whatever product

and services produced by this exclusive economy. The face of poverty, inequality and unemployment is mostly visible in the black township and it has a female and a youthful face.

The economic reconstruction recovery plan has identified agriculture as one of the sectors with a potential to create mass employment opportunities. In advancing support towards small scale local farmers to produce food for consumption by local market, it is important to reflect on some of the challenges that are being faced by small scale producers. One of the challenges is that water and irrigation system, electricity and often neglected crime. In order for government to guarantee for security through small farmer holdings around the township and create sustainable vegetable gardens, livestock and poultry business, it is important local economic development departments within our local municipals to look into how best to address these challenges. The Local Government Sector Education and Training Authority, Lgseta, conducted a research study and published it last year in March. The study examined the potential of unlocking township economies with a view to help address a crucial socioeconomic conditions facing municipalise, namely poverty, unemployment and inequalities and to identify skills gaps that can propel the township economy.

It highlighted an urgent need to develop hands-on capacity building programme for municipal local economic development, Led, officials with a focus of managing township economies, policy development, Led planning and implementation, research and promotion of industrial and business development.

The is a need to ensure that there is adequate skills development, training and capacity building through local business incubators. It remains important to ensure that there are proper business incubators for small and medium size enterprise in order to ensure that the graduates from startups to sustainable operations.

Hon Deputy Minister, in many of our impoverished townships we do find the manufacturing and production capacity albeit on a small scale. This cottage manufacturing sector creates household income for families that are found in our township where gainful employment opportunities are scarce. The development and support of cottage industry such as hand craft, beadworks, sewing, silk and cottage wavering, small scale food processing, shoe making, wood working and carpentry and furniture making can help stimulate local township economies only if government and private sector ambitiously

work together transforming the structure and the ownership of the South African economy.

This transformation starts with a targeted development of the economic active role-players and participants in our localities. In order to realise the objective of moving informal cottage manufacturing sector to a formal economy, government must support cottage industry for skills development and training as well as access to finance by the sector is critical. This will require a concerted effort through a private-public partnership to ensure success.

Government must implement measures to support small businesses and co-operatives to scale up to ensure their impact is felt across all sectors of the economy. The true impact access the South African economy can only be felt if township economy revitalisation is elevated and scaled up towards massive job creation contributing towards growth in the gross domestic product of the country and the promotion of inclusive and fair distribution of the economy. This we note that the government is seeking to achieve by promoting women and youth-owned co- operatives and enterprises through legislative framework that prioritise youth and women set based aside in local procurement. Targeted support and access to markets by women and youth-owned agricultural, business and preferential

procurement policies will in a long-term ensure that township businesses generate necessary capital to build an asset and equity base.

Hon Chairperson, the ANC-led government in the Sixth administration has committed to drive innovation and digital revolution, increased levels of investment in the country, accelerate the provision of infrastructure to support the economy and meet the basic needs, transform and diversify the financial sector, consolidate support for small businesses and co-operatives as well as to grow the township and the village economy.

We need to take into considerations opportunities provided by the Fourth Industrial Revolution in helping grow our township economies and this includes ensuring the development of information and communication technology infrastructure in our townships such as Wi-fi infrastructure to enable small township enterprises access to business cloud storage facilities and market their products and services online.

Hon Chairperson, Elvis Sekhaolelo is a founder and director of eKasi Entrepreneurship Movemen, a nonprofit company dedicated to shape the state of the township and rural areas through the

development of township entrepreneurs and says that if township entrepreneurs are ever going to be job creators it is then necessary to ensure that proper infrastructure is put in place. Creation of social capital listening to what time township entrepreneurs are saying and telling their success stories and it will help attract much-needed investment into local economies.

Hon Deputy Minister, through the economic reconstruction and recovery plan government seeks to drive focus intervention to promote sectors that stimulate economic industrialisation be the domestic demand and to delink economy to African and global value chains, provides suppliers to infrastructure projects, promote rate and absorb the unemployed including semi-skilled and unskilled workers. Focus intervention should boost and build viable township economies that contribute towards the centralisation of the South African economy.

A better and fair understanding of supply and value chain in the agricultural sector need to be understood for the development and support of urban-rural market in case that will support not only the township economies but help build the economic capacity in rural economies. Rural economies are heavily reliant on agriculture production and over the years

agricultural farming has declined leading to a huge migration into the city centres and leaving many rural families in poverty and unemployment.

In conclusion, the urban-rural linkage market will not only provide market opportunities for agricultural products produced in rural areas and taking stock of Agri-Parks, but will have a [Inaudible.] effect in that township entrepreneurs will have effect in that township entrepreneurs will have unlock new economic opportunities through this market linkage. Thank you very much

Mr P V MKHATSHWA (Mpumalanga - MEC FOR FINANCE): Hon

Chairperson, Deputy Chairperson, the Chief Whip, Deputy Ministers, members of provincial executive, delegates from the provinces, representatives of SALGA, good afternoon.

Chairperson, thank you very much for inviting us as the province to partake into this significantly important debate on township economy, it is our honour and privilege.

We enter this debate on township economy mindful of the fact that the businesses operating in the township economic landscape were severely affected by the pandemic and majority of them forced to close shops, and what is most painful is

that our people had to endure the consequences of the devastating impact of this virus which exacerbated their levels of poverty, unemployment and further widened the gap of inequality.

We came here to frame and mount the most compelling argument on how to build a self-reliant and vibrant township economy consistent with the theme of the debate. Before the township economy was circumscribed by the hard lockdown of 2020, it is important to indicate that our people already, were confronted by tensions, the pandemic was superimposed on unresolved tension between the people and technology, and the township economy’s inability to strive has in many respects being as a result of the lack of access to internet.

The aforementioned unresolved tension between the people and technology, if not swiftly addressed and as a matter of urgency, will shape a new generation of inequalities and will undermine the concerted efforts we are making in our quest to build a robust, self-reliant and vibrant township economy.

However, we must put it on record that the problems faced by our people and their economies in the township and rural areas are not insurmountable, our interventionist government of the people, under the stewardship of the ANC, led by President

Ramaphosa, is decisively responding to the unfolding factors threatening to frustrate our intention to build the working economy for our people in the townships.

Our argument is consistent with the commitment made by the ANC in its 2019 election manifesto that, we will grow small enterprises, co-operatives and the township and village economies for economic transformation, job creation, and innovation and encourage all forms of entrepreneurship. This is in pursuance with our quest to advance the National Democratic Revolution and create a non-racial, non-sexist and prosperous South Africa as we en route to the national democratic society anchored on the theory of the Freedom Charter.

We are steadfast in our resolve to create a conducive environment for the small business sector operating in the township and informal economy to rise and thrive. We are using the intergovernmental political relations with the local spheres of government to put in place proper policy responses to the frustrations face by trade in the township and informal economies by local municipalities.

We are continuing to hold these ongoing conversations and the newly introduced district development model will be used effectively to facilitate these conversations in order to share a common collective thinking and collaborative approach in resolving and supporting the township and informal economy.

It is for this reason that our Economic Reconstruction and Recovery Plan as the province of Mpumalanga, that its strategic thrust is centred around the rebuilding of the rural and township economies through the rollout of the massive infrastructural projects, with the roll out of the broadband in the township areas being one of the priority interventions. This is done in order to thwart the lingering tension between the people and technology as expressed above.

In Mpumalanga, we have taken deliberate steps to rebuild and support the economy from below. We have embarked into the Small, Medium and Micro Enterprises, SMMEs, roadshow and the function of our conversation with the SMMEs in the township and rural areas is primarily premised on the recalibrating of the economy from below through support of the informal business operators in the salons and carwash segments, just to mention a few.

As the province of Mpumalanga, we have partnered with the Department of Small Business Development and their agencies, Small Enterprise Development Agency, SEDA, and Small Enterprise Finance Agency, SEFA, to rollout a very important scheme and programme which speaks directly to the heartbeat of the township economy.

The Township and Rural Entrepreneurship Programme, TREP, is one of the significant programme of government which will help bakeries, auto body mechanics, butcheries and tshisanyama, spaza-shops, textile and clothing to integrate and transform the township economy in order to withstand any shock, and build its resilience.

As a department charged with the responsibility of driving economic growth and development in the province of Mpumalanga, and create decent jobs, working together with our agencies in the province, we have been instrumental and unambiguous in upholding this legislative mandate, and our strategic and immediate focus has been on uplifting the informal and township economy through supporting the businesses owned and operated by the Historically Disadvantaged Individuals, HDIs.

Through the programme of Mpumalanga Economic Growth Agency, MEGA, called Mpumalanga Youth Entrepreneurship Programme, MYEP, we supported a phalanx of youth-owned businesses in the townships around the province. Last month during my SMME roadshow, I visited a clothing and textile business which is a direct beneficiary of this programme in an area called Elukwatini in the Gert Sibande District, as an evaluative exercise to solicit the post-funding needs in order to guarantee viability and sustainability of her business.

Working in partnership with Dunlop Tyre SA through their container programme, we managed to assist the informal tyre traders to be beneficiaries of this transformational catalyst initiative in the townships around the province. Once again, I visited one of the containers in the township of Matsulu in Ehlanzeni District. Our aim is really to revive this programme to boost the township and informal economy through tyre distribution network owned by our people.

We are setting up industrial parks next to the people in the rural and township spaces with cutting-edge technological machinery in the different sectors of the economy of the province to be operated by our people from the townships to

enhance their productivity and boost their competitive advantage.

In our efforts to strengthen support to SMMEs and co- operatives, we are currently developing the Mining and Metal Technology Park in the eMalahleni area utilizing the Highveld Industrial Park as a foundation for this development, and this initiative is anchored on our Industrial Development Plan, these are key priorities areas designed to have linkages with the economies hosted in the townships.

All of these strategic and deliberate initiatives are finding expression in our township and rural strategy which seeks to make tangible interventions in the informal economy by empowering traders who operate their informally, yet deriving income, out of their efforts to be sustainable and grow.

As an interventionist government imbued with developmental outlook, we are unwavering in our resolve that for us to reposition the South Africa’s economy post-COVID-19, we must have deliberate programmes and schemes tailor-made at supporting the township based businesses and most importantly help them to build ecosystems.

The success of the township economy and its resilience is predicted on the peculiar systems of independence, entrepreneurship is about ecosystems, and the upstream value capture in the townships especially when infrastructures like roads and schools are built. Its value chain should involve local entrepreneurs to supply bitumen and other construction inputs for the benefit of the local township economy, and these are some of the practical examples which are informing and shaping conversations in our Inter-Governmental Relations, IGR, forums.

Let’s grow the economy of South Africa together by developing the conducible environment for the success of the township economy to be self-reliant and vibrant to benefit our people and create jobs. Chairperson, I thank you very much.

Ms B T MATHEVULA: Thank you very much Chairperson. Chairperson, townships were created as labour concentration camps in order for white owned industries to have endless supply of cheap, [Inaudible.] labour, dispossessed and landless for black people.

In the internal geopolitics of the country, townships were never designed to create or sustain any form of economy. Their

primary purpose is to supply cheap labour to the white industry. Townships are affected by the triple tragedy of poverty, unemployment and inequality. They are by nature characterised by poverty, adequate health care, lack of basic services, lack of water and sanitation, poor housing infrastructure and inadequate roads leaving communities weak and vulnerable to shock such as pandemics and civil unrest.

They are by design spaces which are not for human living. There are spaces where government violate human rights as communities live inhuman, unhealthy conditions which have rising crime rates, bucket system and spillage of sewage.

Spaces which were not meant to advance the development of black people as people in townships are without land and jobs. One needs no convincing that they were designed for black people. Townships are defined by poverty as communities face a number of challenges such as inadequate and unstable income, payments of high prices for goods and services and lack of protection of the law.

That does not withstand people still live there. People are taking a living out of very difficult circumstances they find themselves in. The informal sector is largely at townships and

lacks economic activity and millions of our people have sustained themselves by using that sector.

This enables money to circulate within communities creating multiple effect on the economy and on social relation. Today, this very little that our people once had in townships stands strengthened by the rapid spread of capitalist, canticles, into the township under the cries of in conceive concept of township economy.

The spread of shopping malls in the townships is not township economy. It is a capitalist grid that still continues to displace people.

Perhaps the recent KwaZulu-Natal shopping malls looting provided us with an opportunity to rethink the role which shopping malls play in our townships. So, we need to acknowledge malls for what they really are as they draw in money that gives back very little to the community.

They provide jobs by they do not generate genuine urban development. There are no productive activities emanating from these malls. Township or black produced vegetables are not sold at malls. Township initiatives do not find space in the

malls. There are mainly created the drive consumerist based economy which continue to benefit a small minority of those who own land, properties and resources.

Black people are not the future in this very artificial economy. They have no malls to defer but merely poor paying jobs and cashier and petrol attendants. If there was to ever be a township economy, that economy must be based in changing the very nature of those who own the means of production. We know who lives in township. It must be these people who must be driving the force of any reconfiguration of the economy of the township ass people living in the township depending heavily on the informal sector and town ship economy for their livelihoods.

This especially so after the impact of Covid-19. Townships have been the hardest hit by Covid-19 as people are unable to go to work due to restrictions imposed by our never ending lockdown.

Covid-19 has devastated small businesses with black owners losing the most. The lockdown period has led to the shutdown of businesses and industries in the township resulting in the little economy activity and increasing the already high

unemployment rate. This is a large concern at most businesses in the township.

Respond to the direct needs of the communities in relations with food, liquor, household goods, airtime, haircare, services and entertainment. This is also more concerning as its women who tend to be concentrated in the informal employment. So, supporting working women in the township is a key password to reducing women poverty and gender inequality.

Unemployment has always stood as a challenge facing people living in townships but it has under the ruling party worsened especially with the lockdown imposed leaving little to no chances to anyone especially the youth of getting employed.

The ruling party has shown time and time again that they have limited understanding and vision for the township economy.

This is even [Inaudible.] approach to the development which it has undertaken so far. What is needed is the government which will prioritises township economy.

Solutions and services need to be brought to the forth which will assist entrepreneurs and help them secure the growth and sustainable income while at the same time serving their

communities and contribution to the South African economic growth.

Government has to prioritise the provision of infrastructure support that includes access to office space, connectivity and technology platform that enhances innovation as some of the key barriers to entry and facilitating in township and rural areas in the lack of infrastructure.

Meaningful interventions are therefore needed in order to change the spatial management of township economy and provide job creation.

As the EFF, we have on many occasions emphasised that rural and township development should not be confined to maintaining the rurality nor township. Instead, the Department of Rural Development should work closely with other government departments to uplift the economy of rural and township areas.

As part of addressing the industrial development of rural areas and township, the state must identify and run industrial development zone in the following areas of economic potential such as Sekhukhune in Limpopo, Bojanala in the North West, Kuruman in the Norther Cape, Welkom in Free State, Emalahleni

in Witbank Mpumalanga, Overberg in the Western Cape, East London and Kouga in the Eastern Cape, far north KwaZulu-Natal linked to Kosi Bay.

These industrial development zone will open up opportunities to localities which have high level of poverty. People must have access to land, the market and conducive working environment. Economic development lies in these basic fundamental ideas and these are not possible when we still have a state that primarily serves the interest of capitals such as the state we have here today.

It is only through the EFF where the economic emancipation to the people living in townships can be achieved. Thank you Chairperson

Mr M MVOKO (Eastern Cape – MEC: Finance, Economic Development, Environmental Affairs & Tourism): Hon Chairperson, hon members present, representatives from provinces, South African Local Government Association, Salga, good afternoon.

Hon Chair, we are meeting at the end of the women’s month when the incidences of violence against women are increasing in alarming proportions. This happen at the time when the

government has put in place policies and programmes that seek to economically empower women so they become independent and instead be part of the mainstream economy. I therefore pass my condolences to the bereaved families of those whose loved ones were taken away from them before their time and believe that justice will prevail.

Hon Chair, the economic devastation that has been brought to us by the COVID-19 can never be overemphasised. This pandemic has had a devastating effect in our economy so much that our people have lost jobs and at worst, they have lost lives.

Although we pin our hopes on the vaccination programme that we are undertaking as country, it is however important that we learn to live with this virus.

Sad to say when we sought to contain the impact of the pandemic to the economy, we have had to withstand the nasty work of the forces of doom who went on rampage, setting our national efforts backwards through destabilising the integrity of the country’s systems and the economy. The provinces of Gauteng and KwaZulu-Natal are the hubs of our national economic infrastructure footprint primarily that they are key gateway centres of our foreign and internal pathways into and

outside the country. Therefore, tampering with them will inevitably have an impact in other provinces.

The second quarter labour force survey, as released by Statistics SA recently, shows that our jobs situation is not improving. This is why as the Eastern Cape we have a focused plan on the revitalisation of small towns and rural economy. The work that has been undertaken thus far in support of township economy sought to address the challenges of high unemployment prevalent in the township, high levels of poverty and lack of business opportunities for local enterprises. At the centre of these challenges are the vulnerable groups, the youth, women as well as those living with disabilities.

Hon Chair, the Eastern Cape provincial government undertook a study in 2017-18 to conduct a research and mapping exercise of township and rural economy focussing on four identified pilot sites, namely Mdantsane, Zibeleni, Ngangelizwe and Kwazakhele to get information on range of issues affecting the enterprises operating at township and rural space.

The aim of the project was to develop a package of interventions that will address the needs of the township and rural enterprises. It was discovered that many of these

enterprises are informal and survivalist in nature. It was also discovered that these enterprises did not benefit from programmes that assist with access to markets, finance, skills development and generally government procurement opportunities.

The kind of business activities prevalent in the township and rural areas include spaza shops, personal services, taxi industry and light manufacturing and catering. The challenges faced by these enterprises include, amongst others, the lack of infrastructure, crime, access to finance, regulatory constraints in terms of licence and permits, lack of business skills to operate their businesses, strong competition from big business especially at retail level, spaza shops operated by foreign nationals that drove them out of the market because of lower prices and government procurement framework that has excluded them as they are deemed to be unregistered and informal.

Therefore, the recommendations of the study included a need for a more focused study for the entire province in order to understand the profiles of these enterprises, a drive for industrialisation of the township economy through the establishment of industrial parks, focus on labour absorbing

sectors, repositioning of townships to attract new investments, modernisation of the retail sector by supporting local business owners to play an active role in available value chains of retail sector and reduction of red tape in the government environment.

To respond to some of the recommendations, the province has since embarked on a number of programmes that seek to build a self-reliant and vibrant economy in townships. The Eastern Cape province is host to a number of state-owned industrial parks. These state-owned industrial parks are located in regions closely linked to townships, and their focus is on manufacturing and agroprocessing.

To ensure these industrial hubs contribute to the province’s drive to attract investment and create jobs, these parks were on boarded on Department of Trade, Industry and Competition’s revitalisation of industrial parks programmes. Through the Critical Infrastructure programme and the Provincial Economic Stimulus fund, funding to the value of over R200 million has been approved to ensure the upgrading of critical infrastructure in these parks. Each park is at a different level of development. The upgrading of the infrastructure aims to ensure the attraction of new investors to these parks.

Hon Chair, we have also put aside R40 million to support the township and rural based enterprises as part of the Economic Reconstruction and Recovery Plan by designing the Informal Business Support Programme. This program is aimed at providing both the financial and non-financial support to informal enterprises operating in the township and rural space. The focus is on four identified sectors namely, clothing and textile, manufacturing, automotive aftermarket support interventions and services sector. The funding is intended to support 1000 micro and informal business with equipment, machinery and inputs to those successful applicants.

The rollout is done in collaboration with other government departments. The programme is similar to the one rolled out by the Department of Small Business Development COVID-19 relief fund supporting township and rural enterprises across eight provinces.

As a Province, we realised that it would need a policy framework in order to guide government departments and other stakeholders for support of township and rural economy initiatives, as the envisaged programmes cut across a number of sectors and a considerable amount of resources would be

required to scale up some of the business activities found in these areas.

The fundamental challenge remains the fragmented approach in dealing with spatial planning in these areas. It is a known fact that these areas were never set up as places that can be adapted to be business sites. They were labour reserves with no intention to develop them further. Therefore, a new shift of mind is needed in terms of spatial planning to make these areas places where jobs can be created, and where lucrative businesses are established.

In that regard, the Eastern Cape province has commenced a process of developing a White Paper that will culminate in the development of the Eastern Cape Provincial Township and Rural Economies Bill. The objective of this Bill is to address challenges that result from gaps in regulations that have relegated these enterprises to obscurity as it will allow a review of some of the by-laws by local municipalities that makes compliance an onerous process.

I believe a more consultative process will be pursued to engage all relevant stakeholders in the build-up of the White

Paper as well to learn lessons from other provinces and elsewhere where this has been implemented.

At a policy level, we need a more coherent approach that will mobilise all sector departments across all spheres of government to collaborate and share resources in a more effective manner through joint planning and resource utilisation.

The CHAIRPERSON OF THE NCOP: As you conclude, hon Mvoko.

Mr M MVOKO (Eastern Cape – MEC: Finance, Economic Development, Environmental Affairs & Tourism): The province needs to have complementary programmes at local levels to change the challenges of the local enterprises for the better and therefore achieve our ultimate goal of building a self-reliant and vibrant economy in our townships. I thank you, hon Chairperson.

Ms H S BOSHOFF: Thank you very much, hon Chairperson, South Africans’ in townships have most certainly reached the end of their tether. How could they not, when as South African’s they are faced with the highest unemployment rate in the world among 82 countries monitored by Bloomberg. The massive

unemployment rate, which now sits at 34,4 %, is further exacerbated by the fact that when the youth demographic of under 24-years-old is isolated, a staggering 74,8% cannot find jobs. The constant promises made by this failing government to improve the quality of the lives of these residents have fallen on deaf ears with increased levels of poverty, food insecurity and the potential of more social unrest, as was experienced in July of this year in KZN and Gauteng. This, hon Chair, is a time bomb waiting to explode.

An economic strategy for reviving South African townships is an absolute necessity and policy makers together with service providers need to take a deep and serious look at the realities facing the residents of the townships. The never ending discussions on economic transformation, inclusive growth and competitiveness are but empty words as it appears as if policy makers in government and the decision-makers in the private sector are struggling to grasp what is needed for implementation.

The lack of information and the availability of accurate data is in all probability also inaccurate. If this reality is not faced head on, then many opportunities will be missed. The inclusion of the people of townships into the main economy

will be one of the key game changers, albeit the Premier of Gauteng, hon Makhura in his state of the premier address in June 2014, is again proof of a vision of government to build an inclusive, labour absorbing and growing market with no will to actually cross the line to implement these visions.

Hon Chair, draft Bills are being published, like the Gauteng Township Economic Development Bill, which seeks to reserve certain economic activities in the townships for citizens or those with permanent-resident status. This will do nothing to save Gauteng’s economy, but could spark a surge of uprisings, that this country cannot afford. To mention the word “township” in any context automatically brings mental images of the harsh contrast of abject poverty on the one hand to the absolute wealth of their neighbours in the more affluent areas. This must be the key focus of the government when any economic development is discussed.

Unfortunately, South Africa is burdened by a history of inequality and it is therefore incumbent upon government to play a leading role in addressing these inequalities. This duty is founded in the Constitution as well as the various municipalities Integrated Development Plans. It is clear, hon Chair, that all stakeholders need to take hands in addressing

and alleviating all structural inequality through social mobility for all residents. The governing party can no longer play the race game by blaming the apartheid regime as they have these past 27 years, as they have also done very little to grow the economy to address the ever growing unemployment crises.

On 28 July 2020, the then Minister of Small Business Development in her budget speech debate indicated how the government would focus on ensuring that township economies are revived, including both the formal and informal trade, together with small and medium business perspectives. She also revealed that in the 2020-21 financial year, more than 14 000 entrepreneurs and businesses benefited from the various Township and Rural Entrepreneurship Programme, TREP, subsidies. She gave a clear message that through the prioritisation of TREP, to the value of R694 million, the focus will be on the strengthening of informal businesses, creating markets for small, medium and micro enterprises, SMME, and promoting localisation and industrialisation.

Hon Chair, there is no doubt that townships must be a critical focus through the five-year Township and Rural Entrepreneurship Programme, and if implemented correctly, can

lead to assisting businesses to flourish in our townships which will in turn lead to the employment of residents, which will in turn lead in improving their lives and livelihoods.

In conclusion, the support given through their implementing agents of the small business of the department, Small Enterprise Development Agency, Seda and Small Enterprise Finance Agency, Sefa, is all good and well. It would therefore be of note if the newly appointed Minister can inform the House of the 14 000 businesses that received subsidies, what businesses they operate, how many of these businesses are youth and women owned, how many employees, especially the youth have benefitted and lastly, where they operate and how many of these businesses are still viable, especially in Gauteng and KwaZulu-Natal, KZN, after the riots that killed many businesses and left many families destitute. I thank you.

Mr M F P TAU (GAUTENG MEC FOR ECONOMIC DEVELOPMENT, AGRICULTURE, ENVIRONMENT AND RURAL DEVELOPMENT): Hon

Chairperson of the NCOP, members of the NCOP, representatives of SA Local Government Association, SALGA, colleagues from national and provincial government, ladies and gentlemen.

Allow me to reflect on my task today which is to speak about building a resilient and vibrant township economy. I speak from the perspective of understanding our position and aspiration to build Gauteng into a globally competitive city region.

The Gauteng city region is a complex region; it is faced with complex challenges and opportunities. It is a place where many wishes would and come to life to live, work and play.

What have we done to make this a reality? As a provincial government we have adopted the Growing Gauteng Together 2030 strategy, which specifically commits us to growth that deliberately targets the areas and the people who experience the highest structural disadvantage.

Practically, this means, we are rebuilding and radically ramping up the growth of the Gauteng city region with specific and important objectives that go beyond mere economic growth.

We have acknowledged that disadvantage in our province intersects strongly with where you live and how formal your access to the economy is. Without a doubt townships and informal settlements represent geographic and demographical

spaces that represent South Africa’s lived reality of

continued class and racial inequality.

In order to mitigate this disadvantage, we have repositioned ourselves to put in place a Township Economic Development Bill; to establish dynamic partnerships that enable us to focus on implementation and ensure that the Gauteng economy does grow in order to build a self-resilient and vibrant township economy; to create blended financing scheme that creates inclusivity through both grants and loans; and to facilitate spatial targeting of townships as enterprise zones using regulations benefit stacking which is critical to unlocking opportunities for the disadvantaged.

Tackling the issue of Broad-Based Black Economic Employment, BBBEE, procurement and enterprise supplier development head on, is part of this agenda. This is what Gauteng will now be doing under our proposed Township Economic Development Bill, establishing new township enterprise zones which will deliberately and systematically diversify the economy of our townships.

Hon Chair, allow me to first focus on creating a legislative and regulatory framework that will enable and support accelerated economic development in our townships.

Our new proposed township economic development act will do this by, amongst other measures, changing how townships are regulated and governed to transform them into zones of widespread job-creating commercial activity to be designated as township enterprise zones.

These township enterprise zones will be subject to new standardized bylaws which dramatically cut red tape for our township businesses when it comes to licensing, zoning and other compliance issues.

These bylaws will also incentivize the installation of last mile broadband in townships, as well as promoting the taxi and backyard rental economies.

The taxi economy is major frontier of gender inclusion we have to conquer. Only 2% of minibus taxi owners are women and the taxi system is far too tolerant of sexist, abusive and often harassing behaviour.

Next we looking at setting up better procurement rules and programmatic support which allow government and its main contractors to buy from large groups of township-based firms with systems linking them so they can supply if they were one large firm, including clusters of small manufacturers. Our plan is to then offer this capability to the private sector, which is ten times the size of government in this province when measured by spending.

And also creating a permanent township funding mandate which establishes a township growth Small, Medium and Micro Enterprises, SMME, fund.

Hon Chair and members, inequality, poverty, and unemployment remain our collective challenges. Recently our Gauteng Department of Economic Development conducted one of the largest baseline surveys ever taken of small and micro businesses operating in Gauteng’s nine densest townships in 2017; reaching over 80 000 small businesses in the townships. Through this research we learned that nine out of 10 township businesses do not use a business bank account. These operate outside the regulated space.

The multiple shocks of the last year hit businesses and their workers hardest; informal workers have no eligibility to the Temporary Employment Relief Scheme, TERS; cash-only, uninsured businesses have no recourse to SA Special Risks Insurance Association, Sasria.

We do businesses in townships no favour when we insist on hard-to-meet formal standards as a condition for being licensed to operate, as a condition to accessing funding or even as a lock-out clause when it comes to being part of public or private value chains.

But we also do the poor and the marginalized no favours by sentimentalizing their vulnerability. It is those who are unregulated, the 90% of township businesses and their workers, that are suffering the most.

Hon members, we need to create meaningful access to funding for SMMEs that can grow and create jobs, but are locked out when banks and Development Finance Institutions, DFIs, ask for things such as audited financial statements, collateral and banking history.

The answer we have found is to work with smart platforms, which almost universally are not banks. Specifically,

R250 million from the Gauteng provincial government is being allocated into a wholesale fund that leverages both public and private money. This money will now be loaned out to platforms that can run portfolios of loans to small, medium and micro- firms operating in the townships.

We announced on this platform last week that the Gauteng Enterprise Propeller, GEP, and the Industrial Development Corporation, IDC, have deployed R100 million from this fund and funds from the IDC to a Rapid Deployment Township Rebuilding Fund; this fund was launched on 24 August 2021. This provides for funding that is 50% grant and 50% loans with a cap of R1 million for smaller businesses in distress and up to R50 000 grant funding of informal businesses.

A 166 applications have so far been received and are currently being processed, with the first disbursements projected for the next week.

This is only the beginning of what we have estimated will be close to a billion rands worth of financing solutions that we

will be able to disburse through intermediaries, especially those who will match our investments.

The investment committees that were established with the IDC are currently in discussion to ensure that those who have committed to match us rand-for-rand and partner with us on rebuilding funding for distressed township firms will be accommodated.

We are also looking at working capital fund and stock on credit and purchase on a financing to township-based enterprises which are linked to non-bank intermediaries.

We are also looking at the capital investment scheme and are also considering a backyard shack upgrade programme as part of our township enterprise development initiatives.

Hon members, our interventions are trying to unlock challenges, reduce the burden of red tape and the cost of doing business and create opportunities.

Members ...

The CHAIRPERSON OF THE NCOP: As you prepare to conclude, hon Tau.

Mr M F P TAU (GAUTENG MEC FOR ECONOMIC DEVELOPMENT, AGRICULTURE, ENVIRONMENT AND RURAL DEVELOPMENT): Hon Chair,

our last comment is that society has been very patient with us. We have no choice but to focus on implementation to ensure that we build a self-reliant and vibrant township economies.

Thank you very much, hon Chair.

Mr R PILLAY (KwaZulu-Natal – MEC: Economic Development, Tourism, and Environmental Affairs): Chairperson of the NCOP, hon Masondo, hon members, SA Local Government Association, Salga, representative, ladies and gentlemen, thank you very much for allowing us this opportunity to be part of this very important debate focusing on how we can stimulate township economies so that our townships are vibrant and self-reliant.

I there say and many speakers have already alluded to that the same principles underpinning the township renewal and revival will also underpin the approach to our very significant rural areas in KwaZulu-Natal even carried over in areas that have a different characteristic or different aspects of the characterisation and of courses informal settlement.

As the hon members will be aware, we in KwaZulu-Natal are currently engage in a very special realm and proms following the devastation we suffered as a result of the July civil unrest. And therefore, this debate is being held at a very optical time because it is stimulating township enabling economy there at the centre of our recovery efforts. But even before the unrest happened we were already hard at work trying to revive our economy on the destruction caused by the Covid-

19 pandemic. And working together with labour, civil society and business, we developed and adopted the province’s economic reconstruction recovery and transformation plan which is our blueprint to economic recovery.

As a name makes it clear with this plan our aim is not just to recover the economy to what it was before Covid-19 but we also want to ensure that we emerge with the different, new and inclusive economy. This must be an economy in which all our people must feel they have a stake.

Hon members, a very significant amount of the damage resulting from the July unrest was actually at township malls, plaza and businesses at stake. And post the unrest, we have sought to understand the causes behind the cause or factors behind this phenomenon.

Yes, there was a very big element of criminality and we are satisfied with the manner in which our law enforcement agencies have been proceeding to ensure that those behind the acts are brought to book.

But there are also as many speakers have already enunciated glaring socioeconomic challenges that must be at the centre of our response. We believe that those challenges made our people vulnerable to manipulation by forces of ...

No one, and no one indeed have been pleased to know is disputing that our sisters and brothers in townships and rural areas are the sharpest for steering end of our triple challenges. Too many feel left out of their economy. They see some of the economic infrastructure, including the malls which has been strong enough have not done very much to alleviate this suffering.

And this is something that we need to unpack very carefully and not prone the baby out without water. If we had to take townships like Edendale where the entire mall was destroyed, it provided 2 200 employees with jobs. There was also a significant empowerment initiative.

And if we can look at an example of someone like Zanele Vilakazi who started outside the mall as a vendor and over a turn he is only 36 years-old now. Ten years ago he started off as a vendor outside the mall. Through his initiative he progresses to get a place inside the mall. A week before the unrest, he had three businesses, a restaurant, an afro herbal business and one other which I can’t recall at the moment. He was employed a total of 60 people. Obviously he lost everything. And he was the kind of example that we were looking to inspire others. In fact, personified what we wanted to do and mystify thereon. So, our service is to look at how we then remodel shopping centres and malls so that it talks more effectively to the needs of our people in the townships and rural areas. And this requires a conversation between all our sectors because a capital require to develop it, the job is there created by bigger businesses, us require there has to be a balance where people feel a genuine sense of ownership of it.

So, as we engage in the process of rebuilding, we have started discussing new ways of doing things and as I said even new models of even ownership not just of intended mix but also new models of ownership.

We are starting to look at the taxi industry which has been studied I know for a long time but surely we believe that the taxi industry will be able to mobilise capital sufficiently to own significantly percentages of the malls and therefore have to think at this business enterprise.

In KwaZulu-Natal too we are guided by the township and rural economy revitalisation spectrum. We are also analysing our townships and discovered that 95% of our businesses within our townships are micro and informal. And there the interesting factor came out of that study was that the majority are young adults who are otherwise unemployed about half of them actually have a post matric qualification. And so this means that much of our intervention should be focused on how to capacitate the businesses out to support informal businesses infrastructure and I will speak of a bit of some programmes if time allows and how we will capacitate the entrepreneurs running this.

We must ensure that those who need the accreditation, training and access to violence in particular another services get those services. We realised that threats to some businesses is a tough competition they face from bigger and well better

resource players. So, another focus is how our intervention are geared towards making our township businesses competitive.

So, what have we done beyond the rhetoric in terms of practical programme because there is no perfect formula. In many cases we have to experiment and see what works. So, we have under the leadership of our premier launched the Operation Vula programme that started off by analysing our procurements spend which is many billions of rends. And we asked where are we buying these things from and why can’t we buy them from businesses that are located in townships and rural areas. Of course that is not going to happen by magic. This had to be build, capacity had to be created.

So, in this last few months and we will conclude by the end of September over 1029 SMMEs will be the beneficiaries throughout the province, will be the beneficiaries of 300 million grant that seeks to give them equipment and other infrastructure in order to build the capacity to become competitive as our theorist says we want to do.

But beyond that, we are giving them post grants support in terms of financial management, in terms of operational efficiency but most importantly its access to the markets.

There is no point in them being able to produce these things if they cannot sell it at a reasonable price which makes their businesses viable.

And we were very pleased that we have managed to secure many off taken agreements, including with many of the change stores said they will buy whatever they produce and put it into the shelves.

The second programme is the Radical Agrarian Socio-Economic Transformation, Raset, which is the same principle but focus more on agriculture and there the Department of Agriculture is supporting the production that will take people from subsistence farming to small holding farming and then to commercial farming so giving them support in terms of seeds, in terms of the fertiliser and in terms of mechanisation. We then giving them logistic or support to get it to market. And lastly again, securing the market through many of the change we have agreed to take their produce.

Of course, one of the original motivation for this programme was to use the National School Nutrition programme where we as government we are providing the money to feed our children.

The question is: where are the service provider buying that

groceries and fruits and vegetables from in order to make that obligation. And we are saying we must make it possible to buy from the local producers.

We then have a bulk buying programme because many of our small enterprises say they can’t compete effectively. We have a bulk buying programme which has been rolled out so that you can buy bulk on a discount and give the benefit of that to our small traders.

We then have the Mzimela Traders Fund which has two components which gives a grant, the grant that is meant to serve people replenish their stock. But then there is also a loan which is intended to improve various infrastructures whether it is in terms of the shelter, especially security related infrastructure and also in relation to IT simple equipment that will enable purchases of even people who are receiving grants to be able to access their grant through that technology through our small enterprise

And earlier speaker spoke of the African Continental Free Trade Agreement. I am pleased to report, hon Chairperson, that I am rupturing from Nairobi this morning actually and it was there in Nairobi following the delegation to Ghana last week

and there will be another into Egypt in the weeks ahead. All of which is planning the Intra-Africa Trade Fair which will happen in November in Durban, KwaZulu-Natal. And that is in partnership with the Agric Bank and the AU and the Secretariat of the African Free Trade Agreement implementing agent. And we hope we had made thousands of delegates there all directed towards walking the top of Intra African Trade.

And of course, we don’t want to trade with staff that come outside of the country. We want to trade with what we produce ourselves. And that’s a very inspiring thing. Of course ...

The HOUSE CHAIRPERSON (Ms W Ngwenya): As you conclude.

Mr R PILLAY (KwaZulu-Natal – MEC: Economic Development, Tourism, and Environmental Affairs): Central to all of these is the localisation which many have spoken about. And I am sure that many who are the call face of know the legal problem we have to enforce localisation. Therefore, the new procurement Bill which is in the system I understand, is going to be quiet critical to enable all our supply chain managers to be able to implement. So, we urge the legislatures as well and the Ministry of Finance of course to make sure that that

new procurement Bill talks to the objectives that we want to achieve.

Finally, Chair, let me say the critical to all of these is us working together. In KwaZulu-Natal we have a social compact between government, business, labour and civil society. We want that to be cascaded down to district levels and ultimately to local municipality level where all these stakeholders are working together. Breaking the cycle of poverty in our townships and rural areas is in our hands but it will require focus attention and aggressive determination implementation of these targeted programmes. Madam Chair, thank you very much.

Ms M L MAMAREGANE: Thanks hon Chairperson, and greetings to hon Deputy Ministers. Hon Chairperson, studies conducted globally indicates that more women are turning to business than ever before. When considering statistics against other international industries, the global number of female entrepreneurs has grown over 10% each year. Women are equally likely or more equally likely to start a business than men.

According to reports from the World Bank, Africa is one of the highest regions for female entrepreneurs in the world at 27%, followed closely by Europe at 24% and Asia-Pacific at 13%.

However, at the bottom of the Continent, South African women remained in the minority for female business leaders. Over half of the South African population is women, yet, only 18,8% of businesses are owned by women, aligned with the global rates. Why is this the case? Firstly, an exploration into Business in Women in Africa found out that most women and young people in South Africa are unemployed and living in poverty. Therefore, some are compelled into choosing business as their careers, forcing them to become self-employed in micro enterprise projects such as chicken farming or sewing.

Secondly, research has found out that women struggle to get funding from banks for their business ideas, with the financing gap for women in Sub-Saharan Africa being more than R300 billion. Thirdly, a huge number of South African women underestimate their abilities due to the way they have been socialised about attitudes to gender. Through biasness in education and societal expectations, women haven’t been raised to be leaders. They are often perceived to be negative when assertive and they have internalised to be no confident and they have fear of failure.

The international labour conference of the International Labour Organization, ILO, in the June 2009 Resolution,

considered gender equality at the heart of decent work. It described entrenched gender oppression as a critical and major global challenge to the goal of equality between women and men. In South Africa, racial oppression, capitalist exploitation and patriarchy have reinforced each other for decades as the pillars of the apartheid systems. The new South African position that is set in motion the democratic transformation of systems and laws of our country has put gender equality as a priority.

However, in spite of years of words by government and the private sector, our economy is still characterised by unsecure forms of work made up of range of contractual relations such as temporary work and employment agencies engaged in the outsourcing of labour. Even more concerning, South Africa today has recorded an all-time high real unemployment rate of 44,4%, with women accounting for 36,8%. The unemployment rate among black African women is 41,0% compared to 8,2% among white women, 32,4% among Indian women and 29,9% among coloured women.

The rate of unemployment among women was 36,8% in the second quarter of 2021 compared to 32,4% for men according to the official definition of unemployment. The high concentration of

women in low paid jobs with limited access to job security and benefits have contributed to the increasing familiarisation of poverty. Owing to the rapid disappearance of secure, well- paying jobs in the formal sector, more women have resorted to opening their own businesses, many of which are formal by nature. The informal sector particularly in townships, are predominantly occupied by women.

These sectors support thousands of families and provides poor and working class families with affordable and readily available goods and services. On financing, hon Chairperson, government policy seeks to transform and signify the financial sector to cater for the diverse needs of entrepreneurs in townships and rural areas. These policies have gone a long way towards facilitating the creation of enabling environment for ownership of financial institution by women, black people and the youth. This House must welcome initiatives such as the R250 million partnership between the Ithala SOC Limited based in EThekwini in KwaZulu-Natal and Fintech Black Pay, which will see the start-up supports the bank clients and entrepreneurs obtaining finance.

Its role is to simplify the process and ensure easily access to capital for assets. It will help township and rural-based

South Africans to create a stake in the country’s mainstream economy by financing township and rural development through home loans, building of backyard’s flats, purchasing of taxi vehicles credit, while prioritising women and young people. The Ithala Bank offers a full range of financial services with the aim of providing them in remote areas of KwaZulu-Natal, while also contributing to provinces as socioeconomic development.

The institution has recognised that significant part of its work should be improvement of the livelihoods of our people. Such organisations must be supported or created in all our provinces if are to transform socioeconomic conditions particularly of women and the poor in townships. On Tourism and Women, hon Chairperson, the tourism sector has been identified as the key driver of our economy’s recovery. It has a multiplier effect on job’s creation as it has links with many other sectors in each other’s value chain who supply tourist establishment with products such as transport, food beverages and many other goods and services.

However, beyond the threats to have the livelihoods of the COVID-19 pandemic, has thrown a range of goods on to this sector. Unfortunately, women bear the brunt of the impact of

the pandemic due to their large numbers within the tourism industry as workers and owners of sport operation in particular. Nevertheless, the ANC welcomes the programmes created by the Department of Tourism, targeting women and youth in and around townships. We must encourage young people to join the two skills development programmes that the department has launched, the chefs training and one service training programmes.

We must also encourage women to join the Women in Tourism initiative which has chapter in all our nine provinces. The Women in Tourism programme propels and supports the development and empowerment of women in the tourism sector.

It is premised on the principles of respect; recognition;

representation and reward. The programme integrates women from diverse backgrounds to converge on a set of common goals and

interests that will ensure their success in the sector. Its aims include identifying mechanism to address the barriers faced by women in the tourism sector; to drive transformation in the tourism sector that is aligned to the targets set out in the BBB-EE Tourism Sector Code.

Also, to lobby government and stakeholders to create opportunities that drive the advancement of women in the sector and to facilitate access to business resources, information and opportunities for women entrepreneurs in tourism. It is through this and other similar programmes that women in business are able to attend training on variety of skills, empowerment and networking opportunities that facilitates the competitiveness as entrepreneurs, professionals and leaders.

This is done to guide many small businesses including self- employed individuals, freelancers and contract workers who are unable to comply with the minimum requirements to access available Covid relief measures being offered by the

Department of Tourism. In order to address this challenge, the Department of Tourism hosted a series of sessions, covering topics focusing on tax requirements, business registration and contract management. These initiatives were started to support tour guys to have a better understanding of the various of ... [Inaudible.] ... plans, issues and to equip them to access national opportunity with greater ease.

This information helps the tour guys from the township who sometimes do not own formal businesses. For women and

townships, hon members, allow me to profile a remarkable woman who has been thriving in township economy under the sub-sector of shisanyama, Rita Zwane, who owns four restaurants in Gauteng. Her newest African cuisine experience is at the Mall of Thembisa. Her humble beginnings started in a ... [Inaudible.] ... two meters contained in a busy corner in Ivory Park. Almost 25 years later, Rita has successfully disrupted the food and beverages instructor in South Africa, and contributed immensely to the development of township economy of South Africa.

Like many women of our country, Rita’s struggled to get

finance. Hon Chairperson, there is definitely more work that can be done towards supporting women in the township economy. This can be done through financial and nonfinancial support. I

thank you, Chairperson.

Mr X NGWEZI: Hon Chairperson, hon members, allow me to debate on behalf of ...

*IsiZulu*:

...umbutho omkhulu weNkatha yeNkululeko yeSizwe.

*English:*

The discussion about the township economy is a difficult one. One that we should only have if we are truly committed to address the controversies that aroused. For a long time, the township economy has been an object of pride, but also a mark of shame to many of us. On the other hand, the township economy incubated many black-owned businesses that we see today. Many successful black business and business women come from the townships, they stated there. On the other hand, the participation of the people of townships in their economy has been diminished. This is due to several factors, including the invasion of townships by big retailers and internal migration of our people to more urban centres than contain services such as police stations. While the people in townships struggle for jobs and survival. Some people have seen a massive opportunity to make profit. This is due to economic power imbalances.

Owners of large enterprises that provide service to the townships hold a monopoly of the township economy and sometimes the development of the township is seen as a threat to their businesses.

However, at the same time, our people need a sustainable economy that can be built on foundations of legitimate and recurring business. The revitalisation of township economy must build a self-reliant population. Its growth and

development must benefit the people who stay there. The principles of the IFP and our President Emeritus Prince Mangosuthu Buthelezi have always sought to bring dwellers out of the poverty circle by teaching self-reliance and sustainability.

After 26 years into our democracy, the first of our born-frees are of the age to contribute to the economy. Yet, they are faced with being trapped in the same circle of poverty given the high unemployment rate. It is concerning that for so long after the dawn of democracy, this government has failed to enact legislation to govern township economy. The township economy has become a free for all, including the giants that make it almost impossible for the vulnerable people in the townships to participate meaningfully in their economy and this, hon Chairperson, must change. Thank you.

The HOUSE CHAIRPERSON (Ms W Ngwenya): Hon member, are you done?

Mr X NGWEZI: Yes.

The HOUSE CHAIRPERSON (Ms W Ngwenya): Okay, thank you very much, hon member.

The DEPUTY MINISTER OF TOURISM (Mr A F Mahlalela): Hon House Chair, it’s Mahlalela and not Mahlalele. House Chair, Deputy Ministers who are present, MECs from various provinces, Salga, members of the NCOP, distinguished guests, ladies and gentlemen, I rise today to address the National Council of Provinces on a very important debate central to the growth of our economy and development of our country. This debate takes place during a difficult period in the history of humankind since the Spanish flu also known as the Great Influenza of 1918.

The nations of the world are indulged by yet another pandemic, the Covid-19. This pandemic has disrupted lives and livelihoods of the citizens, economies and social cohesion across the world. It has further taken lives away leaving many families destitute. We are raising this to re-illustrate the manner in which the pandemic has affected in particular tourism.

Tourism has been the hardest hit because everything is about travelling, and once you introduce restrictions on travelling you then affect tourism to be able to function. We are however encouraged by the response of the ANC-led government on the risk mitigation strategies and the vaccine rollout programmes

to defeat this pandemic and bring back economic activities to its full scale. We are looking forward to achieving herd immunity in the near future because for tourism to come back to its fit vaccination becomes very key.

Hon House Chair, notwithstanding the said development brought about by the Covid-19 pandemic as we have mentioned above, we are truly excited that this important debate takes place during the tourism month. September is the tourism month worldwide. The United Nations World Tourism Organisation, UNWTO, has declared this year 2021 as the year of tourism for inclusive growth. This theme builds forward from the theme of the year 2020 that is last year, of which tourism and rural development was the theme and resonate well with the transformation goal of our country. But most importantly a theme of tourism for inclusive growth responds very well to the theme of this House as we engage in this debate today. A call to build a self-reliant and vibrant townships economy.

These two things go hand in hand in the sense that there can never be inclusive growth without self-reliant and a vibrant townships economy.

Furthermore, there can never be a vibrant township economy without tempering with the base and the super-structure of our

economy, unleash wholesale transformation and bring in our people, whom are black in majority, into the economic activities of our country. Most importantly, it is in this House as our country continues to mark the 25th anniversary of its freedom and democracy — an anniversary which must remind us how far we have come as a brand and a destination.

Over the past years since our democracy, we have tirelessly worked towards the development of destination South Africa as a first port of call for tourism and investment in the southern hemisphere and the world over

Tourism continues to find a strong footprint in townships, small towns, rural areas and dorpies and the forecast for the future is very optimistic. We are fully aware that its full potential remains vastly untapped in townships and villages — whose potential we all know that, if exploited, could catalyse and sustain rapid economic growth.

We want to assure this House as the Sixth Administration led by President Ramaphosa, of our political will and a demonstration of the readiness of our government to reposition the township and rural tourism development as an anchor for a self-reliant and vibrant local economic development.

As we enter the third decade of the second millennium, we shall do so inspired by the words of one of our revolutionary mothers of the nation, Mme Charlotte Manye-Maxeke, when she once said: “This work is not for yourselves — kill that spirit of self, and do not live above your people but live with them. If you can rise, bring someone with you.”

I therefore can confidently say that we debate here today with a collective commitment of our government to grow the tourism sector in townships and villages, and carry the aspiration of millions of South Africans whose hopes hinges on tourism propelling them through a path of growth, recovery, self- reliant and vibrant township economy.

Townships fit within development zones. Where tourism potential exists, it would be within clearly defined spatial areas or precincts. This is the responsibility of the local government. However, development of the tourism economy in townships and villages is underpinned by co-relations of the three spheres of government working together to achieve common developmental goals. As hon members are aware that tourism is a schedule four function which is concurrent within the three spheres of government. This work is co-ordinated under a newly structured District Development Model.

Since 2017 the department has undertaken the following by capacity building programmes. In 2017-18 we managed to develop Destination Planning Manual and Precinct Planning Methodology. In 2018-19 we conducted training on manual and methodology for municipalities districts and provinces. In 2018 the department developed the Tourism Investment Market Analysis Framework, training and assistance to individual municipalities. In 2019 we developed the Niche Development and Marketing Methodology and conducted training to various municipalities.

There are precinct plans that we have managed to complete, township economic activities in Galeshewe, Khayelitsha, Mdantsane, Vilakazi Street, Kleinzee, Carnarvon and Port St Johns to mention a few. We have also introduced a market support programme as a mechanism to reduce the cost burden on small enterprises from townships and villages to participate in selected international trade platforms based on the rationale that improved market access not only drive higher revenue and export earnings, but that the associated increase in demand will also inform enterprise growth and expansion, which in turn will lead to greater job creation.

We also introduced the Green Tourism Incentive Programme, GTIP, against the backdrop of ongoing electricity supply

challenges, escalating electricity prices and drought conditions in many parts of our country. The rationale for introducing the GTIP was to encourage private sector tourism enterprises to move towards more efficient energy sources and water usage that will not only ensure an uninterrupted visitor experience for tourists, but will also reduce input costs and facilitate increased competitiveness and operational sustainability in the tourism sector. Most of our focus on this programme is targeting small businesses in the townships and rural areas.

We further introduced the Tourism Transformation Fund. In recognising the slow pace and extent of transformation in the tourism sector, the Tourism Transformation Fund aims to drive transformation in the tourism sector and catalyse the rise of a new generation of black-owned tourism enterprises. The Tourism Transformation Fund offers a combination of grant funding, debt finance and equity contributions to facilitate capital investment in new and expansion projects in the tourism sector for black owned enterprises.

The outbreak of the COVID-19 pandemic has caused unimaginable damage to global tourism, travel, and the hospitality industry. It has not only caused huge loss of lives and

continues to do so, but is leaving behind a trail of havoc on the world’s economy. We have seen many cycles of downturn in the tourism industry over decades due to health crisis.

However, never before has there been so much panic, despair and hopelessness as caused by COVID-19.

The COVID-19 has swept across the globe within a matter of weeks, has not only had a significant impact on public health, it has also severely affected one of the linchpins of the global economy, i.e. the tourism sector.

The Department of Tourism introduced the Tourism Relief Fund for COVID-19 to provide an amount of R50 000 once-off capped grant assistance to small and micro enterprises in the tourism sector to mitigate the impact of COVID-19 in order to ensure their sustainability. The Majority of businesses who were assisted are based in rural provinces of our country, and continue to operate as we speak here today.

This is over and above the ongoing work of identifying special economic zones and industrial parks with tourism potential as pivotal to the Economic Reconstruction and Recovery Plan.

These programmes and projects as alluded earlier, are geared to attract private sector investment in the township and link

township and rural small businesses to the mainstream economic value chain.

As one and only longest serving President of the glorious liberation movement, Oliver Tambo said: “We have a vision of South Africa in which black and white shall live and work together as equals in conditions of peace and prosperity.”

We look forward to build a township economy for inclusive growth and a self-reliant and vibrant local economy. These tasks are now ... challenges are lying ahead, but we are confident we shall overcome. We shall build a self-reliant and vibrant township economy by making sure that we implement our tourism sector recovery plan which has three pillars of which most of its work will be focusing on development of new products mainly in the townships and in the rural areas so that we make sure that we transform the tourism sector and make sure that it becomes beneficial to all South Africans.

Thank you very much.

Mr M A P DE BRUYN: Hon House Chair, I’m sure we all agree on the importance of developing economic ... [Inaudible.] ... in townships as it has potential to make a significantly-positive difference in the lives of thousands of smaller and medium

enterprises, and entrepreneurs across South Africa. But having said that, we must admit that government has failed the people in townships in this regard in the past 26 years.

*Afrikaans*:

Die ANC het die geleentheid gehad om daadwerklike ekonomiese verligting vir die burgers van Suid-Afrika te bring, maar het in plaas daarvan eerder ... [Onhoorbaar.] ten koste van die arm mense wat hom in die regerende posisie gestem het.

... [Onhoorbaar.] hoeveel besigheidsparke en sentrums gebou sou kon word met die R255 miljoen wat gesteel is in die asbestosskandaal of hoeveel nuwe infrastruksture in belê kon word met die sowat R500 miljard wat verlore gegaan het as gevolg van staatskaping. So gaan die lys van voorbeelde aan en aan, amper tot vervelens toe.

*English*:

If the government is truly serious about economic township development, it would have sufficiently invested in infrastructure to create a suitable environment for entrepreneurs to operate their businesses in. You can’t expect anyone to run a business ... [Inaudible.] ... without basic services like decent roads, running water and electricity as

is unfortunately, still after 26 years of so-called democracy, a reality in many townships across South Africa.

... [Inaudible.] ... are available through ... [Inaudible] ... that underspend yearly at the cost of those in need in townships. And once again, illustrates the government’s inability to govern in the interest of its people.

*Afrikaans*:

Begin by die begin. Belê in infrastruktuur, skep ’n veilige omgewing vir besighede en die publiek, belê in voldoende publieke vervoer en skep ’n gunstige ekonomiese klimaat, dan sal daar in “townships” verligting kom en sal ontwikkeling bevorder word. Ongelukkig was dit egter nie geval die laaste

26 jaar nie.

Totdat die ANC die belange van die mense bo homself plaas, sal al hierdie debatte en slim plannetjies geen vrugte werp nie.

*English*:

The current state of our townships is directly to blame on the governing ANC. Until this is admitted, there will be little chance of change or relief. Stop playing with your people, go back and start with the basics. Thank you.

Cllr R MATHABE (Salga): Hon Chairperson, greetings to the hon Chairperson of the NCOP, Deputy Ministers, MECs, Deputy Chairperson of the NCOP, Chief Whip of the NCOP, House Chairpersons, hon members of the NCOP and special delegates. We meet at the time when the Covid-19 pandemic continues to threaten lives and livelihoods, though we finally begin to see the light at the end of the tunnel.

While the impact of Covid-19 has been felt across the spectrum, the township economy has been notably hit the hardest particularly due to its fragile nature. Nowhere has the impact of Covid-19 been acutely felt than in this segment of the economy.

The pandemic has further amplified the deep and chronic inequalities bedevilling our country. While these structural inequalities were prevalent pre-Covid-19, they have nevertheless become more glaring during the pandemic.

Hon Chair, the township economy remains key to South Africa’s economic growth project. Our townships are vibrant spaces full of economic vitality endowed with immense and immeasurable potential and spirit of entrepreneurship.

As government, we are therefore duty-bound to play our part in harnessing and strengthening the township business ecosystem through, in part, improving access to support services and finance-enhancing skills and capabilities, and accelerating digitisation to enable our complete re-orientation township economy where townships are elevated into economic hubs for manufacturing and production, and not consumption sites that they currently are.

There are a number of apex areas that we believe could be game-changers in transforming the township economy. The first one is to address the market concentration. The South African economy is heavily concentrated in a few monopolists controlling a large share of the market.

A case in point is an enquiry by the Competition Commission published in 2019, which found that big retailers use their market power to negotiate exclusivity in shopping malls. This practice is pervasive in other sectors too. We therefore must make a concerted effort to decentralise the economy to the benefit of the previously-marginalised areas such as townships.

The second one is using procurement leverages. The current procurement regime favours more-established businesses. There is a need for a more-conscious effort to use procurement as a lever to reconstruct the township economy through targeted and preferential procurement. The aim is the creation of a decentralised new economy of smaller, locally-embedded job- creating enterprises.

Local government wants to be at the forefront of this endeavour. This is why in March 2021, we convened a local government symposium on employing social, local procurement as a lever to ignite the local economy. The symposium placed the spotlight firmly on using local government procurement spend as a transformative instrument to meaningfully transform the local economy.

We have come to a recognition that the spending power of municipalities is a leverage that, if properly channelled, can have material impact in uplifting the previously-marginalised groups and in the process, widen the net with respect to economic participation. As a sector, we believe that our procurement spend can serve as a stimulus to support local value chains and in the process, lay the foundation for township economic development.

Hon Chair, the other one is the maximum circulation of each rand in townships. We also don’t want our townships to be consumption sites where shopping malls are the mainstay development. Instead, we want to see more employment- generating economic activity, more transactions and less linkages.

We also want the income earned in townships to multiply many times before it is expatriated elsewhere, which is currently not the case. The longer the rand is kept circulating in the local economy, the more it multiplies in terms of economic activities key to creating value in the local economy and self-sufficiency. That is where the economy can achieve multiple transactions as strong foundation of enterprise, growth and job creation.

The next one is achieving localisation through leveraging large-scale infrastructure projects. For large-scale infrastructure projects, we are proposing meticulous value- engineering during the design phase where engineers look at how they can structure a project in such a way that it creates maximum opportunities for local small, medium and micro- enterprises, SMMEs. This will ensure localisation is not an

afterthought but a carefully-designed intervention from the outset.

The next one is rationalisation of township support programmes. Within the intergovernmental relations, IGR landscape there is a myriad of programmes dedicated to transforming the township economy. However, they remain disjointed.

As local government, we would like to implore the various actors in this space to harmonise and integrate their support initiatives so as to yield greater impact. These initiatives include the Township Economic Development programme, Industrial Parks Revitalisation programme as well as the Township and Rural Enterprise programme. For these programmes to live up to their potential and achieve the desired impact, intergovernmental cooperation and collaboration is of paramount importance.

Hon Chair, the events of the recent violence and looting in Gauteng and KZN have once more brought into sharp focus the deeply-embedded socioeconomic fault lines that confront our townships. The fact that township residents have no share in some of the biggest investments such as malls means that they

feel no sentimental connection or sense of ownership. Our rebuild project should therefore be robust and proportional to the problem at hand, and place more emphasis on creating a township economy that is in the hands of township communities.

Hon Chair, the road to economic recovery will be long and hard, fraught with pitfalls along the way, no doubt.

Throughout this journey, local government will serve as a beacon and a point of reference as we navigate the unchartered terrain journey. As a sector, we are uniquely-positioned as a frontline sphere and chief catalyst for economic development. With this, we carry on our shoulders the hopes and aspirations of all South Africans.

The District-based Economic Recovery Plan which is piloted in the 44 districts and eight metros is testament to the centrality of local government to the country’s economic future. From the onset, Salga has always supported the District Development Model as it is our firm belief that district and metro spaces and arenas for intergovernmental planning coordination.

That being said, we implore that all district plans be synchronised with Integrated Development Plans, IDPs of

municipalities and this is of particular significance as IDP processes are subjected to a vigorous participation process. As such, they reflect the wishes of the communities.

Hon Chair, it is now common knowledge that Covid-19 has obliterated the job market and there is the dreadful possibility that some jobs may never be recovered. As a result, exponential increase in small business activities is anticipated as people look for means to earn a living. As a sector, we would like to continue in our endeavour to create the most-enabling environment to township businesses including the informal sector, all of which are central features of the new economy in an economy that is heavily concentrated.

Hon Chair, I would like to conclude with a quote from the state of the nation address on 15 August 2020 by His Excellency President Cyril Ramaphosa. I quote:

Difficult days indeed lie ahead. However, we have proven our resilience as a nation over the past five months. The task before us now is to apply the same energies with which we have battled this pandemic to the economic recovery effort. We have weathered a long and difficult storm. We have endured great hardship and suffered

unbearable losses. But we continue to stand firm against this onslaught. A ray of light is visible in the horizon.

I thank you, Chair.

Mr S D SELAMOLELA (Limpopo: Chairperson – Economic Development, Environment, & Tourism): Thank you, hon Chair. Allow hon speaker to start by joining colleagues who opened this debate by passing words of condolence to the families, friends and keens of those of our colleagues who departed us in this world of the living. Hon speaker, as a country of South Africa unemployment rate is currently at 34% and this is a growth of 2% from the 32% in the previous period. When looking at the official definition of unemployment whereas happens when you look at the expanded definition national unemployment rate is above 40% which makes the picture grim and disheartening.

The youth unemployment, hon speaker is calculated 64%. What this means is that almost two thirds of our young people in this country are unemployed or are facing unemployment as a challenge. The situation is even worse for women and people living with disability. We have got to admit that although South Africa’s economy was struggling to create employment,

COVID-19 has exaggerated the situation. Although some of the measures been put in place by government in an attempt to cushion the blow COVID-19 to both companies and ... [Inaudible.] ... that was not always effective as intended. Our government needed to at least do more.

The government could make stimulus packages available to businesses in different sectors. Hon Chair, the effects of COVID-19 have set us back by at least more than 10 years or a decade or more in our fight against poverty, inequality and unemployment, especially amongst the black previously marginalised individuals and particularly among the youth in this country. COVID-19 has also made government ambition of reaching both the United Nations sustainable development goals and the Africa agenda 63 even harder and even more yet harder to achieve. However, hon Chair COVID-19 has brought into sharp focus the importance of township economy into our midst.

Township economy, hon Chair, as the other members has already alluded to, ... [Inaudible.] ... marketplace in the townships where our people live and where our people interact and where our people engage in economic activities on daily basis. These hon Chair, are the enterprises which are operated by township entrepreneurs to meet primarily the needs within and beyond

the township. Therefore, they can be understood as a township enterprises and distinguished from those operated by entrepreneurs outside the township.

Township enterprise are diverse with higher rates of informality and provide a range of goods services to meet the needs of communities and beyond. In the last 18 months, colleagues, the nation has witnessed the unseen levels of mortality of business, from the tourism sector to retail sector to restaurants to arts and culture and to many other sectors of our economy. The government’s decision of a vibrant and sustainable township, as part of being an inclusive labour and absorbing a growing economy. Successful township enterprises can play an important role in this regard in helping to contribute to government program of radical transformation, modernisation, reindustrialisation of the economy by transforming townships into the size for productivity.

Contributing socially, inclusive workplace and helping to foster sustainable livelihood through job creation, social cohesion and active citizenship. To this regard, hon Chair, government remains committed to ensuring that township economy contribute at least 2% of our national gross domestic product

by at least 2030, a decade to go. Government in this regard should set out a program of action for the next five years and beyond which should illustrate how government together with key stakeholders will take a lead in digitalising the township enterprising activities. Key partners to develop these strategies, of course will include, hon Chair; our national government, our support agencies, ourselves as provinces, the local governments - SA Local Government Association, Salga, has just spoken now, hon Chair, the corporate sector representatives and support organization from different forms of enterprises.

Hon Chair, over the last 25 years there’s been a range of government support program aimed at this, macro needs, small and medium enterprises and co-operatives in this regard, which of course, some of these are operating in our townships. This support measures are wide range combining both financial and non-financial support to these smaller enterprises operating in our townships. In their variety they aim to address a number of various common to all micro small and medium enterprises and co-operatives. Hon Chair, in Limpopo, revitalisation of township economy program is led by our development agency, the Limpopo Economic Development agency, revitalisation of township-based Industrial Park, which are

the parts in the past which was created by the previous regime. As other speakers have already illustrated that this park, these townships of ours will serve you as a reserved labour centres.

This Industrial Park ... [Inaudible.] ... abundance. The Limpopo Economic Development agency is currently, of course, working with other National agencies, working on revitalising this country’s industrial parks, but also package support to spaza shops and township-based economic basic initiatives are just part of the progressive endeavours that the provincial government is making to ensure that we make the township economy to work. Hon Chair, over and above that the provincial government through our connectivity agency, which is called Limpopo connection, is expanding the broadband rollout into the township, which is equally one of those enabling activities which are aimed at making sure that doing business in our townships become more effective, more economic and efficient.

Hon Chair, that industry will serve for long bottlenecks, which are under normal circumstance making it difficult to make our township economy to work. The township economy plays an important role in ensuring that a significant number of

previously disadvantaged, this fun seized masses of poor people get to participate meaningfully in the mainstream economy while at the same time it also helped us as government to achieve the United Nations sustainable development goals, particularly, if you look at goal one, eight and 11, which talks to no poverty, creation of decent work for the population, economic growth, sustainable cities and communities.

Hon Chair, of course ... [Inaudible.] ... together with the African Union agenda 63 which talks higher standard of living, quality of life and well-being of all citizens and transformed economies. Hon Chair, if we are to win in pushing back the frontiers of poverty, if we are to win in making the economy to work, we have no choice but to anchor it on activities where our people are, where they live and where they interact economically on daily basis. Therefore, the centrality of township economy to this noble objective is non-negotiable. We have to make the economy work. The guardian ANC government is indeed determined to make the economy to work to ensure that the previously marginalised individuals, the general masses of our people, the down trodden, the disabled, the youth must benefit from the prospering economy.

To this commitment, we indeed salute the leadership of our country at the apex led by President Ramaphosa. We indeed, hon Chair must and build a prosperous society for all where shortage of jobs, lack of opportunities for our youth and particularly to the previously marginalised individuals of our country will be a matter of yesterday. Hon Chair, if we are to honour Charlotte Maxeke and many martyrs of our revolution, this is a course we cannot afford to betray. We need to make our economy work and we need to make sure that we anchor that on ensuring that we stimulate support on the township-based economic activities. Hon Chair, without wasting your time, I thank you.

Mr D J MAYNIER (Western Cape – Provincial Minister of Finance and Economic Opportunities): House Chairperson, thank you very much. South Africa’s township economy which includes, of course, both formal and informal businesses is a vibrant and dynamic and innovative and resilient. Importantly, also businesses in our township economies create much-needed jobs are a significant contributor to our economy in the Western Cape. However, they face a range of obstacles, many that are common to businesses, but also some that are unique to township businesses. Which, of course, is why the township

economies are unique focus area in our approach to business support in the Western Cape.

Creating an enabling environment for businesses is central to our strategic approach to creating jobs and growing the economy in the Western Cape. For small businesses, especially including small businesses in townships, this means tackling the main constraints to growth, which include: Limited access to markets, limited access to financing, restrictive red tape and, of course, a very poor support ecosystem. An example of a great initiative that addresses many of these constraints is the Pick n Pay Market Store Project which converts existing spaza shops or new sites within townships into independently owned mini-supermarkets.

The initiative improves infrastructure such as buildings, machinery and equipment in townships retail sector to directly leads to an increase in employment opportunities and turnover. Through our efforts to revitalise business activity in townships, we have partnered with Pick n Pay to introduce their market store concept into townships in the Western Cape. The sites and the entrepreneurs are, of course, identified by Pick n Pay, while we assist in unblocking any obstacles by working with local municipalities to resolve issues around

land or electricity supply, for example. In addition, we provide grant funding towards the renovation and convention costs for each of these market stores.

The partnership also provides independent traders with access to Pick n Pay’s distribution channels, business systems and management mentorship, but most importantly the programme is unique in that all market store owners remain 100% independent. Each store’s staff compliment also receives expert training in information and technology, IT, systems, customer service, hygiene and more traditional retailing skills that opens fresh opportunities for each of them. The Pick n Pay market store project has an immediate impact on job creation as the businesses can expand and, of course, hire more people and create more jobs.

I’ve attended a number of openings of these Pick n Pay market stores and each time I’m inspired by the entrepreneurs who are taking the bold step to run their own businesses.

Entrepreneurs like Monica Batyi who runs the Luzukile Market Store in Delft, or Khosi Liwani who runs the Ndwamba’s Market Store in Nyanga are an inspiration, especially in these challenging times, and so we are proud to partner with Pick n Pay on their market store programme so that we can support

more independent business owners to open their own stores in the Western Cape. Another a great example is the Western Cape Entrepreneurship Recognition Awards, which is now in its ninth year and recognises the achievements and potential of the most inspiring entrepreneurs in the Western Cape. The awards have a specific category for township businesses, as well as for women-owned and youth-owned businesses and provide recipients not only with prize money, but critical access to business support services such as financial training and mentorship.

I recently had the privilege of visiting two of our award winners, Ntombi Nonxuba of Rise Uniforms, who won Entrepreneur of the Year Award in 2020, and Abigail Mbalo, the owner and founder of 4Roomed eKasi Culture, who was the winner of the Township Businesses category in the same year. Ntombi’s business in Philippi employed 46 people from the local community and manufactures and supplies uniforms and corporate wear across the country. Rise Uniforms has a well-established record of consistently supplying and delivering uniforms to some very well-known brands. As the owner of tourism and hospitality business, Abigail has been hard-hit, of course, by the coronavirus disease 2019, Covid-19, pandemic and the lockdown restrictions, but she has also shown great resilience and is pivoting her business to bolster sales during this

difficult time. Entrepreneurs like Abigail and Ntombi remind us of the important role business owners play in their local communities by creating jobs, supporting skills development and providing opportunities for those who need it most.

Finally, our small, medium and micro enterprises, SMME, Booster Fund will, in this financial year, distribute over R20 million to organisations and municipalities for programmes that focus on supporting small businesses, including those in townships, to grow and improve their sustainability so they can create more jobs in the Western Cape. As with the Western Cape Entrepreneurship Awards, the SMME Booster Fund also gives special attention to small business development projects that supports youth and women-owned businesses, as well as rural and township-based businesses. In the previous iteration of the SMME Booster Fund, through the allocation of funding to 16 beneficiaries, we were able to support 350 businesses in the Western Cape to grow and improve their sustainability and creating much-needed jobs.

To date, nine of the 16 projects have been completed which has supported 1 733 jobs and created an additional 247 jobs in the Western Cape. Beneficiaries such as the Association for Savings and Investment South Africa, Asisa, Flame Programme

who have provided financial literacy training, business incubation, business skills training, seed funding, business couching and mentorship to small businesses in Khayelitsha and Gugulethu, in Mfuleni and Kayamandi. Beneficiaries such as Fix Forward you have provided business training workshops and mentoring to trade contractors in Gugulethu, Langa and Philippi. And beneficiaries such as the SA Education Project who provided training and mentorship, building renovations, equipment and financial management and regulatory compliance support to 15 early childhood development businesses in Mitchells Plain, Philippi and Philippi East.

What each of these initiatives the Pick n Pay Market Store Project, the Western Cape Entrepreneurship Recognition Awards and SMME Booster Fund have in common is that they are all great examples of how the public and private sector working together to grow small businesses and create jobs, especially in the township economy, in the Western Cape.

Chairperson, partnerships have also been critical to our efforts to support township businesses and informal traders during the Covid-19 pandemic as lockdown restrictions have had a severe impact on their ability to trade. As part of the Western Cape government’s Covid-19 hotspots strategy, which

pay particular attention to managing Covid-19 in townships and informal settlements, we allocated a department official to lead on business engagement in each hotspot. These direct engagements allowed us to provide targeted support. We worked with municipalities to compile databases of informal traders and spaza shops across the province and submitted their details to national government to assist them access funding support.

We helped small businesses to pivot and adopt to manufacture personal protective equipment, PPE, and provide other Covid-19 related services through our Covid-19 supplier development programme, which also then helped them register suppliers on government procurement platforms to address the shortage of these products and services during the height of the pandemic in the Western Cape. We just delivered 11 000 Covid-19 business safety kits to small businesses and informal traders across all 30 municipalities in the Western Cape. We helped to sustain township economies through our Community Economic Recovery Project by supporting local spaza shops through the provision of digital vouchers for food relief to community kitchens in Covid-19 hotspots. The initiatives provided digital vouchers to 225 community kitchens which were then

spent at over 122 spaza shops and injected more than R3 million into the local economy in the Western Cape.

Of course, much responsibility for the township economy lies at the local government level and so we have worked closely with the municipalities to support township economy. We have supported the development of the Cape Agulhas Municipality Training Hub, the Laingsburg Municipality Training Hub and the Skoonvlei Business Hub near Ceres as well as the Khayelitsha Bandwidth Barn, which is a successful partnership with the City of Cape Town.

In closing, Chairperson, we will continue to work closely with local and national government, together with the private sector, to support both the formal and informal businesses in the township economy in the Western Cape. Thank you.

The DEPUTY MINISTER OF DEPARTMENT OF TRADE INDUSTRY AND

COMPETITION (Mr F Z Majola): Thank you, hon House Chairperson, the Chairperson of the National Council of Provinces, Deputy Ministers and MECs, hon members, representatives of the SA Local Government Association, Salga, and fellow South Africans, good afternoon, South Africa’s largest 45 townships

and informal settlements are estimated to be home to over 8,4 million of our people.

According to the last census from Statistics SA, about a quarter of South Africa’s population lives in townships and this equates to about 19 million people with an expenditure capacity of about R30,4 billion per month.

The Gauteng Township Economic Revitalisation Strategy 2014 estimated that the township economy contributes approximately 10% of the province’s gross domestic product, GDP. The World Bank Group 2014 estimated that the Gauteng Diepsloot township alone has a R2 billion economy yearly, most of it is spent in the surrounding suburbs of Sandton and Fourways, whilst First National Bank estimated Soweto’s consumer spending power alone to be about R5 billion per year with most of it also spent outside of the township.

Moreover, the township population is largely young with 46,8% of township inhabitants being under 25 years of age and 58,8% being under 40 years of age at the time of South Africa’s last census.

Unfortunately, residents in townships like Soweto make 74% of their retail purchases outside the township. Of those who are employed, 70% work outside the township. This represent a major leakage of township spending power that could support thousands of enterprises in township spaces.

I highlight this data to remind members that townships are not a burden to the economy. In fact, large parts of South Africa’s formal economy are dependent on the township rand.

Naturally, it is neither efficient nor equitable that township residents have to travel long distances to adjacent malls and shopping centres to spend the hard-earned wages and salaries. The cost of township residents to travel to shopping centres reduces consumer spending and represents a drain on their finances. It is also economically inefficient for consumer goods to be manufactured primarily in South Africa’s industrial centres and for these goods to then be transported to townships.

It is for these reasons that the Department of Trade, Industry and Competition, DTIC, and entities such as the Industrial Development Corporation, IDC, and the National Empowerment Fund, NEF, have been supporting the expansion of manufacturing into township areas through the revitalisation of local

industrial parks, creation of digital hubs and direct enterprise support.

The South African government understands the importance of growing entrepreneurial activity and Small, Medium and Micro Enterprises, SMMEs, and thus the township economy and therefore continues to invest significantly in incentives and funds for doing so.

For the township economy to grow into a robust economic ecosystem, the DTIC, through the Special Economic Zones, SEZs, and industrial parks programme continues to aim to promote localisation and export of goods and services. This is carried out through the development of infrastructure required to support the development of targeted industrial activities and promotion of beneficiation and value addition to the country’s minerals and other natural resources. Embedded in the implementation of the SEZs programme is the element of enterprise development, especially in the context of Small, Medium and Micro Enterprises, located in underdeveloped areas that are more often than not characterized by high levels of unemployment and poverty.

Some of the existing value chains emanating from the economic activities of the 145 operational investments located within the SEZs lend themselves well for backward linkages with the township economic related activities.

Hon members, allow me to provide a few real life examples: Firstly, the new Tshwane Automotive Special Economic Zone has been designated in Silverton, directly adjacent to Mamelodi township. The SEZ is currently under construction, and when completed, it will house the 12 billion Ford Motor Corporation investment as well as automotive suppliers. The Tshwane SEZ reported 8 647 construction jobs in its phase one of bulk earthworks and top structures. The bulk of these jobs accrued to individuals who live in local communities that are in close proximity to the said zone. In addition, the SEZ is targeting 45% of budget for the construction of bulk earthworks and top structures to be allocated to SMMEs.

The DTIC will also be supporting the informal secondary market for services such as panel beating, spray painting and mechanical work. It is envisaged that support through *inter alia* the Black Industrialists Scheme will contribute towards creating a vibrant township-based automotive cluster. This

will be done through a careful incubation programme that is transformative and inclusive.

Secondly, the DTIC began revitalising local industrial parks in 2016. To date, a total of R820 million has been approved and partially disbursed as part of phase one and two of the programme in seven of our provinces. The Eastern Cape province has enjoyed a bulk of the share of revitalisation funding with three industrial parks; Komani Industrial Park, Vulindlela Industrial Park, and Dimbaza Industrial Park revitalised during phase one. These parks are located in townships and rural areas and local people have been the main beneficiaries.

Since inception, an estimated cumulative 65 000 people have been employed by companies operating within the 12 industrial parks that went through phase one industrial revitalisation. Since inception, the revitalisation programme has created

2 272 construction job opportunities. All these were jobs localised within the respective regions of industrial operations, mainly, in adjacent townships.

The premise is that these industrial facilities will augment government’s effort of reigniting manufacturing-driven industrialization in strategic geographic locations in South

Africa, particularly where unemployment and poverty is mostly rife, which will directly support the growth of the township economies.

Thirdly, Khayelitsha Cookies is based in Ndabeni, a township with high unemployment located outside Cape Town in the Western Cape. It started operating in 2005, producing freshly baked cookies and currently has 99 employees, of which 93 are black, 89 are female, and 27 are under the age of 35. With the support of the DTIC and its entities, the company has expanded its existing buildings and upgraded its machinery and equipment. It produces approximately 102 000 cookies per day when operating at full capacity. All raw materials are procured locally, with 32% sourced from black suppliers.

The company supplied its individual and unwrapped cookies mainly to the hospitality industry and selected retail outlets, including Tsogo Sun, Tiger Brands, Clicks, and others. It is also looking to expand further into frozen dough production since there is currently no South African producer of this product.

Lastly, Icebolethu Burial Services is a 100% black woman-owned and managed burial company formed in 2011. Icebolethu Burial

provides funeral, catering and tombstones services to its clients through its 80 branches in and around the KwaZulu- Natal townships and rural areas. The group boasts over

2 million direct clients who are funeral cover policy holders.

Unfortunately, during the unrest, 23 of its branches were damaged and the NEF has earmarked funding to assist Icebolethu to resuscitate these branches.

The NEF has also supported Wynfoods Pty Ltd, an agro- processing businesses located in Alexandra. Wynfoods deals primarily in processing chicken, producing individually quick frozen portions for a wide market range, including restaurants, butcheries, distributors and direct retailers.

They also have a factory-to-public store which services the Alexandra community with chicken at factory prices. Their main clients include Cambridge Foods, Romans Pizza, Papachinos, and Vasco Distributors and Meat Express.

There are many other concrete examples of how the DTIC and its entities are supporting the work of the Department of Small Business Development and our provincial and local government counterparts to grow the township economy.

Hon House Chairperson, as we continue to count the economic cost and livelihood cost of the recent unrests, government has moved to rapidly rollout support measures to enterprises affected. The IDC has budgeted R100 million in grant funding to provide technical and financial assistance to small businesses in townships, rural areas and small towns that have been affected by the unrest and associated supply chain disruptions.

Last week, the IDC, together with the Gauteng provincial government and Gauteng Enterprise Propeller launched the Gauteng Rebuilding Fund, a blended scheme that provides grant funding and loan financing for businesses affected by the unrests. The National Empowerment Fund has been receiving applications for support and is urgently evaluating these.

Site visits were undertaken by the DTIC and its entities to a number of areas affected, including; Isithebe industrial area, Mandeni, KwaNongoma, Madadeni industrial area, Ezakheni industrial estate, Soweto, Alexandra, Mamelodi, Kagiso Mall, Evaton and Thabong Mall in Sebokeng.

A large focus of the rebuild must be on the infrastructure that supports these smaller businesses. These critical

infrastructure requirements could assist the NEF in unlocking a further R350 million in funding for SMMEs in KwaZulu-Natal and Gauteng. To date, 162 businesses spreading across 14 district municipalities have indicated interest in the NEF Economic Relief Funding. To date, 18 transactions with a combined value of R112 million have been approved, supporting 1 683 jobs.

There are 39 transactions at advanced stages of assessment with a value of R63 million expected to be approved in due course. A further R318 million is already at the early assessment stage and is expected to be concluded in the coming week.

Hon members, South Africa cannot achieve an inclusive economy if townships and rural areas are not meaningful participants in the mainstream economy. We remain convinced that this is the key element of an inclusive economic growth trajectory which can lift our people from poverty, cultivate entrepreneurial potential, establish dynamic township enterprises and circulate the township rand within townships. With this, hon House Chairperson, I would like to thank you and the hon members.

The HOUSE CHAIRPERSON (Ms W Ngwenya): Thanks hon member. Before we continue, I would like to invite the Deputy Chairperson, hon Sylvia to take over.

Mr A VOSLOO (Northern Cape: MEC – Finance, Economic Development and Tourism): Chairperson ...

The DEPUTY CHAIRPERSON OF THE NCOP: You may continue. Unmute! Unmute, hon Vosloo ... there you are.

Mr A VOSLOO (Northern Cape: MEC – Finance, Economic Development and Tourism): ... hon NCOP Deputy Chairperson, hon Deputy Ministers and MECs from different provinces that are present, SA Local Government Association, Salga, leadership, Special Delegates from the provinces, hon members, it gives me great pleasure to address this august House on this important subject in our endeavours towards building a self-reliant and vibrant economy. This subject is at the heart of our economic reconstruction plans which are informed by our reality in that millions of our people are gradually losing their jobs all over the country including the Northern Cape.

Our contribution to this debate also comes at a time when business confidence and manufacturing production plunged to an

all-time low. Unsurprisingly, during the year under review, many of our informal enterprises were unable to operate at all during the lockdown, rightfully so, to preserve lives.

However, the impact thereof plunged our small and medium enterprises into a state of economic disaster, more especially small operators across our townships who are the key drivers of our township economies.

Ours is a unique province, given our local enterprises are characterised by activities that are driven by community-based enterprises aimed at meeting the needs of the township residents and further sustaining their livelihoods. These activities range from street vending, taverns, minibuses, spaza shops, burial societies, stokvels, hair salons, plumbing, panelbeating, home-based care, including basic commodities such as cooking, shopping, childminding, taking care of the sick and the aged.

As part of our measures to resuscitate our local economies, a complex process of converting land into residential, commercial or industrial properties is being explored by all relevant stakeholders, inclusive of various specialists and professionals. The professionals bring their expertise to the table to ensure that safety, sustainability, socioeconomic and

environmental aspects are taken into consideration and development is done in compliance with the relevant regulations. Therefore, rebuilding the economies of townships occurs through the integration of strategies as we actively endeavour to do away with segregation of different parts of the city and to ensure equity across the urban landscape, thus offering all urban residents access to opportunities and facilities.

Our municipalities, through the District Development Model approach, are being challenged to focus on breaking the burden of the inherited apartheid-era spatial development and work together with the stakeholders towards exploring measures to stimulate the economy and bring services closer to the community. We are also mindful that economic activity in the townships is small and undiversified. Economic activity in many townships is generally limited to retail, trade, transportation and government services.

We are of the firm view that our strategy on Township Revitalisation needs to be seen in the context of the government's overarching mandate to reduce poverty and accelerate broad-based black economic empowerment, BBBEE. The

25 Year Review describes the vast gulf between the formal and

informal economies in South Africa. On the one hand, the formal economy is advanced, based on skilled labour and becoming more globally competitive and on the other, the informal economy is marginalised, lacks skills and is populated by unemployed workers or those who are unemployable in the formal sector. The vast majority of our fellow citizens are still locked into the informal economy, and this is the country’s central national development challenge. Urban centre upgrades address inner-city areas that have experienced capital flight and decline while Informal settlement upgrades refer to large freestanding informal settlements, often located near the urban periphery.

As a province, the Department of Economic Development and Tourism has been mandated to take a lead towards township economy revitalisation. In recognition of the contribution that township enterprises can make in the economic landscape of the province, we will specifically focus on the following areas; Act as the co-ordinator of policymaking and drafting thereof; To champion the township economy; Take action needed to address the barriers to the growth of township enterprises; And co-ordinate the development of the annual work plans to ensure the implementation of the strategy takes place.

Various departments and agencies responsible for micro, small and medium enterprises and co-operatives across the national, provincial and local spheres of government are being co- ordinated towards achieving this noble goal here in the Northern Cape province. We do this because we understand that these programmes are critical for greater public investments in building a self-reliant and vibrant township economy. These initiatives include, among others, urban agriculture, school feeding schemes, green economy, the Expanded Public Works Programme, EPWP, infrastructure programmes, arts and culture, to mention but a few.

We are eternally grateful to the Presidency Infrastructure division for their unwavering support and guidance as they recently shared lessons on the creation of a smart city in Postmasburg in Tsantsabane Local Municipality. Earlier today, under the stewardship of our premier, we concluded a workshop on Green Hydrogen before this session, facilitated in conjunction with the Presidency. These initiatives are being explored with the ultimate aim that they must translate into self-reliant and vibrant township economies ... [Inaudible.]

In as much as we have got the responsibility to drive this programme for the greater good, we are also mindful of common

challenges which come with all the efforts we are undertaking. the identified obstacles for the development of the township based enterprises could be summarised as follows; Lack of entrepreneurial and involvement in value-adding activities; Poor understanding of the potential of township-based SMMEs as there are no studies or records of their involvement; Major challenges to the sustainable development of township economies; Fragmented and lack of co-ordinated intervention across and within spheres of government. In light of the above and the mapping of township businesses and demographic profiles to enable policymakers to speak to specifics within local municipalities, we aim to develop a package of support for township entrepreneurs including a review of initiatives in terms of; Access to markets; Skills development; Procurement and buying strategies and formations of business associations.

In addition to that, the Northern Cape Infrastructure Summit held in 2020, also took a ground-breaking decision that mandates this administration to focus on infrastructure development and take advantage of socioeconomic opportunities within the Spatial Strategic Integrated Projects. This move should work towards the inclusive business to attract new businesses to locate in the townships.

We also aim to work on strategies to locate the government and other key services in townships to support existing and attracting new businesses. we must highlight some of the milestones achieved in the entire township economy value chain. Firstly, all historically disadvantaged individuals who owned rural and township guesthouses and tour operators are still in the business, although the operations have been negatively impacted by COVID-19 alert level lockdowns that we all experienced as a country. Many of our township enterprises have been assisted through various schemes and support packages since the outbreak of the pandemic ... [Inaudible.] These schemes benefited both the formal and informal entities. Currently, two management companies for established clusters in the clothing and textile ... [Interjections.] ...

The DEPUTY CHAIRPERSON OF THE NCOP: As you conclude, hon member! As you conclude.

Mr A VOSLOO (Northern Cape: MEC – Finance, Economic Development and Tourism): Yes. we are also pleased to announce some of the non-financial interventions we have embarked on in support of township enterprises. These include amongst others; the Township and Rural Entrepreneurship Programme is being implemented in all our five districts across the province; we

are also providing material to the district municipalities in support to local entrepreneurs; also providing workshops and the roll-out of Wi-Fi hotspots in all township areas of the province and we are also supporting township economies through the Enterprise Incubators in Sol Plaatje and Dawid Kruiper municipalities.

As I conclude my remarks to this debate, I wish to extend my sincere gratitude to the Ministers in these portfolios who have been steering this ship thus far. This has been a difficult road which we have travelled, side-by-side, we will work towards ensuring that we fulfil the goals we have set for ourselves in terms of the road to recovery and specifically with regard to township economies. Thank you so much.

Mr J J LONDT: Good afternoon hon Deputy Minister, ...

*Afrikaans*:

... agb Ondervoorsitter, ...

*English:*

... hon members and special delegates. I first want to start off by thanking everybody who quoted our unemployment stats that we are facing in the country so I will not repeat that.

But, what I do want to highlight that currently seems like our unemployment rate is one of the highest if not the highest in the world.

The problem with may interventions listed by my ANC colleagues is that it does not address the root causes of what brought this to this situation. It is not and it cannot be a top down approach. Competent government should create an enabling environment for the economy to flourish.

The great example of an enabling environment was given by the MEC Maneur and I’ve got a better phrase of what he said and what stood out to me when he spoke about the Pick ‘n Pay partnership. He mentioned that the sites and the entrepreneurs are identified by Pick ‘n Pay while we and this case the “we” is the DA run Western Cape government assist in unblocking any obstacles by working with local municipalities to resolve issues around land, electricity and whatever else they may need.

They also provide up to half a million of grant funding towards the renovation and convention costs of these supermarkets. Now, here’s the bit that really stood out for me. The partnership also provides independent traders with the

access to Pick ‘n Pay’s distribution channel, business system and management mentorship. But, the programmes is unique that all market store owners remain 100% independent.

My question to you is, where will you ever find an ANC government having access to such opportunities not making sure that a daughter, girlfriend and some other family members gets a tender? That is the difference that voters need to realise.

DA governments work for you and the ANC governments work for government that it should create. If we look at the shocking economic state that our country’s in because of the complete and utter incompetence of the ANC cadres’ inability to look after this beautiful country.

If you cannot get your own house in order and yes, I mean this literally. They cannot even get Luthuli House in order, how on earth do you expect the ANC to competently run a municipality, a province or the entire country?

Now, for me this starts at a much earlier level where this ANC government has failed our children. Almost 30 years after the ANC has taken over, the ability of 80% of 12 year olds to read with comprehension in any language is not there. That is not

on anything else except the ANC government. You are failing one of the most basic foundation phases.

Linked to this, is the ability to then teach children or learners how to become entrepreneurs. We are so fixated in getting into universities or further education training facilities that we forget the tremendous values and opportunities that lie in teaching other skills and one of them is becoming entrepreneurs so that those learners can apply those skills and help lift our economy.

But, it doesn’t mean that it’s just upon South Africans to be the entrepreneurs to help us get out of this ANC mess. The ANC mess that is best described by hon Ntsube when you lament the fact that the rule economy is going down you deprive the fact that farming output is going down and people therefor losing their jobs and migrating to the cities.

I agree with you but what absolutely baffles me is the fact that you cannot make a connection between your parties, the fact that you are driving expropriation without compensation and then there’s a decline in appetite for people to invest in agriculture. How you are not making that connection is beyond me.

It is incumbent upon government’s investor confidence. Security is knowing that the [Inaudible.] government won’t take your land, creating that confidence that will help address red tape by growing the economy and making sure that it’s pro-business and then [Inaudible.] with a great population that has the skills and the ability to start up their own enterprises successfully.

One example of a competent government is when the DA that runs the City of Cape Town was named the top opportunity city in Africa by Price Waterhouse Coopers is also an award that the city is also the top rank metropolitan municipality when it comes to the ease of doing business. That is what you talk about a government that gets things done. We have amazing people, we have an amazing country, we have people that can save the country, it will be the people and competent governments, definitely not the ANC that will make us reach our full potential.

The DA is ready to get things done. We have been getting things done and we have proven time and time again that we get things done. It’s now in the incumbent of South Africans to vote us into government so that we, together with you, we can fix this mess that this ANC has left us. I thank you.

Mr K M MMOIEMANG: Deputy Chair, let me also exchange a word of greetings to my colleagues, Deputy Ministers and also the audience that are ticking this debate and watching them on their TV.

Chair, for many years the country has experienced a low economic growth and the projected growth targets have not been realised. The sad state of affairs was compounded by the pandemic and also the recent unrest in KwaZulu-Natal and parts of Gauteng.

We will not mitigate the situation and we are looking with keen interest in the third quarter Gross Domestic product, GDP, results. Clearly, this situation would have worsened the challenges of poverty, inequality and unemployment.

It is this context that the debate on the development of the township economy towards building a self-reliant and vibrant township economy is a critical important component in the fight against the challenges that we have alluded to.

This debate is geared towards creating a self-reliant micro economy in the townships which creates jobs and ensures

there’s a better life for all as the part of the struggle against the triple challenges.

It is important to note that the apartheid era distorted the micro economic development of the townships. These areas where merely viewed as the source of cheap labour to the industrial and the commercial sectors which were located a distance from townships.

Who will not remember the devastating effects of the Glen Grey Act and also the 1913 Land Act. Small and medium enterprises in and around the townships were discouraged and land was not made available for such businesses. This was to reinforce the fact that under apartheid black townships were created as a source of cheap labour.

It is only under the ANC-led government that the development of the small and medium micro enterprises in the townships was spear-headed and concrete plans and financial support were made available for such enterprises.

The ANC government not only seeks to reverse the apartheid era economic underdevelopment of townships and racially-based spatial planning but also seeks to implement the Economic

Reconstruction and Recovery Plan as an integral part of turning the situation around.

A crucial part of the Economic Reconstruction and Recovery Plan is infrastructure development to enable the decentralisation of the economy but it is also based on building economically sustainable local township economies. This can be done in manifold ways but from my angle of emphasis on this contribution is on the role of state-owned entities in general and the transport, mining and energy sectors in particular, in promoting self-reliant township business development.

A number of state-owned entities like Airports Company SA, ACSA, Eskom and Transnet operating in important areas of economic infrastructure already make an important contribution to local economic development in areas in which they operate. And this is as a result of various instruments that the ANC- led government has put in place. And as a result thereof, opportunities at various levels including managerial level positions were created by these state entities for many surrounding townships where these entities operate. Amongst them, Transnet is no small operation as it directly employs

55 000 people and substantively contributes to indirect

employment in the service, fabrication and engineering industries.

The development of the rail infrastructure and modernisation of the rail system as part of the Economic Reconstruction and Recovery Plan which includes the local manufacture and assembling of rolling stock as well as the servicing of locomotives will create opportunities for township mechanical, fabrication and engineering workshops whose services can be procured.

Transnet, secondly, ports and rail move a substantial volume of goods and freight which is imported and exported and township-owned transport and freight companies should find business opportunities as the markets reopen, as the economic effects of COVID-19 pandemic is reversed through the vaccination drive.

Thirdly, Passenger Rail Agency of SA, Prasa, operates many railway stations and will have to redevelop a number of railway stations and these are in townships or nearby townships. These railway stations provide perfect infrastructure opportunities for the creation of small business as well as for informal traders as this is a captive

market of commuters. In the case of many railway stations in townships, small retail businesses have already been created such as the Nyanga railway station and these need to be expanded to other local township railway stations as this is critical for developing township economies throughout the country. It is recommended that this development of township shopping centres at railway stations be developed as part of the District Development Model and part of the infrastructure development of the rail network.

Fourthly, ACSA has begun creating industrial parks around many airports which are controlled and operated by it and these are nearby townships. This is a commendable contribution to economic development and job creation. These industrial parks comprise business activities around the aviation such as freight and other wholesale and retail businesses. However, it is important that ACSA extend this commendable economic development to township businesses which are in the vicinity of its operations.

Therefore, the efficient development of aviation, road and rail networks to support the transport of people, goods and services will also serve to enhance the development of township economies through creating space for the development

of SMMEs around major road and rail transport corridors in townships.

Eskom has also a national footprint in the country and has some 47 000 employees and indirectly creates some 188 000 more jobs in the service sector of the electricity industry. Eskom has been supporting local service providers in many areas in which they operate. Eskom is attempting to refit its power plants which are reaching the end of its life cycle and intends, as part of a just transition to greener energy, to continue operating in the communities where the power stations were originally located. Eskom needs to ensure that a portion of its procurement of construction and other services as well as goods from township businesses which ensure sustainable township economic development.

The different state-owned entities have already commenced with a process of enabling the creation of the development of SMMEs around their operations. However, this process needs to be consciously extended to ensure that the development of township economies which are around the operations of the state-owned entities does materialises.

Where these opportunities for the creation of small businesses from townships do not as yet exist around state entities, it is recommended that such businesses should be facilitated through an integrated approach by the entity and government departments to which the entity reports in co-operation with trade, industry and competition and small business development as well as Co-operative Governance and traditional Affairs, CoGTA.

Many qualified youth, from many townships, are seeking both economic and employment opportunities. These are opportunities emanating from infrastructure development of the Economic Reconstruction and Development Plan. So, the expectation is that these state entities which operate in and around townships need to consciously ensure that a portion of this procurement budget for goods and services is allocated to township businesses to ensure the development and sustainability of township businesses succeed.

The mining sector also has a part of its conditions of operating to contribute to the community upliftment and development. However, in many areas the mining companies do not procure goods and services from the local communities. So, therefore, it is the responsibility of the Department of

Mineral Resources to engage this matter with some urgency as the small and medium enterprises from townships in the mining areas must be able to access market opportunities.

In order to efficiently support the development of township businesses over and above the retail sector, it is imperative that government create and promote township industrial parks. And two types come to mind, firstly, the auto hubs, which must empower township motorists whose vehicles are outside of warranty. And these industrial parks should house a full range of auto related small and medium-sized businesses from auto body.

Secondly, the industrial parks should be for the engineering, fabrication, electrical and plumbing businesses which can support larger businesses in construction, manufacture and infrastructure development. But these should also ensure that as it develops, township economies are not left behind.

In order for government to effect its plans for sustainable development of township economy, it is imperative that there is efficient supply of water and electricity, surrounding businesses and industrial parks.

And for the development of township business hubs and industrial parks, which will be integrated into the District Development Model, there is the necessity for rapid land allocation at municipal, provincial and national level.

Shopping malls in townships play an important economic role in townships as it allows for access to goods, postal and banking services. However, the malls do not necessarily provide opportunities for small township businesses to thrive and develop. Therefore, in order to develop SMMEs in townships, it is imperative that shopping centres are developed in townships to house local businesses to ensure viable marketing channels are developed for township businesses. If there are opportunities around township malls for the development of further shopping centres for township businesses, then this must be explored.

The development of township economies in a sustainable manner through the creation of SMMEs and government facilitating the establishment of business infrastructure for township businesses, an integrated approach by government is required.

As I conclude, Deputy Chair, the usage of the District Development Model to boost and build viable township economies

will contribute towards integration of local township economies and contribute to the decentralisation of the South African economy.

It is recommended that government-owned entities and departments co-ordinate efforts for the development of township economies as this will enable inclusive economic development. I thank you, Deputy Chair.

Mr M I RAYI: Hon Deputy Chairperson, once again I would like to thank the hon Deputy Ministers and hon Members of the Executive Councils of our provinces, and the hon delegates and the hon members of SA Local Government Association, Salga, who participated in this debate.

Hon Deputy Chairperson, as we close this debate it is important to re-emphasize the following points: Our geographic space is not just urban and rural, it includes townships and rural settlements. The townships including informal settlements are mainly large and underdeveloped communities.

The working age people living in the townships are desperate for economic opportunities, but these places of living remain spatially disconnected from urban centres that offer better

economic prospect. We know the painful story of our historical past that make some in our country uncomfortable to speak about it.

Hon Deputy Chairperson, a study conducted by the World Bank in 2014 reveal that about half of South Africa’s urban population, lives in townships and informal settlements, accounting approximately 38% of the working age citizens.

However, home to merely 60% of its unemployed.

The study offers an understanding of the structure of a township economy and identify the economic realities and choices of those who live there.

Hon Deputy Chairperson, we will continue to blame apartheid. We are the ones who felt and continue to feel the scars of apartheid legacy. The one who feels it, knows it. Under apartheid, black people were forced to live in dormitory style townships that were built as far away as possible from economic city centres.

Hon Deputy Chairperson, I know the past make some in our country guilty of social and economic injustice committed many years to the generations-to-generations of the working class

population living in the township. These areas suffered economic neglect. Whilst we continue to blame apartheid, we also hold the executive at all levels of the democratic government to account on their plans and how they spend their budgets to address the legacy of apartheid together with our people.

Hon Deputy Chairperson, our townships possess a great potential to boost economic growth and create much needed jobs. It should be an integral part of our economic policy including our industrial strategy.

We will certainly fail in our efforts to eliminate poverty and inequality if we do not deploy our capital in the townships.

We need to create social economic enablers that will promote and support the growth of township economies.

Hon Deputy Chairperson, our resources, both financial and nonfinancial ones, must stimulate growth in our townships and promote confidence of the township economies where the formal advanced parts of the economy.

We note and welcome that our departments in the Economic Cluster, provinces and municipalities have tangible intervention measures and programmes to address economic development in the townships and rural areas.

We also note that some provinces are developing policies and legislative mechanisms where necessary. We are also happy that these interventions are also aimed at empowering the youth and women.

We know and understand the monumental task before us of reconstructing our economy in the aftermath of the COVID-19 storm. However, we must be determined to work together as the three spheres of government and the state, to put together a policy regime that places our economy on a new growth trajectory.

We must work relentlessly in our pursued of creating a better life for all. I thank you, hon Deputy Chairperson.

Debate concluded.

# CONSIDERATION OF REPORT OF SELECT COMMITTEE ON HEALTH AND SOCIAL SERVICES FILLING OF VACANCIES FOR THE NATIONAL YOUTH DEVELOPMENT AGENCY BOARD, DATED 15 JULY 2021.

Ms M N GILLION: Deputy Chairperson, all leadership of the different provinces and the Deputy Ministers in the House. The term of office of the National Youth Development Agency, NYDA, board expired on 31 May 2020. Both the portfolio committee and select committee are jointly mandated to consider a filling of these vacancies and make recommendations to the National Assembly and the National Council of Provinces, respectively.

A subcommittee of the Portfolio Committee on Women, Youth and Persons with Disabilities and the Select Committee on Health and Social Services was established in terms of the NA Rule

172 and NCOP Rule 106, to be responsible for the appointment of members to serve on the NYDA board. In terms of these Rules, the subcommittee must report its activities to the principal committees, which are the Portfolio Committee on Women, Youth and Persons with Disabilities and the Select Committee on Health and Social Services.

On 3 September ...

Ms H S BOSHOFF: Hon Deputy Chair, I am rising on a point of order.

The DEPUTY CHAIRPERSON OF THE NCOP: Yes, hon Boshoff. What is the point of order?

Ms H S BOSHOFF: We can’t hear hon Gillion. There is a lot of

wind in the background. Thank you very much.

The DEPUTY CHAIRPERSON OF THE NCOP: Thank you. Hon Gillion, just try to address the issue. There is feedback that we cannot hear you. Just try to address this issue and speak to the microphone. Thank you.

Ms M N GILLION: Thank you, Deputy Chairperson. On 3 September 2020, the NA resolved to return the report of the Portfolio Committee on the filling of vacancies for members of the NYDA board, for reconsideration and reporting. This resolution was followed by the decision of the National Assembly Programme Committee, NAPC, on 28 January 2021, for the subcommittee to restart the process, having due consideration to demographics, geographical representation, as well as persons with disabilities on the list of candidates to be recommended for appointment.

A meeting of the subcommittee was convened on 9 February 2021, and the committee resolved to restart the process, in line with the NAPC decision, and as such, accordingly adopted reports, to give effect to that resolution. The reports of the portfolio committee and the select committee were published on

9 February 2021 - you can look at the Announcements, Tablings and Committee report; ATC, of 9 February 2021. It was further agreed that the new subcommittee membership should remain the same members who served in the previous process.

The new subcommittee of the Portfolio Committee on Women, Youth and Persons with Disabilities and the Select Committee on Health and Social Services programme was accordingly adopted on 9 March 2021. The composition of the subcommittee is as follows: From the ANC it was Ms Ndaba, Ms M Gillion, Ms Masiko, Ms Maleka, Ms Maluleke, Mr Nchabeleng and Ms Mgweba. From the DA it was Mr Mphithi and Mr Bara and from the EFF it was Ms Ntlangwini and Ms Mathevula as an alternate. Ms Mathevula replaces Ms Luthuli who was sick, and Ms Ndongeni replaces Ms Nchabeleng who was also sick.

In line with the National Youth Development Agency Act 54 of 2008, which provides the procedures and processes for the appointment of the board members, Parliament advertised on 20

March 2021 in various local, regional and national newspapers, including the parliamentary website, inviting applications and nominations for persons to serve on the NYDA board. The deadline for the submission of applications was 9 April 2021.

A total number of 1 117 applications including one duplicate application were received. This brought the number of applications received to 1 116. All applicants’ curricula vitae, CVs, were published on the parliamentary website between 18 and 24 May 2021. Having published all the CVs, the subcommittee discharged its duties conscientiously and with all due regard to the requirements of thoroughness, openness and transparency. Moreover, all CVs and supporting documentation were catalogued for safekeeping on a secure internal recording platform of Parliament - uVimba, which was accessible only to the subcommittee members and the support staff. During the interviews, all candidates were assessed based on structured interview guidelines as indicated, in order to ensure an interview process that is fair and within the ambit of the National Youth Development Agency Act.

The select committee resolves that the following 17 candidates should be recommended for appointment by the President, to serve as board members in the NYDA, for a period of three

years. Ms Karabo Mohale, Mr Molaoli Sekake, Mr Mzileni, Mr Mnguni, Ms Ponoane, Mr Rakosa, Mr Malan, Mr Avela Mjajubana, Ms Lebogang Mulaisi, Mr Thabo Shingange, Ms Alexandria Procter, Mr Thulisa Ndlela, Ms Asanda Luwaca, Ms Busisiwe Cathrine Seabe, Ms Nomcebo Nkosi who is person with a disability, Ms Nompumelelo Mpatha and Ms Pearl Pillay.

The committee considered recommending 14 candidates. However, deliberated and agreed to recommend the top 17 candidates based on their performance during the interviews, skills and experience, and demographic profile that is representative of the country. The above list of candidates is thus representative of demographics and geographic spread of the Republic, as espoused in section 9(4) of the National Youth Development Agency Act 54 of 2008. The other issues considered by the subcommittee for its recommendations include gender parity, women and disabilities.

A true reflection of the recommendation also finds expression in the imperatives of the Employment Equity Act 55 of 1998, which are to promote equal opportunity and fair treatment in employment through the elimination of unfair discrimination and to implement affirmative action measures to redress the disadvantages in employment experienced by designated groups.

People from designated groups are black people - Africans, Coloureds and Indians, women and persons with disabilities.

The committee further indicated that it would be ideal to have four females and three males appointed to the NYDA board. The committee considered the demographics of the country and has ensured that the recommended candidates are illustrative of this inclusivity. There is one candidate who is a person with a disability amongst the recommended candidates. Ten of the candidates are between the ages of 26 and 30 and one candidate is below 26 years of age, and six candidates are aged between

31 and 35 years. There are more females compared to the males among the recommended candidates.

Fourteen of the candidates are black African with one Indian, one White and one Coloured candidate. Six of the candidates are from Gauteng province and three candidates are representing the Western Cape and KwaZulu-Natal provinces. Two candidates are from the Eastern Cape, one candidate represent Limpopo, Mpumalanga and Northern Cape respectively. Thus, seven provinces are represented. Seven are Black African females and seven Black African males, one Coloured male, one Indian female and 1 White female.

In conclusion, the select committee would like to assure citizens that it has strived to comply with all sections of the National Youth Development Agency Act in its recommendation of candidates for the appointment to serve on the NYDA board.

The committee is confident that all candidates recommended for the appointment have an understanding of the NYDA mandate and are passionate about youth development in the country. They should be able to serve young people in the country with distinction in addressing socioeconomic challenges facing the youth. The committee would also like to thank all candidates for making themselves available for the interviews. Further, the good work done by the support staff is acknowledged and commended. I thank you, Deputy Chairperson.

Question put.

*Declarations of vote*:

Ms C LABUSCHAGNE: Hon Chair, the National Youth Development Agency, NYDA, is a key and strategic institution for youth employment in this country. The latest Statistics SA Quarterly Labour Force Survey for the second quarter paints a bleak image as it reveals an increase in unemployment level since

South Africa reports and indicates an official unemployment rate of 34,4% and an expanded unemployment rate of 44,4%; which is the highest unemployment rate in the world amongst 82 countries monitored by Bloomberg.

The record high unemployment unfortunately affects the youth predominantly. The NYDA is responsible for providing support to young people and has to ensure that there is an open way for young people to get employment. However, this is not the case as NYDA has merely become a credit facility that has eaten its fund to the bone. It is fair to state that if these cadres stopped eating, we may be sitting with a different youth unemployment picture.

Many young people are neither at school nor working but are now looking for the unemployment Sassa grant to survive. The question of accessibility of NYDA funding remains an issue that has to be addressed. The NYDA offices must be widely available across the country in an effort to make them as accessible to the youth as possible. The programmes that look at youth unemployment programme, as promised by President Ramaphosa, should become a reality. There must be a focus on skills development in key growth sectors like agriculture, the

green and waste economies; all while improving efforts to revive increased access to data and internet for young people.

Entrepreneurship in the informal economy should target towards young people. Employment tax incentives to stimulate demand for youth must be central in order to ensure that we drive youth employment. These are, but a few initiatives that drives youth employment in the country. Failure to do this exposes danger for our country and economy. Some of the challenges that the NYDA faces are self-inflicted and therefore would require effort from the new incoming leadership to turn things around. I thank you.

Ms A D MALEKA: Deputy Chairperson, hon members, the National Youth Development Agency, NYDA is tasked with a responsibility of responding to the issues that young people faced with; such as youth unemployment, gender-based violence and acts of violence amongst youth, substance abuse and mental health issues. COVID-19 has exacerbated the issues that young people face. We need to curb youth unemployment in our country and secure a better future of our youth.

Gender-based violence and femicide amongst our youth is a cancer that requires to be addressed. It is disturbing to see

that youth sees violence as a way to resolve problems. It is dismantling to see that tertiary institutions have now become a breeding ground for violence. We need to address mental health issues amongst our health and prevent a number of young people committing suicide and involving in substance abuse.

We need to update the upskilling of our youth so that their skills match the ones that are required in the labour market. Young people needs to be mainstreamed in all centres of the economy and require ... [Inaudible.] ... to adequate opportunities and education. After following due processes and considering the ... [Interjections.] ... of young people ... [Inaudible.]

The DEPUTY CHAIRPERSON OF THE NCOP (Ms S E Lucas): Other

members, please mute. Continue.

Ms A D MALEKA: Okay. After following due processes and considering the voices of young people and their issues they are faced with, the ANC is adamant that the processed candidates have showed their understanding of the agency and are in touch with issues pertaining to youth. We are confident that the recommended candidates are a true reflection of our

youth and will represent youth from all background; include class, race and gender.

A huge amount of responsibility lies ahead of the NYDA board. The ANC has always put the ... [Inaudible.] ... of young people at the centre and will continue to do so through the NYDA. The ANC moves in support of the report as tabled. I thank you, Chairperson.

Debate concluded.

Question put: That the Report be adopted.

IN FAVOUR: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, Western Cape.

Report accordingly adopted in accordance with section 65 of the Constitution.

# CONSIDERATION OF DOMESTIC VIOLENCE AMENDMENT BILL

**CONSIDERATION OF CRIMINAL LAW (SEXUAL OFFENCES AND RELATED MATTERS) AMENDMENT ACT AMENDMENT BILL**

**CONSIDERATION OF CRIMINAL AND RELATED MATTERS AMENDMENT BILL**

Ms S SHAIKH: Hon Deputy Chairperson, greetings to hon members, the current Bills before the House today come at an important time within the history of our country. We commemorated Women’s Month in August as a tribute to the more than 20 000 women who marched to the Union Buildings on the 9th of August 1956 in protest against the extension of pass laws to women.

Today, as women we are still fighting for gender sensitive laws particularly in the wake of gender-based violence and fermicide, GBVF, in South Africa. The levels of GBVF in this country are among the highest in the world and has been acknowledged by the President as the second pandemic.

In November 2018, a Presidential Summit Against Gender-Based Violence and Femicide was held, emerging from the #TotalShutdown movement. The summit resulted in a declaration which included the following resolutions namely:

To fast-track the review of existing laws and policies on GBVF, to be victim-centred and ensure all other relevant laws respond to GBVF. To implement the recommendations that have been identified from reviews and address the legislated gaps.

To consider creating a regulatory framework for religious institutions to curb sexual abuses and crimes under the guises of religion. To revisit and fast-track all outstanding laws and Bills that relates to gender-based violence and to decriminalisation of sex work.

On 18 September 2019, the President expressed the country’s commitment to address the scourge of GBVF and announced an emergency response strategy to tackle GBVF, which includes strengthening the applicable legal and policy framework. The three Bills before the House today namely: The Domestic Violence Act Amendment Bill, the Criminal Law or Sexual Offences and Related Matters Amendment Bill, all form part of the measures to strengthen the response to GBVF.

These three Bills were referred to the Select Committee and Security and Justice, on 3 June 2021. The three Bills were advertised simultaneously for public comment through both the electronic platforms and print media from 11 June to 9 July 2021, and 20 June to 09 July 2021 respectively. Stakeholders and interested persons were invited to make written comments on the Bill. The committee extended the deadline to 16 July 2021.

The select committee received a total of 87 submissions on all three Bills. Included in the 87 submissions were 41 individual submissions via Dear South Africa with a majority, 30 of the

41 submissions were in full support of all three Bills. In addition, various organisations and individuals also made substantive submissions on each Bill. The number of which will be addressed when reporting on each individual Bill. It is important to emphasise though that the majority of organisations were in support of the three Bills.

With regard to the Domestic Violence Amendment Bill, the Select Committee and Security and Justice has agreed to the Bill with proposed amendments and reports as follows: The Domestic Violence Amendment Bill seeks to amend and insert certain definitions, further provide for the manner in which acts of domestic violence and matters related thereto must be dealt with. To further regulate protection orders in respect of acts of domestic violence. To amend provisions of certain rules and to provide for matters connected therewith.

The Domestic Violence Amendment Bill therefore seeks to amend the Domestic Violence Act, to address practical challenges, gaps, and anomalies that have emerged since the act came into operation. The amendment also seeks to enhance the application

of the act to protect victims of GBVF and other vulnerable persons against domestic violence.

Amongst others, the Bill proposes to broaden conduct that is regarded as domestic violence. Impose obligations on functionaries and adult persons to report domestic violence against a child, a person with a disability, or an older person to social workers or the South African Police Service, SAPS. To extend the powers of SAPS and peace officers to arrest persons in connection with domestic violence. Further address harassment as a ground of domestic violence and to provide for measures to address cyber-harassment.

To provide for electronic application for protection orders and domestic violence safety monitoring notices and the establishment of the integrated electronic repository for domestic violence protection orders. To broaden the powers of the court where a protection order has been issued to make orders for the protection of victims of domestic violence. To provide for directives. To regulate the functions of clerks of the court and other relevant persons when dealing with incidents of domestic violence and to provide for the making of regulations.

Hon Chair, the committee received 19 written submissions. The list of individuals and organisations that made written submissions are contained in the committee report as ATCed.

Some of the organisations were of the view that the Bill predominantly relies on binary terms such as ‘she or he can leave.’ The committee was encouraged to thread the theme of the inclusivity throughout the Bill and rely on non-binary term such as ‘they and them’ in order to ensure that all persons are equally protected.

Organisations also reiterated the importance of the implementation of the Bill as follows: The legislation must strengthen the commitment to budget allocations that respond to the institutional weaknesses in the response to GBV. In addition to regular and obligatory reports on implementation, the legislation must provide for audits and recommendations on institutional implementation capacity. There should be obligatory annual reporting of the number of police cases of domestic violence against women and children by male intimate partners and the number of protection orders applied for and finalised. This would assist with the enforcement, monitoring and information management.

Committee members were in agreement that the implementation of the Bill was of utmost importance and the committee undertook to continue with its oversight role in respect of the implementation of the Bill moving forward.

On 28 July 2021, the select committee deliberated on the Department of Justice and Constitutional Development’s responses on the written submissions. On 6 August 2021, the select committee deliberated on the proposed amendments to the Domestic Violence Amendment Bill. On 11 August 2021, the select committee agreed to the adoption of the Bill with proposed amendments.

Hon Chair, due to the comments of several organisations concerning the inclusive non-binary language to the Bill along with relevant consequential technical amendments, it is proposed that the language be amended to be gender neutral and inclusive to ensure legislation that is sensitive, flexible and engaging with due regard to the considerations of the quality, dignity and identity.

With regard to proposed amendments relating to definitions, the following can be highlighted: Cross reference clarification with the definition of capture, to omit the

definition for person in close relationship and replace this with the definition for close relationship. With the definition of emergency monitoring relief, it is proposed that the scope of maintenance be extended beyond that of any child to include persons with disability and older persons with due consideration to the contextual qualification of a duty of care. Cross reference clarification are functionary be aligned to a proposed amendment of section 2 (a) and a further consequential amendments required.

An inclusion of stalking within the definition of harassment. Clause six, which speaks to section 4 of protection orders, the proposed amendment seeks to clarify terms and timeframes to eliminate misinterpretation of this action while aligning the phrasing and scope of these subparagraphs.

Clause six, which speaks to section 5, application of issuing of protection orders that propose amendments address concerns regarding the scope relating to complaining notification as well as inconsistent wording.

Clause ten, which speaks to section 6 of protection orders, the proposed amendments are an attempt to give expression to concerns raised in public submissions regarding the insurance

of expeditious justice with due regard to the urgency that is associated with protection orders lists. It is recommended that notifications in this regard be extended to not only include “the complainant” but also “the complainant and the respondent”.

Clause 12, which speaks to section 7 court powers in relation to protection orders, it is proposed that the protective scope be extended to the non-disclosure of information relating to where the complainant or a related person studies. Similar amendment consideration regarding place of study is reflected in a proposed clause 17 amendment.

Clause 15, which speaks to section 10 variation of protection orders) an amendment is proposed to expand the criteria the court may consider when dealing with a variation application.

Clause 24, which speaks to section 19 regulations. It is proposed that the granting of legal aid be extended to complainant, responded, a person with a disability and old persons in addition to the already included assistance to a child. Further proposed amendments are aimed at improving the readability of the clauses, adjusting references and deleting superfluous phrases.

Hon Chair, the Select Committee and Security and Justice having considered the Domestic Violence Amendment Bill referred to it on 3 June 2021 and classified by the joint tagging mechanism, JTM, as the section 75 Bill recommends that Council pass the Bill with proposed amendments.

With regards to the Criminal Law, Sexual Offences Related Matters Amendment Act Amendment Bill, the Select Committee and Security and Justice has agreed to the Bill with proposed amendments and reports as follows: The Criminal Law, Sexual Offences Related Matters Amendment Act Amendment Bill seeks to extend the ambit of the offences of incest, to introduce a new offensive sexual intimidation, to further regulate the inclusion of particulars of persons in the National Register for Sex Offenders, NRSO, to extend the list of persons who are to be protected in terms Chapter 6 of the act, to extend the list of persons who are entitled to submit applications to the registrar of the NRSO, to further regulate the removal of particulars of persons from the NRSO, to further regulate the reporting duty of persons who are aware that sexual offences have been committed against persons who are vulnerable and to provide for matters connected therewith.

At the present, the act requires the recording of the particulars of convicted sex offenders against children and persons who are mentally disabled in the register and prohibits them from working with children or person who are mentally disabled. Rather than employers require to vet existing employees and job applicants against the register to see whether they are suitable to work with children or persons who are mentally disabled. The manual will propose amongst others to extend the registrar scope to include the details of all sex offenders, - and not only sex offenders against children and persons who are mentally disabled.

Expand the list of persons who are protected to include other vulnerable persons namely: certain young women, persons with physical, mental or intellectual disabilities and persons over 60-years of age who for example, receive community based care and support services. Increase the period for which a sex offender’s particulars must remain on the register and further regulate the reporting duty of persons who are aware that sexual offences have been committed against the persons who are vulnerable.

Hon Chair, the committee received 18 written submissions from organisations and individuals. The list of organisations and

individuals are contained in the committee report as ATCed. On

23 July 2021, the select committee received a further briefing from the Department of Justice and Constitutional Development, on the department’s response on the said submissions. Several organisations expressed a view that they were not satisfied with current functionality and accessibility of the NRSO. They were advocating to the public to have access to the NRSO, and were of the view that the NRSO is not the right vehicle to provide this broader protection and that the SAPS system would yield better results.

The committee invited the registrar for the NRSO to attend the committee’s deliberation on the Bill and receive a briefing and reassurance that the NRSO’s information is confidential and that the registrar is well equipped to manage the register for sex offenders.

Several organisations advocated for the decriminalisation of adult sex work in South Africa. The organisation emphasise the fact that they were ongoing systemic injustices, gross human rights violations, violence, exclusion and denial of services experienced by sex workers in South Africa including the Lesbian, Gay, Bisexual, Transgender, Queer, Intersex +, LGBTQI+. The committee agreed with the department that this

matter did not fall within the ambit of the current Bill and that the department will engage with stakeholders on the decriminalisation of sex work in more detail.

With regard to the definition of a persons who are vulnerable, some organisations were of the view that it should include LGBTQI+ persons and that the age group of female under the age of 25 should be broaden to include youth that is age 18 to 35 as defined by the National Youth Commission Act 1996. In their view, sexual violence is ultimately a crime of power, youth often do not have power due to lack of employment, limited education of poverty to name a few, which left the youth at a disadvantage whereby they may be exploited.

While the department agreed on the vulnerability of all women in the LGBTQI+ persons, the section limits persons who are vulnerable in relation to employment and extending the ambit of chapter 6 too wide will give rise to difficulties in the implementation of provisions of the chapter which will have a negative impact on the efficacy of the NRSS system.

Hon Chair, members deliberated on the department’s response to the written submissions on 06 August 2021, the select committee received a briefing on the proposed amendments to

the Criminal Law Sexual Offence and Related Act Amendments Bill. On 11 August 2021, the select committee agreed to the adoption of the Bill with proposed amendments.

With regard to the phrase “who are mentally disabled” the South Africa Human Rights Commission noted that this phrasing is not in line with the provisions of the United Nations’s Convention on the rights of persons with disabilities 2007.

The convention places emphasis on the social approach to disabilities in line with the social model. The commission suggests that it should rather be phrased as “persons with mental disabilities.”

The Bill was therefore amended to include the submissions as follows:

Throughout the Bill along with the relevant consequential technical amendments, it is proposed that the phrase “persons who are mentally disabled” be replaced with the phrase “persons with mental disabilities,” as this is the more human and inclusive reference preferred internationally and nationally and supported by public submissions received from various interest groups.

Furthermore, to avoid unintended consequences resulting from overly broad phrasing, it is proposed that in clause 6 which amends section 41 which speaks to prohibited types of employment that we omit reference two for purposes of consistency and to align with the amendments effected to the B-Bill version as tabled in the NCOP. Further technical amendments relating to the phrase “persons who is vulnerable” is proposed.

Hon Chair, the Select Committee on Security and Justice having considered the Criminal Law Sexual Offences and Related Act Amendment Bill referred on 03 June 2021, and classified that the JTM, that section will recommends the Council pass the Bill with proposed amendments.

With regards to the Criminal and Related Matters Amendments Bill, the committee has agreed to the Bill without proposing amendments and reported science. The Criminal and Related Matters Amendment Bill seeks to amend separate acts. The Magistrate Court Act 1944, the Criminal Procedure Act 1977, the Criminal Law Amendment Act 1997 and the Superior Courts Act 2013. The Criminal and Related Matters Amendment Bill is intended to reduce the secondary victimisation of vulnerable persons in court proceedings through the use of intermediaries

and by providing for evidence to be given through audio visual links in proceedings other than criminal proceedings. The Bill also proposes to tighten bail and minimum sentencing provisions in the context of GBV.

The committee received nine written submissions from individuals and organisations and the list of these are contained in the report the committee has ATCed. Some key issues that were raised in the submissions relate to the following: Remedial programmes for convicted persons must be incorporated in any sentence imposed by a court and be completed by the convicted person before the date of release or where applicable and authorise person or bodies to consider parole of the convicted person. Given the lack of adequate participation by community members on parole boards, research should be conducted by the Department of Justice and Correctional Service into how it can promote and facilitate community participation on parole boards.

With regards to minimum sentences and bail, harsher sentences should be accompanied with rehabilitative programme. There is a need to conduct appropriate risk assessment when deciding when deciding on custodial or non-custodial sentences and deciding on possible rehabilitative interventions to ensure

the safety of victims. The written comments were responded to by the department in their briefing to the committee on 28 July 2021 and were well received by the members of the committee.

Hon Chair, the Select Committee on Security and Justice having considered the Criminal and Related Amendments Bill referred to it on 3 June 2021, and classified by the JTM as the section

75 Bill recommends to pass the Bill without proposed amendments.

In conclusion, the urgency of these Bills was premised on the fact that in November 2018, the Presidential Summit Against Gender-Based Violence and Femicide was held which resulted in a decoration which included a resolution to fast-track the review of existing laws in policies and GBVF to be a victim- centred and ensure all other relevant laws respond to each GBVF. In light of this, the committee considered and deliberated on 87 submissions received on all the Bills during the parliamentary recess period. The importance of the committee adopting these Bills particularly during the Women’s Month cannot be overemphasised. Women and vulnerable persons bear the brunt of domestic violence and fermicide in our country.

The Bills will go a long way in ensuring the protection of the most vulnerable members of our society from GBVF. The committee has taken care to ensure that the Bills are victims centred that they contain non-binary language and that the proposed amendments to the Bill are drafted with the utmost to ensure and democratic implementation. As the committee we will continue to conduct oversight over the implementation of these Bills to ensure that victims receive access to justice and truly fight the scourge of GBVF in our country. Thank you very much.

Debate concluded

Declaration of vote

Question put: That the Bill be agreed to.

Subject to proposed amendments, agreed to in accordance with section 75 of the Constitution.

*Declaration of vote:*

Ms M BARTLET: Hon Deputy Chairperson, without good night actually, good night to all the members and good night the hon Deputy Chair. Deputy Chair, I just want to make a declaration

... [Inaudible.] ... epidemic against gender-based violence and femicide. We need to refer to the future perpetrators from committing the same offence. We need to protect victims of violence and sexual assault hence as the ANC, we support the call for stricter jail condition for offender, particularly in cases of gender-based violence and sexual assault.

The Criminal and Related Matters Amendment Bill, which seeks among others to introduce stricter bail and sentencing provisions, alive to the fact that the child to witness must be protected from undue mental stress or suffering while giving evidence. The Bill seeks to provide for the payment of intermediates and regulate the giving of evidence. Through ... [Inaudible.] ...giving of other and criminal proceedings. The Bill also seeks to regulate the giving of evidence or the virtual link in proceedings other than criminal. The Bill further seeks to regulate the granting and cancelation of bail, the giving of evidence by means of close circuit television, CCTV or similar electronic media.

The Bill seeks to regulate the giving of evidence by witness with a physical, technological or mental disability. It also seeks to deal with the right of the complainant, the domestic related offence ... [Inaudible.] ... parole proceedings.

Furthermore, Deputy Chairperson the Bill seeks to regulate patterns with respect of offences that have been committed against vulnerable person.

As the ANC hon Deputy Chair, we remain committed in identifying the fight against gender-based violence and femicide and violence targeting children and vulnerable group. We also need to protect victims of violence from second victimisation. When a victim takes a stand in court to tell their story. They are forced to relive the trauma and past experience of violence therefore. Making it hard for the healing process to be completed for the victim. Hon Deputy Chair, the ANC moves in support of the Bill. I thank you, hon Deputy Chair.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon members, If I now take the following two members that will make declarations, it will mean we must deal with Second Order because what the hon Bartlett dealt with the Third Order. We can deal with Second and Fourth then. And then procedurally, we are changing the thing now. But, then let us conclude the declarations, hon Nkosi.

Ms C LABUSCHAGNE: Deputy Chairperson, I am little bit confused now. The ANC has made two declarations now, how does it work

... [Interjection.]

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Labuschagne, what happens now is I listened to the declaration by the member of the ANC, and the declaration the member made was on the Third Order, because it spoke about the other Bill that is in the Third Order. That is why I am saying, if there is someone that is making a declaration on the Second Order, let it be done now, that is on the Domestic Violence Amendment Bill. That is why I am giving hon Nkosi.

Ms N E NKOSI: Deputy Chair, thank you, I think the one for the Domestic is not going to be done by me. I want to do the First one.

The DEPUTY CHAIRPERSON OF THE NCOP: I still see hon Mthethwa, I still see another one. Yes, hon Mthethwa.

Mr E M MTHETHWA: Thanks, hon Deputy Chair, I am putting the one for Domestic Violence. I think that is the Second Order.

The DEPUTY CHAIRPERSON OF THE NCOP: That is the Second Order, you may continue.

Mr E M MTHETHWA: Thanks hon Deputy Chair, good afternoon members. Many women hon Deputy Chair have died in the hands of their partners. Recently Nosicelo Mtebeni was brutally murdered by her partner. As a society there is a need to uproot the deep cause of gender-based violence. That are rooted in our patriarchy.

The Domestic Violence Amendment Bill, Deputy Chair, seeks to address the gab and the anomalies which manifested themselves since the Domestic Violence Act came into operation in 1999. Domestic Violence Act, Deputy Chair, provides women the highest forms of protection from the domestic violence, placing the responsibility squarely on organs of the state, particularly the South African Police Service, SAPS to ensure survivors of the domestic violence are able to apply for protection order.

The Domestic Violence Amendment Bill, Deputy Chair, will facilitate and obtain of the protection order against act of violence electronically, as the Chairperson has alluded in her presentation. In the age of technology and growing use of cell

phone and the internet this move will enable more women and people who are victims of domestic violence to obtain protection order without having physically go to the police station a day or at night.

It obliges Deputy Chair, the Department of Health and Social Development to provide certain services to victims of domestic violence and align the processes of the Domestic Violence Act, DVA, and the protection from Harassment Act. The Bill extend Deputy Chair, the definition of domestic violence to exclude the protection of older person against the abuse experienced from family members and their loved ones. It also creates a legal duty Deputy Chair, on person to report domestic violence and also criminal and any failure to do so.

The Domestic Violence Amendment Bill, Deputy Chair, aimed at to create a clear pathway of services by optimising and collaboration between the departments. By simplifying and clarifying the role of the relevant stakeholders, such as social workers and the police. To enhance the application of the act and provide the maximum protection available through a civil process. It undertook Deputy Chair, to create a secured online application for protection order ... [Interjection.]

...

The DEPUTY CHAIRPERSON OF THE NCOP: As you conclude.

Mr E M MTHETHWA: ... as I conclude Deputy Chair, which will run parallel to hard copy process. More, broader it committed to create some integrated electronic responses, which was intended to hold all documents relevant to the issue of protection order. The ANC Deputy Chair, is in support of this Bill. I thank you, Deputy Chair.

Debate concluded.

Declaration of vote made on behalf of the African National Congress.

Question put: That the Bill be agreed to.

Bill, subject to proposed amendments, agreed to in accordance with section 75 of the Constitution.

Debate concluded.

Declaration of vote made on behalf of the African National Congress.

Question put: That the Bill be agreed to.

Bill, subject to proposed amendments, agreed to in accordance with section 75 of the Constitution.

Ms N E NKOSI: Hon Deputy Chairperson, greetings to your good self, the Deputy Ministers, MECs and everybody present.

Gender-based violence and femicide is ravaging and limiting the freedom of women. We need to realise the ideals of the National Development Plan, NDP, where women and children are free to walk free and be safe wherever they are.

Women in our country need to be protected from the perpetrators of gender-based violence.

It was shocking to review the latest statistics to learn that over 20 000 teenage girls have fallen pregnant during the pandemic and somewhere as young as 10-years-old. It is saddening to note that the children are not safe at home. They are maulested and raped in their homes by men who are supposed to be their protectors.

The Criminal and Related Matters Amendment Bill seeks to extend the protection afforded to victims of gender-based

violence and to introduce a new offence of sexual intimidation and to extend the ambit of the offence of incest.

Furthermore, it seeks to further regulate the inclusion of the particulars of a person in the National Register for sex offenders and proposes amongst others, to expand the register’s scope to include the details of all sex offenders and not only offenders against children and persons who are disabled and to extend the list of persons who are not protected to include other vulnerable persons. Namely, putting young women, persons with physical, mental, intellectual disabilities and persons over 60 years in community-based care and support services.

Hon members, perpetrators of sexually violence need to be brought to book.

As the ANC, we are committed to transport our society and prioritise the right of women, children and persons with disabilities.

As the ANC government, we continue to work tirelessly to reduce gender-based violence and violence against women and

children in our country. The ANC moves and support this Bill. I thank you, hon Deputy Chairperson.

Question put: That the Bill be agreed to.

Bill agreed to in accordance with section 75 of the Constitution.

The Council is adjourned 19:16.