

End lockdown now to save the economy, DA tells Tito Mboweni – Times Live 22 June 2020

The party was speaking ahead of finance minister's emergency budget

The official opposition has advised finance minister Tito Mboweni to resist looking for "shortcuts" on Wednesday when he tables the emergency budget brought about by Covid-19.

In fact, the DA has suggested that the lockdown in its current form must be abandoned completely to reboot the economy and save livelihoods.

Shortcuts, according to the DA, such as austerity or expanding government spending, will not cut it as they are not sustainable.

The party's shadow finance minister Geordin Hill-Lewis also cautioned against toying with resorting to **quantitative easing** or tapping into pension funds to close the budget gaps emanating from the coronavirus lockdown.

On Monday, Hill-Lewis presented his party's 12-page perspective on what Mboweni ought to do to bring back what they call a "resilience budget".

Covid-19 has left 'R300bn hole' in the country's budget, Ramaphosa tells MPs

According to the DA, while the lockdown worsened the country's economic growth misfortunes, the crisis was a long time coming due to the governing party's "dangerous and unsustainable economic trajectory".

Those whose livelihoods get destroyed by the economic impact of the lockdown must lay the blame squarely on an ANC government that has "blood on its hands", said the DA.

"Poor economic growth and high debt have obliterated South Africa's ability to engage in counter-cyclical measures - to save in times of plenty and to spend in a time of crisis," reads part of the DA's document.

"Furthermore, years of skills erosion meant that excellence and civic-minded individuals were readily replaced with incompetent and self-enriching cadres.

"South Africans did not stand a chance. The most damning indictment of this government and its predecessors is that the country entered the Covid-19 pandemic vulnerable and with no cover.

"In short, South Africa has lost resilience. Businesses are vulnerable, families are vulnerable, government is vulnerable."

The DA said it therefore wants to see and hear the following from Mboweni's emergency budget speech:

- Immediately end the lockdown and replace it with a standard set of evidence-based safety rules and guidelines, where each regulation is directly linked to reducing the spread of Covid-19. This to protect lives and livelihoods;
- Slash the public sector wage bill over the medium term and growing public sector productivity by:
 - freezing wages for non-frontline workers for three years;
 - reducing head-office management staff by one third;
 - introducing performance management systems across all sectors; and
 - appointing and promoting on performance rather than on race, gender or other criteria;
- Sell all state-owned enterprises that are not able to survive without bailouts because the country can no longer afford to be a "blesser" for SAA or "a new nuclear build";
- End Eskom's monopoly and open the electricity market to competition by allowing municipalities to buy directly from producers;
- Exempt small businesses from agreements reached by bargaining councils;
- Abandon the **National Health Insurance (NHI)**, prescribed assets and Reserve Bank nationalisation because they "scare off" investment, capital and scarce skills;
- Abolish BEE and target redress policies at disadvantage rather than race, in order to make state spending vastly more efficient and strongly in the interest of the poor;
- Auction digital spectrum to bring down data costs for individuals and businesses;
- Review visa regulations to enable more scarce skills to enter South Africa; and
- Tackle corruption in the private and public sectors by establishing an independent, well-resourced corruption-busting body similar to the Scorpions of the 2000s, which was shut down by the ANC government after the Polokwane conference in 2007.