

State fails to spend its building funds – DA

■ Infrastructure deficit at 22%

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ACTUAL infrastructure spending by the government in recent years had fallen far short of promises made by Finance Minister Pravin Gordhan and President Jacob Zuma, the DA said yesterday. The failure of some government departments to spend money allocated to capital projects is well known and has been highlighted by Gordhan on several occasions.

The DA yesterday put a figure on the spending shortfall, estimating it as 22 percent lower than the promised figure.

In an alternative budget released yesterday, the official opposition sought to find common ground between its Plan for Growth and Jobs, released in July last year, and Planning Minister Trevor Manuel's National Development Plan (NDP).

Tim Harris, the DA finance spokesman, said both had "a strong focus on the necessity to increase spending on infrastructure to levels where we can start to shrink the R1.5 trillion maintenance backlog in infrastructure, which is critical to growth".

The DA said its budget proposals identified concrete programmes to "restore confidence in the capacity of government to foster a growing economy", that could attract investment and improve the quality of life of all South Africans.

It spoke of a climate of uncertainty as "self serving factional interests within the tripartite alliance continue to clash". And it noted "the lack of clarity on economic policy as a result of competing ideologies in the market-driven NDP and the state-centric New Growth Path, as well as populist policy considerations punted at the ANC's policy

conference in 2012".

On job creation, the DA document said: "Economic studies have shown that the South African economy would have to grow at a minimum rate of 7 percent a year to make a significant impact on unemployment. The DA believes that, with the implementation of the correct pro-growth policies, which will enable all South Africans to actively participate in the economy, it will be possible to achieve 8 percent growth."

The alternative budget, which draws heavily on the earlier plan, "would see our economy double in size in less than 10 years", according to the DA.

The party advised Gordhan to "emulate the approaches of successful emerging economies by announcing a set of reforms to grow participation in the labour market, assist small businesses and broaden ownership".

It compared South Africa's average 3.6 percent growth over the past 10 years with those of economies like Peru, Singapore and Vietnam, which "have all recently achieved annual growth rates of 8 percent, with average annual growth rates exceeding 6 percent over the past decade".

And it urged Gordhan to send a clear signal on the government's commitment to the NDP "by implementing core proposals (such as the youth wage subsidy, the easing of tax and regulatory burdens for small businesses and the promotion of a streamlined, efficient public service) to convince investors that... [the] Treasury has the influence and political capital to direct the state and the economy towards job-creating growth".