

# Nene vows to protect the poor



Independent Media Finance Minister Nhlanhla Nene (right) speaks to his deputy, Mcebisi Jonas, before his Medium-Term Budget Policy Statement in Parliament on Wednesday. Picture: Courtney Africa

The government has kept its word on protecting the poor and vulnerable amid a tight fiscal space that has forced Nhlanhla Nene to cut expenditure in certain areas of the government.

Nene said that, despite the need to reduce government spending, he was mindful of the importance of keeping the social services net open to accommodate the poor.

In the Medium-Term Budget Policy Statement, Nene said that the government would allocate just under R500 billion in the social protection cluster during the medium term.

“Social grants, which are expected to reach 17.3 million people by 2017/18, will account for nearly 85 percent of this spending,” said the statement.

This would achieve the desired result of protecting the poor and provide a comprehensive and sustainable social protection system.

The government was operating in a very tight fiscal space with very little to play with.

Nene told journalists earlier that the packages that the government had introduced, including lowering the spending ceiling and reducing government consumption expenditure, would

not hurt the poor.

“I would like to be very clear about the likely impact of what we are doing. Firstly, we remain resolute to protect the poor. So pro-poor spending on social services has been protected,” Nene said.

He added that infrastructure investments had been well on track. The finance minister said that the government would continue to invest more money in education and health. Social services was still in the frame of the Treasury with more money spent on this important cluster of government.

This was an indication that social services remained a key component of the government’s expenditure plans for the next few years.

Social grants have been at the heart of debates in recent times with the former governor of the Reserve Bank, Tito Mboweni, saying last year they were unsustainable in the long term.

This issue was also touched on by former deputy president Kgalema Motlanthe in Parliament this year, during question time in the National Council of Provinces, when he said that the government would have to look at the long-term plans to keep social grants at sustainable levels.

The number of recipients had been increasing in the last 20 years, he said. More than 11 million children had received social grants.

Source:

<http://www.iol.co.za/business/budget/nene-vows-to-protect-the-poor-1.1769343#.VE4FDGcdRuU>