



## **RESPONSE**

**October 23<sup>rd</sup>, 2013**

### **The MTBPS**

Last year, in our Response to the Medium Term Budget Policy Statement, we used the metaphor of a cart being pulled slowly up a hill – the hill being the global economic crisis, the cart being the South African economy. That hill is still very much with us, and Finance Minister Pravin Gordhan is still leading the team pulling upwards. But, as we said a year ago, there is another team, and this one is determined to pull the cart backwards: *“All this team wants is to enjoy the ride as the cart careers down the hill; only the short term thrill interests them.”*

The latter team is epitomised by the premier of the Northern Cape who, together with her immediate staff, managed to eat her way through R50 000 of fast food within a couple of months earlier this year, all paid for with her government credit card. And by the Minister of Arts and Culture – or more likely someone in his entourage – who hired an Audi at a cost of R3 500 for two days and drove in it for less than one kilometre.

It is excesses like these, not to mention Nkandla, that make Minister Gordhan's job more difficult than it needs to be, and which discourage the rest of us from doing our bit to be responsible citizens. What motivation is there for the average civil servant to work harder, or for the average taxpayer to hand over all that they should, when the political leadership is notorious for its wastefulness and profligacy?

Interviewed on the radio last night, Mr Gordhan tried to focus on the hard figures – budget deficits, expected tax revenue, debt to GDP ratios, projected growth, etc. These were the key issues of the MTBPS, he said, not the side-issues like the cancellation of most government credit cards, the prohibition of alcohol at state functions, and a clamp-down on ministerial cars and the use of luxury hotels.

In one sense, Mr Gordhan is right. Economists, ratings agencies and investment bankers will pore over the figures and percentages, and make their pronouncements. Our credit-rating will go up or down accordingly, and foreigners will invest more, or less, depending on what these figures mean to them.

But in another way, Mr Gordhan was quite wrong. Ordinary citizens cannot understand much of the macro-economic jargon, and can do even less to influence the ebb and flow of the numbers. However, every citizen can surely understand that a government means business when it cuts back on luxuries, when it (finally) learns that too many politicians cannot be trusted with official credit cards, and when it realises that no-one really needs a million-rand motor car, let alone one in

Pretoria and another in Cape Town. These are not side-issues at all: they send a powerful message, not so much of austerity or stringency, but simply of the need for responsible stewardship of public resources.

This is what makes Mr Gordhan's MTBPS worth noting. It is in touch with reality, and it is sending the right signals. Such symbolism counts for a lot. We should also see these announcements in the same context as the dismissals, over the last two years, of two ministers who went on spending sprees funded by the taxpayer – Sicelo Shiceka in 2011, and Dina Pule a few months ago.

Cynics may see all this as little more than a few slight shifts in the prevailing winds of corruption and non-accountability. But that would be to overlook the fact that it is the top echelon of government that is beginning to set the tone; if they can keep it up, the lower levels will surely find it easier to follow.

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