

## #PeoplesBudget Collaborative submission on the 2021 MTBPS Adjusted Estimates of National Expenditure (AENE)



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### INTRODUCTION:

We make this submission in response to a call by National Treasury on the Medium Term Budget Policy Statement (MTBPS) tabled by Finance Minister Enoch Godongwana on November 11, 2021. Our submission responds to budget proposals made in the Adjusted Estimates of National Expenditure (AENE 2021).

While keenly aware of the combined effect of the COVID-19 pandemic and the July 2021 unrest (otherwise known as the Food Riots) on an already ailing economy, we believe that Treasury is not adequately addressing the undeniable effects of unremitting poverty and unequal healthcare access on the well-being of our people. Added to this are the denial of basic services to huge numbers of townships and rural areas, unacceptable school infrastructure, gender-based violence and growing unemployment. The MTBPS, in our view, does not prioritise the urgent needs of the poorest of the poor and hence does not contain the elements of a people-oriented budget.

The general anti-poor stance of this year's AENE is reflected in the analysis provided below in relation to the various Votes. Also of concern is the overall reduction to infrastructure grants to municipalities by

R 507.7 million (PSAM, 2021). Severe deficiencies in public infrastructure delivery was highlighted in the [2020/21 PFMA Audit Report](#) issued by the Office of the Auditor-General on 8 December 2020.

This submission has been generated through a loose coalition of organisations, activist groups, trade unions and community leaders, who expressed an interest in engaging more directly with the 2021 MTBPS. This analysis does not intend to be highly technical and inaccessible but is largely intended to produce clear information that also registers the increasing budget advocacy movement that we are seeing on the ground in South Africa, as well as the pro-poor and human-rights centred budget demands of that growing movement.

### VOTE 18: Health

The Section 27 2021 MTBPS Analysis points out severe overall declines planned for health care services over the Medium Term Economic Framework (MTEF):

#### *Funding for health care services*

Table 2. Consolidated health spending, constant 2021/22 Rands						
	2020/21	2021/22	2022/23	2023/24	2024/25	2021/22
R billion	Outcome	Revised	Medium-term estimates			-
						2024/25
Health	R255.6	R259.0	R236.2	R223.3	R223.6	-R35.4
Annual % change	7.3%	1.3%	-8.8%	-5.5%	0.1%	-13.7%

Funding for health care services increases slightly by 1.3% in real terms the current financial year, mainly due to the purchase and rollout of COVID-19 vaccines. However, over the MTEF, health funding decreases by a massive -13.7%, a significantly higher reduction than was planned in the February 2021 budget.

(S27, 2021: 5)

This is incredibly concerning in a context where increased investments in healthcare and health systems strengthening are desperately required in order to positively and strategically impact on levels of inequality in South Africa, but also to start providing healthcare as a required and necessary extension of

social support (beyond cash transfers), in a context of very severe and increasing poverty and unemployment.

Worrying, looking at the performance of the Department, is that there are R 160 million in declared unspent funds. The introduction of the AENE is clear:

**Declared unspent funds:** Unspent amounts that will not be spent in the current financial year, explicitly indicated as a reduction to the vote's allocation.

*(AENE, 2021: iii)*

This means that there is severe performance deficiency within the Department, and, as we see from this year's AENE, the strengthening, addressing and correcting of such maladministration is simply not being addressed. Direct wastage of R 160 million is unforgivable in South Africa's context of limited access to quality healthcare services, within a fragmented, two-tiered health system, that is still one of the primary drivers of inequality in South Africa.

Of further concern in relation to the performance of the Department is that there has been a notable decrease in the number of patients receiving antiretroviral treatments and that this number is still below the target of R 5.7million, at just under R 5.2 million. This is incredibly regressive in terms of hard-won victories for those in South Africa with HIV/AIDS, as well as worrying impacts for South Africa's quadruple burden of disease (perhaps most significantly in terms of TB treatment), and needs to urgently be addressed in a critical way, that clearly accounts for current deficiencies.

The Department also has worrying performance indicators around 'Number of points of entry compliant with international health regulations per year', with only 7 out of a target of 18 being met. While this poor performance is explained in the narrative of the AENE as being due to "efforts to contain and manage the spread of COVID-19," it seems completely nonsensical that compliance with international health regulations has not been an important part of those same efforts! This is indicative of a general lack of health systems strengthening as a necessary part of the COVID-19 response. With COVID-19 and its new variants, it seems that the pandemic is here to stay. In this context it is absolutely essential for COVID-19 measures to shift from narrow-sighted, short-term, emergency measures, and towards the strengthening of the health system towards more general pandemic preparedness and resilience to shocks.

As the Budget Justice Coalition's pre-MTBPS statement made clear:

*"Health strengthening is an essential component, not only of investing in feminist economies of care in the longer term, but also of the immediately needed restructuring for more adequate social protection systems in context of extreme and worsening unemployment, poverty and inequality in South Africa"*

(BJC, 2021).

While the movement towards the National Health Insurance (NHI) should be seen as part of this necessary and urgently required systems strengthening, as well as one of the most economically strategic ways to target rising inequality in South Africa (important in times of so-called ‘fiscal constraint’), we see a R 310 million cut from ‘Health Financing and National Health Insurance’ in Programme 2: NHI. This is incredibly regressive in a context where the National Health Insurance should obviously be immediately prioritised.

The stated purpose of the Department of Health is: Leading and coordinating health services to promote the health of all people in South Africa, through an accessible, caring and high-quality health system, based on the primary health care approach (AENE, 2021: 157, *emphasis added*). Primary Health Care, or PHC, refers to all of the care that exists or hasn’t existed before, or in order to prevent, someone from needing to be hospitalised. It has been established as the necessary basis for the South African health system, because in order to improve health delivery to the most marginalised, Primary Health Care strengthening must be prioritised. Importantly, PHC prioritises the rural: where 70% of South Africans access healthcare; where frontline health workers such as Community Health Care Workers (CHWs) and Traditional Healers are essential; and where some of the most marginalised and unsupported people in South Africa, being black women and Youth, are currently concentrated.

Despite all of this, what we see in the AENE are worrying cuts to Programme 4: Primary Health Care. Cuts are to ‘Programme management’ (directly for PHC), almost R 1 million from ‘District Health Services’ (the frontline for PHC in South Africa) and from ‘Emergency medical services and trauma’ (highly inappropriate for a country with such severe trauma rates, as well as persistent and escalating rates of violence).

With the #CodeRed Feminists, we call demand improved health delivery to the most marginalised:

*“Health delivery to the most marginalised is a necessary component of social protection. We demand prioritisation of NHI processes and a strengthening of Primary Health Care systems in the NHI.”*

*(#CodeRed, 2021)*

This means increased allocations are urgently required to both Programme 2: National Health Insurance and Programme 4: Primary Health Care. In addition, we strongly suggest the introduction of a Primary Health Care conditional grant to protect funding for much needed PHC strengthening.

As a final point on both Programme 2: National Health Insurance and Programme 4: Primary Health Care, we strongly affirm the need for specific indicators that prioritise Community Health Care Workers (CHWs). Currently 66% of health professionals are employed in the private sector, with that sector only tending to 16% of the population. PHC strengthening must ensure that health professionals are trained in primary health care settings and must mean stronger implementation of pro-rural and pro-equity policies. A strong primary healthcare system cannot exist without Community Health Workers (CHWs).

We call for the urgent professionalisation of CHWs (including increased job security and remuneration), as part of PHC and NHI strengthening, in order to properly validate their role within our health system, as well as to provide important pathways for employment.

Of further concern within this Vote are cuts of R 100 million from 'Health Facilities Infrastructure Management' (without any mention of measures to address massive wastage of public funds, through declared underspending, and maladministration in relation to this line item), and of R 133 million from desperately required 'Machinery and Equipment', both in Programme 5: Hospital Systems.

Where we do see increased spending within the Department that is only really in relation to the purchasing of COVID-19 vaccines, which again evidences a worrying trend within the Vote, to prioritise emergency interventions *at the expense of* (rather than in conjunction with) health systems strengthening. Despite the desperate need for an equitable and dignified health system in South Africa, the AENE shows a clearly unacceptable de-resourcing of Hospital Systems, the National Health Insurance and Primary Health Care.

Severe underspending and unnecessary wastage of public finance from within the Vote needs to urgently be addressed, with clear accountability for what the failures are, as well as necessary measures for redress.

#### **VOTE 16: Basic education**

The Vote's purpose, as stated in the AENE, is to provide quality basic education for all and the establishment and development of a South African schooling system for the 21st century.

However, as is well-known, South Africa has one of the most unequal schooling systems in the world and comes last in international assessments of basic literacy and numeracy. These lamentable positions have remained unchanged for several decades and the projections made in the AENE do not inspire confidence.

On page 133, it is shocking to learn that no public schools were supplied with home language workbooks for learners in grades 1 to 6, even though there was a projected 100% target for 2021/2022. Given that the medium of instruction and assessment in grades 1 to 4 is the home language of the child, this is a gross violation of the basic right to education in the early years of schooling. Instruction and assessment in the home language have been shown through much empirical research to be the foundation for concept learning and constructing knowledge and deepening understanding. Such cognitive benefits can be transferred to other languages, such as English, which becomes the medium of instruction and assessment from grade 5 onwards. Without workbooks (as opposed to textbooks), which allow children to apply concepts and to practice thinking and writing competences, a major source of learner autonomy is denied to our students.

Equally alarming is the fact that the percentage of public schools supplied with Mathematics workbooks for learners in grades 1 to 9 was 0% against a projected target of 100%. Mathematics is a key learning area, and over the years, it has been shown that learners perform poorly in Mathematics and maths literacy, both of which require workbooks for independent problem-solving.

No reasons are given for this 0% performance (or non-performance, more appropriately), in these two key areas of the curriculum. Material resources for learning should be a priority in education. However the first set of books will only be available in the third quarter of 2022 and the second set in the fourth quarter. This is clearly a denial of a fundamental right of the child, namely, the right to quality education.

In the light of these indicators of non-performance, it is even more dismaying to note that treasury is decreasing R 12 872 000 for Curriculum Implementation and Monitoring (AENE p 135). This should be reinstated and in fact, increased, to enable the production of materials and their timely distribution.

The allocation of R 210 million for school infrastructure looks promising. However a closer inspection indicates that this is not a new allocation but rather a rollover from the previous year. In addition R 97 million is being decreased from this allocation to yield only R 113 million for school infrastructure. This means that the backlog grant of R 210 million is not the actual allocation and misleads people into believing that this is the actual spend for infrastructure in 2021/2022.

As pointed out by several organisations, budget allocations for Basic Education have been progressively declining in real terms and when inflation is taken into account. As shown by the Budget Justice Coalition, there is a progressive decrease in funding for Basic Education from R 281.6 billion (1.7% in 2019/2020) to R 257.5 billion (-8.6% in 2023/2024). At this rate, there is bound to be a continued decrease in spending on Basic Education in the years beyond 2024. The Budget Justice Coalition argues that funding for Basic Education has been characterised by a lack of progressive funding, underspending, irregular expenditure, and fruitless and wasteful expenditure. We join their call for increased progressive funding for this frontline and key sector, capacity building, and investigations and penalties for people involved in irregular spending.

#### **VOTE 17: Higher education and training**

The Vote'S purpose, as stated in the AENE, is to develop and support a quality higher and vocational education sector. Promote access to higher education, vocational education and skills development training opportunities.

The picture for Higher Education is no less dismal than the one for Basic Education. As is widely-acknowledged, producing high-quality graduates and post-graduates, including doctorates, is fundamental to the socioeconomic development of our country. Equally important is the skills development of technicians and artisans. The HE and Training sector therefore is a priority area for the economic recovery of our nation.

Analysing the performance indicators as set out in the AENE document, achievement has fallen far short of targets, except for the number of students who enrolled in HE institutions who became eligible for NSFAS funding in the first half of 2021/2022. This was due to an unplanned increase in the number of students registering at UNISA.

What is most concerning however is the tardy progress on enrolment of students in the Vocational Education and Training (TVET) colleges. As against a projected target of 21, 500 students, only 4931 were actually registered. The number of artisans who qualified in 2021/22 was only 3605 against a target of 19,500. Equally dismal is the fact that work-based training opportunities drastically reduced to 16, 521, against a projection of 103, 750. While Covid-19 may be held responsible for this abysmal performance, it shows a lack of creative and innovative planning and development of online and other resources for this key area.

Strangely, the number of lecturers trained, at 1597, went far beyond the target of 900. This is explained by the inclusion of non-formal and non-accredited programmes, whose quality we may well question, as TVET has always been a neglected area of education, with a history of closures of TVET colleges, poor planning and mismanagement. Given the large number of unemployed graduates, 46.3% in the first quarter of 2021, the role of TVET becomes even more crucial. What none of these statistics reveal is that South Africa is producing graduates and diploma-holders whose skills are mismatched with the needs of the labour market. This points to poor coordination between training and employment needs and opportunities.

Overall, the huge inequalities between research-intensive institutions (mostly historically White) on the one hand and historically Black universities and TVET colleges on the other remain unaddressed. Similarly there seems to be no funding for the promotion of multilingualism in Higher Education nor for the development of Community Engagement and service-learning programmes, both of which need to be addressed to make University education relevant to local communities and to promote the use of indigenous languages and cultures.

We call for increased funding to these areas to bring about a concerted effort to decolonize the curriculum to promote indigenous knowledges and their dissemination.

#### **VOTE 41: Water and sanitation**

The Vote's purpose, as stated in the AENE 2021, p. 391, is to ensure the availability of water resources to facilitate equitable and sustainable socioeconomic development and ensure universal access to water and sanitation services.

The South African Constitution guarantees access to water and hygienic sanitation as basic rights. Yet, more than three million South Africans lack access to a basic water supply and more than 14 million

South Africans lack access to safe sanitation. In recent years, it can be said that the water situation in South Africa has reached a crisis point. Despite water-conserving measures, our population suffers from a water deficit, and images of rural and township dwellers using water from unhygienic sources, and having to transport water everyday for household use flood our media. Water-borne diseases are also on the increase (Lewin et al 2007).

So it is hugely distressing to note that not a single large regional bulk water infrastructure project was completed in the first half of 2021/22 despite a target of 9. Similarly only one of 8 small regional infrastructure projects was completed during the same period. These figures contradict the claim made on p.392 that 'more small projects than expected were completed through the *water services infrastructure grant* as some were rolled over from the previous financial year.' The rollover amounts to R 582,200 enabling slight increases to adjusted appropriations.

However, what is not acknowledged at all is the mismanagement and corruption which has led to huge losses in infrastructure development. For example, in Makhanda, in the Eastern Cape, 'old infrastructure (water supply pipes) results in a lot of water being lost through leaks. Makana Municipality appointed contractors to begin the process of replacing old asbestos pipes in certain areas.' (Smiling South 2021). That work began earlier this year. At the moment, water is being released to consumers only every second day.

Reasons given for various delays in infrastructure development range from poor planning, lack of oversight, changes in local water management authorities, tender awardees proving unequal to the task, and general chaos. 'Earlier this year, Parliament's Standing Committee on Public Accounts (SCOPA) grilled officials from the Department of Water and Sanitation, implementing agent Amatola Water and main contractor Bosch Civils on the process involved in awarding the upgrade contracts, and the delays and cost increases that resulted.

SCOPA questioned the fact that during the 10 years since the project was initiated, the budget had risen from an initial R68 million to R237.5 million. The Department of Water and Sanitation explained that this was because the scope of the project had changed during that time.' (Smiling South 2021). This is only one example of lack of planning and oversight, arguably true of many small municipalities all over the country.

If water and human well-being are intimately connected, Treasury needs to be more proactive in funding and deploying reliable services in the management of water. This is an area of fundamental need, currently marked by huge inequality in distribution.

## **VOTE 20: Women [sic], youth and persons with disabilities**

We note that the performance indicators for a department tasked with the mammoth task of leading, coordinating and overseeing the transformation agenda for the socioeconomic empowerment, rights,



and equal treatment of wom\_n, youth and persons with disabilities in South Africa are woefully inadequate:

## Performance

Indicator	Programme	MTSF priority	Annual performance		
			Projected for 2021/22	Achieved in the first half of 2021/22 (April to September)	Changed target for 2021/22
Number of interventions to support economic empowerment, participation and ownership for women, youth and persons with disabilities per year	Social Transformation and Economic Empowerment	Priority 2: Economic transformation and job creation	4	2	–
Number of progress reports produced per year on implementing the sanitary dignity programme	Social Transformation and Economic Empowerment	Priority 1: A capable, ethical and developmental state	4	2	–
Number of research reports produced per year on government priorities	Policy, Stakeholder Coordination and Knowledge Management		1	0	–
Number of reports produced per year on the compliance of government commitments with international and regional instruments	Policy, Stakeholder Coordination and Knowledge Management	Priority 7: A better Africa and world	2	1	–
Number of public participation and outreach initiatives on women's empowerment, including girls and young women, conducted per year	Policy, Stakeholder Coordination and Knowledge Management	Priority 6: Social cohesion and safer communities	12	6	–
Number of community mobilisation initiatives per year aimed at fostering the social and economic inclusion of women, youth and persons with disabilities	Policy, Stakeholder Coordination and Knowledge Management		4	2	–

(AENE, 2021: 177)

This is particularly concerning when we realise these very few and limited actions are currently the full extent of state engagement on the empowerment of the most marginalised groups in South Africa, somehow strangely backed by a budget of 1.195billion. It is shocking to realise that even with so few indicators for the work of the Department, performance is fairly low, with Actual Expenditure for 2021/22 at only 39.3%, half way through the financial year. The Department's targets and indicators need radical revision, through public consultation processes, as well as processes that prioritise feminist economics and economics of care, towards a systems strengthening approach for the Department.

Programme 2: Social Transformation and Economic Empowerment – R 6.1 million cut (with 5% of the budget for this Programme reprioritised towards other areas of the budget)

Programme 3: Policy, Stakeholder Coordination and Knowledge Management – R 3.2 million cut (with a massive 8% of the budget for this Programme reprioritised towards other areas of the budget)

Programme 4: Rights of Persons with Disabilities – R 1.3 million cut (with a massive 8% of the budget for this Programme reprioritised towards other areas of the budget)

Cuts to these critical areas further exacerbate severe levels of inequality and Gender-Based-Violence in South Africa, and leave the most vulnerable out of critical structural support to access lives of dignity.

Where we do see new investment in this Department, it is R 430 million for Programme 5: National Youth Development, as part of the new Presidential Employment Intervention, targeted at the Youth. While we welcome increased investment in creating employment opportunities for the Youth, in a country with some of the most outrageous youth unemployment levels in the world, we note that investment in this new intervention are not necessarily ‘new spend’, but are largely being cut from other critical areas through reprioritisation. We also caution the apparent rush to massively invest in re-branded mega projects, operated largely through existing systems that are being increasingly de-capacitated and abandoned from a systems strengthening approach. We question whether the vulnerable groups represented by this Department were at all consulted in this process of making direct cuts to frontline interventions, in order to fund the new Presidential Youth Employment Intervention, and also question how women and people with disabilities will be integrated into that.

This submission strongly affirms the additional points made in the pre-MTBPS media statement by the Budget Justice Coalition (BJC), that:

“To achieve gender equality, it is crucial that fiscal sustainability prioritises transforming gender relations through an intersectional feminist budget. This is a budget which addresses some of the root causes of gender inequality, supports the care-economy, prioritises the most marginalised in times of fiscal constraint, and progressively realises the rights of all in South Africa” (BJC, 7 December, 2021).

And that...

“While gender-based violence and violence against children has often been spoken of as the “second pandemic,” we are, decades after the seriousness of the situation was first recognised by our government, and now years after the most recent commitments to address it decisively, still awaiting appropriate budget allocations and clear plans to tackle such systemic violence. The revision, resourcing and implementation of a National Strategic Plan on GBVF and Femicide needs urgent prioritisation.”  
(*ibid.*)

It is essential that indicators around these priority areas be urgently developed within the Department.

We also note, with absolute shock and outrage, that there are currently no specific indicators addressing the needs of LGBTQI+ people in South Africa, which must more urgently be incorporated into the work of the Department, specifically in the worrying context of increased brutality against and murder of members of the LGBTQI+ community in South Africa.

We absolutely reject a Government and Treasury which repeatedly asserts that it protects the most vulnerable and marginalised in South Africa, when the revised allocations show that this is clearly not the case!

### **VOTE 28: Police**

Total allocations to this Vote are particularly high. So much so that the total appropriated allocation to this Vote is *268.5% higher* than the total adjusted appropriation to Vote 16: Basic Education. In the AENE, there is a shocking R 3.9 billion *addition* to this Vote. R 2.4 billion of this is for Programme 2: Visible Policing and relates to the increased deployment of police personnel.

We are severely concerned about increased personnel on the ground in any situation, as the presence of police has been proven to severely increase the vulnerability of the most marginalised. This is particularly the case in a country which has such severe levels of documented rape by police and while in police custody, that 2 of the 6 indicators for Vote 24: Independent Police Investigative Directorate relate specifically to this. It is severely worrying that there is a massively increased police force being mobilised in vulnerable communities, when targets related to the prosecution of rapes by police and while in police custody show almost a complete lack of prosecution and accountability.

Furthermore, massive allocations are continuing to happen to this Vote, despite a lack of adequate performance indicated through a severe roll-over within the Department of just over R 1 billion. The majority of the allocations rolled-over are due to the poor spending performance of Programme 2: Visible Policing. We strongly recommend immediate investigation into poor spending performance within the Vote, with clear ameliorative measures being developed for implementation.

The low detection rates for crimes against wom\_n and children remains a travesty that requires urgent intervention. A large part of addressing this problem must include the creation of properly safe and supportive, quality reporting processes that are accessible to all. First-line responders must be trained in delivering gender-sensitive healthcare. In relation to violence increasingly committed against the LGBTQI+ community in South Africa, indicators must be developed within this Vote to specifically track and address hate crimes against the LGBTQI+ community.

Despite massive funding to Police, there are very concerning performance indicators around a failure to intervene in organised crime (with only 1 serious operation terminated this financial year) and a failure to address crime network operations, with only 6 terminated thus far, out of an annual target of 162. This extreme decreasing ability of the South African Police to intervene into organised crime needs to be urgently addressed.

In order to properly ensure the protection of the most marginalised groups in South Africa, we also strongly recommend that in the 2022 Budget Review, this Vote be significantly defunded, with those funds being redirected towards important and required measures for restorative justice.

## **VOTE 29: Agriculture, land reform and rural development**

When properly resourcing and performing on critical indicators for the development and advancement of Agriculture, land reform and rural development, is absolutely fundamental for the creation of a more equitable and food secure South Africa, we find it outrageous that the following are the performance indicators for the Department:

- Only 2.8% of the target towards 'Number of subsistence and smallholder producers supported per year' has been achieved.
- Only 4.1% of the target towards 'Number of hectares of strategically located land acquired per year' has been achieved.
- Only 29.6% of the target toward 'Number of land claims finalised per year' has been achieved.
- Only 10% of the target towards 'Number of infrastructure projects completed to support farmers per year' has been achieved.

This shows a highly concerning abandonment of areas within this critical Vote, at a time when inequality and food security have been widely acknowledged as being the root causes for the recent Food Riots in South Africa, which had a particularly devastating impact on the Province of Kwa-Zulu Natal.

It is also of great concern to us that there are no gender-specific indicators to track performance or impact in relation to agriculture, land reform and rural development in South Africa. It is urgent that gender-specific targets are developed within the Vote, in order to more properly address issues of equitable land reform. Wom\_n and youth are highly vulnerable groups which are concentrated at the rural level and thus, we insist that allocations towards the rural are significantly increased in order to provide necessary social assistance and protection, beyond the limitations of cash transfers.

We agree, with the Budget Justice Coalition that:

“Gender equity must be prioritised through urgently increased allocations to pro-poor land and agrarian reform; by enforcing the Labour Relations Act to ensure that every worker earns a living wage and by investing in the informal economy”.

*(BJC Media statement, 7 December, 2021)*

These three critical areas for gender equity must urgently be prioritised and integrated into the indicators, activities and targets of the Department.

Despite R 750 million being allocated in the AENE for the Presidential youth employment initiative within this Vote, it seems there are no measures put in place to safeguard the administration of these funds from within Programme 3: Food security, land reform, restitution, to address the severe amount rolled-over from previous underspending within the Department of a massive R 243 million.

Inefficiencies within a Vote so critical for a democratically and constitutionally reformed South Africa need to be urgently identified and addressed.

We are also worried that, within the Vote, R 18 million has been cut from 'Land redistribution and tenure reform' and another R 18 million has been directly cut from 'Restitution'. A massive 43.6 million is cut from Programme 4: Rural development, from the Programme for 'Rural infrastructure development'. These cuts constitute an active dispossession of rural communities from their land rights and is similar to the State's development of the Traditional and Khoi-San Leadership Act 3 of 2019 (TKLA), in evidencing a drive to keep colonial and apartheid structures intact and to re-entrench the problematic geography of the Bantustans (Alliance for Rural Democracy, 2018). We strongly assert that the described neglect of this critical Vote, particularly in relation to the rural and in relation to creating gender equity, beyond an almost singular allocation to the new presidential employment initiative, the success of which is not yet guaranteed, severely exacerbates a lack of progress towards a truly equitable South Africa.

We demand to see urgently increased prioritisation of both the rural and of pro-poor land and agricultural reform mapped out in a clear process of systems strengthening for this Vote.

#### **VOTE 40: Transport**

The purpose of the Vote is to lead on the provision of an integrated, sustainable, reliable, and safe transport system through developing, coordinating, promoting and implementing policies, regulation and strategies.

Investment into Transport is an essential investment into South Africa's economy and development at a time of worrying financial indicators. Transport is estimated to significantly contribute to South Africa's GDP and is therefore an urgently necessary investment in lowering the Debt-GDP ratio. Furthermore, investments in Transport are important economic multipliers that could generate a large annual return.

The transportation system is plagued by several substantial and structural challenges, including: High, unreliable and increasing transportation costs; Lack of effective interlinked public transport systems, particularly in the townships and rural areas; Severe equity and accessibility imbalances; Unsafe congestion and quality of transport, which puts commuters lives at risk.

Despite the absolute necessity of Transport in South Africa at this time, we see a massive R 1.34 *billion* in declared underspending on the Public Transport Network Grant, which essentially means that R 1.34 billion is cut in the 2021 AENE from Public Transport. This underspending is related to the failure to roll out the MyCiti bus rapid transit system.

In terms of performance, the Department is also reflecting very worrying low indicators being met around the maintenance and upgrading of transport infrastructure and on usage of bus rapid transit passenger trips. Essentially, what these indicators show is a massive disinvestment in existing and newly-created Transport systems.

Both the lack of increased funding to this Vote and the active disinvestments from earmarked projects, described above, will undoubtedly force a decline on the substantial returns that could be realised through adequate investment in Transport.

With the establishment of accessible and affordable public transport systems being an absolutely essential component of vitally required socio-economic development, we need to see the strengthening of this Vote's allocations and efficiencies. There must be no compromise on achieving an efficient and effective quality transportation system in South Africa.

## **CONCLUSION:**

In this submission, we have highlighted some of the obvious trends foregrounded in the AENE 2021 document, pointing out some of the contradictions we perceive, and calling for a more transparent budget, with more detailed justifications for why some of what we have highlighted as regressive budgeting decisions are made.

Some analysts have called the MTBPS 2021 'an underwhelming budget.' We believe it is 'underwhelming' because it lacks clear allocations geared towards properly addressing and reducing poverty, social injustice and inequality in South Africa. The 2021 AENE seems to deliberately overwhelm us - the public - with data and figures, but does not offer supporting rationales or motivations for severe lack of resourcing toward protecting the most vulnerable in South Africa. The Budget seems to largely be a ritualistic exercise, in which there is no visionary thinking and no seriously thoughtful proposals for lifting South Africa out of the state of crisis it has now been in for over two decades. As we have evidenced above, this is certainly not a pro-poor budget.

We demand a human-rights centered and intersectional feminist, #PeoplesBudget now!

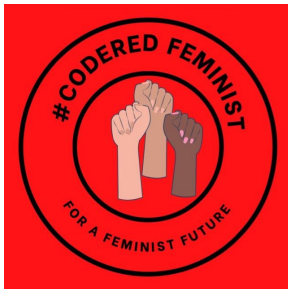
*\*\*\* The #PeoplesBudget is a growing movement of organisations, activist groups, trade unions and community leaders, who are loosely associated through their interest in engaging more directly with South Africa's public finance. After a platform for organisation was collaboratively created for response to the MTBPS 2021 (by #CodeRed, Fight Inequality Alliance, AIDC and others) members were supported in generating this submission, which we hope connects to the various demands on the ground and that pushes forward budget advocacy as a powerful tool for accountability and social justice in South Africa.*

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ENDORSED BY:

- Rural Democracy Trust (RDT)
- Waterberg Women Advocacy Organization
- Makause Community Development Forum
- Unemployed People's Movement
- Thetha Mhlali (Mdantsane)
- Assembly of the Unemployed







**MOVEMENT**



HIV/AIDS • GENDER EQUALITY • HUMAN RIGHTS

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