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THE PROBLEM OF POVERTY OF IDEAS

The problems of our country are not only the problems of poverty but the poverty of ideas.

With elections looming, political parties will be giving a long catalogue of issues that the government has failed to address. They will remind the voters that they live in poverty. They will complain about load shedding. They will complain about the lack of water. They will accuse the government of failing to provide quality social services such as housing, education, and health. They will focus the spotlight on decaying towns and cities. They will tell the nation that the reason there are so many road accidents is because the goods locomotives are no longer running and that freight is not on the road.



They will tell the nation about the high rate of crime. They will remind the voters about violent crime, especially cases of rape and murder against

women and children. They will focus on highlighting that South Africa has “improved” its rating on corruption, rising to occupy the number seven spot of the most corrupt countries in the world. They will remind the nation that one of the biggest “achievements” of the current government is making South Africa the most unequal society in the world.

They will talk about grinding poverty. Some may focus on the landlessness of the majority of the Black people but all of the parties will say that the country is sitting on a ticking time bomb of unemployment.

Sadly, the population knows all these problems. There is no need to tell people living in squalor conditions in squatter camps such as Zandspruit, or Kliptown, or Imizamo Yethu that they are poor and that they do not have houses, flushing toilets or potable water. They know these bad conditions that they live under. They know that they are poor. They do not need a politician campaigning for votes to chronicle their suffering. What they need to hear is what solutions are parties putting on the table to resolve the obvious problems that the nation, especially the poorest of the poor, are facing.

Yes, the problems of this country are vast and deep. But one of the biggest challenges that South Africans are facing is hunger, a product of poverty. Poverty is a product of landlessness and unemployment.

While in the long term to eradicate poverty would be to resolve the land question, in the short term, creating employment is the best tool that those in authority have to improve the lives of the people.

More than 70 percent of young people in this country are unemployed. This means that over seven people out of every 10 young people do not work. This is a scary figure.

Again, there is no need to tell the people that they are unemployed. They know this. They live in poverty, without knowing where their next meal will come from.



If we accept that the biggest priority, in the short term, is the creation of employment, a fair question is: how will AZAPO resolve the unemployment crisis in the country?

South Africa has a problem of poverty of ideas. A few weeks ago, the Finance Ministry issued tough guidelines of curbing government expenditure. The advice from Treasury was that funded vacant posts should not be filled. Vacant positions that have been advertised should no longer be advertised. All spending, where possible, should be curbed. In fact, the direct message from Treasury was to stop anything. Stop traveling. Stop holding workshops. Just pay the public servants their salaries but anything that can be stopped should be stopped so that the government can save money. How sad?

For some strange reason those policymakers and economists working in Treasury have forgotten that the Government is the biggest stimulator of the economy. When the economy is failing, it is government spending that can prop it up. It is

economics 101. It is simple logic. If government officials travel from Pretoria to Cape Town for their official business there, there are many spin-offs. The Travel Agency that books travel for the government will get some business. The airline will make money as tickets would have been bought. The car hire company will get business as the officials would need transport from the airport to their hotels in Cape Town or Stellenbosch. The hotels will get a slice of the cake. The businesses that supply the hotels with food and other supplies will get a cut in the pie. And in all these activities, jobs are being created. When people are working, they pay tax, enabling the State to increase revenue. But that is not all. When people are working, they stimulate demand. They would buy a fridge or a television set, or a new dining room table, or even a car. When demand for products increases, the firms that manufacture these products will require more people to increase production. And as more people are employed, the State's capacity to increase revenue is enhanced. When the State has more money at its disposal, it is able to increase spending on maintenance and building of infrastructure. These capital investments directly create more jobs. So the circle goes, and that is how countries get out of a recession.

But not with these lot. They think they can cut spending and somehow miraculously get out of recession. We have a problem of poverty of ideas.

The government pays lip service to its stated claim of supporting small businesses. Bread that is consumed in the whole of the Vhembe region in Limpopo is baked by two major bakeries in Polokwane. Trucks travel from Limpopo to Thohoyandou every day to deliver bread. There, they find small delivery vans that take the bread to the different parts of the region, even to the most remote village. What happened to the small bakers that existed before the dawn of democracy? If the government was serious about supporting the small enterprises, government officials would create a market for these small players in government institutions such as schools, hospitals and prisons. When these small players have access to the market, they can remain in

business. And when they are in business, they will be able to employ more people. And steady but sure, as a country we will be eating away the unemployment elephant.

But the problem is the poverty of ideas.

In the townships and villages throughout the country, spaza shops are run mainly by Somalis, Ethiopians and Pakistanis. These operations by foreign nationals have driven the local merchants to the ground. Some of the shop owners have surrendered their businesses to these foreign nationals and they only collect small amounts in rents.

Virtually all these spaza shops are cash economy. And because they operate on cash basis, many of them do not pay taxes.

These foreign nationals do not only dominate the spaza shop businesses, they also dominate the hardware wholesale shops in towns and cities throughout the country. Even in these shops, they insist that payment should be cash. When a buyer insists on paying through a card system, the price changes and they add up to 5% to the cost of sale. The main reason they insist on cash payment is that they do not want to record the transaction that can expose them to tax liabilities.

These foreign nationals, many of them who are in the country illegally, are evading tax and taking money out of the country. South Africa is losing billions of rands through this. But that is not all the country is losing. It is losing jobs in the retail sector. A government that cares for its citizens would employ undercover police and intelligence officials to crack these operations. It is known that some of the products that are sold in these spaza shops are obtained from hijacked trucks that carry products of major retail shops.

A successful operation to close down illegal operations of spaza shops and businesses run by illegal immigrants can drastically contribute to massive job creation. But why can't government officials think about something so basic? Poverty of ideas.

Throughout the country, there is a China Mall in virtually every town. These shopping centres are distributing outlets of cheap Chinese products.

In many instances, there is under declaration of these products, leading to a loss of billions of rands in duty taxes.

Chinese products, especially in the textile sector, have decimated the textile industry in the country, especially in Cape Town. Lack of proper monitoring of these Chinese operations have led to massive job losses in the retail sector.



Instead of focusing all their efforts in the internal battles of the ruling party, intelligence officers could save hundreds of thousands of jobs if they could ensure legal entry of foreign products into the country. But again, ours is a story of poverty of ideas.

There are many other ideas that the government can implement to create jobs. For instance, the government can launch a program to save our rivers. The State can employ thousands of young people to remove planks and pine trees that are sucking water from our rivers. This can go a long way in our efforts to save water. But more importantly, the country would be creating employment opportunities to young people whose dignity is being undermined by queueing for R350. Again, poverty of ideas is at play.

One might even be tempted to think that there are people in government who plan to undermine the economic progress and political stability of the country. How does one explain that the State spends billions of rands training highly sought professionals such as engineers, accountants, doctors and nurses but fail to employ them after they have qualified. These professionals then migrate

to other countries that spent zero on their training and development.



The above are some of the few interventions that AZAPO can propose to deal with the unemployment monster. AZAPO is acutely aware that it is not enough to point at the wrongs of the ruling party. More than telling people what they know, AZAPO believes that people should be reminded that they are their own liberators. They should and can elect a government that has a vision to change their lives by drastically reducing the massive unemployment. While jobs can improve the lives of the poor in the short term, the real prize of poverty eradication is the repossession of the land to its rightful owners. Land is a key asset in the ultimate victory over poverty.