




CULTURAL AUSTERITY, IRREGULAR DISBURSMENT OF PRESIDENTIAL EMPLOYMENT STIMULUS PROGRAMME FUNDS AND CORRUPTION IN THE ARTS SECTOR

SAFTU support artists who have entered a fourth week of protest against the irregularities in the disbursement of Presidential Employment Stimulus Programme (PESP) funds aimed at relief of artists and sustaining of jobs in the sector during the Covid-19 pandemic. This incident has brought forth other complaints that date back to the period before Covid-19, including general corruption and poor administration, and underfunding of the arts and culture.

From the beginning of March, artists began a protest in which they occupied the National Arts Council (NAC) offices in Newtown. They are demanding answers to irregularities in the disbursement of relief funds dedicated to relief the art industry from the PESP.

At the beginning of the pandemic, Setu SaAfrika, a performing artist in Joburg expressed concern to Corruption Watch about the relief grants for artists administered by the Department of Arts, Sports and Culture. He said the grant will not benefit all artists because of corruption in the arts sector, and that, the relief grants may even benefit non-artists.

Unfortunately, the NAC fulfilled SaAfrika's prediction with distinction, as it irregularly managed and disbursed PESP relief funds. The artists report that some companies have received far more money than their requests from the stimulus package, whilst other artists and their companies had not received a cent from the relief fund. Non-artist for-profit companies have benefited from this fund which should have been




exclusively dedicated to artists. Indeed multiple companies belonging to one person/director received NAC funding.

This irregular disbursement and corruption are beside the fact that artists have been hit hard by the Covid-19 national lockdown, especially because their business mostly requires gatherings of fans. Since the prohibition of social gatherings ate into the consumer base of musicians and other artists, they and supportive companies in the sector suffered a dramatic reduction in their income, and in many cases went completely bankrupt. In addition, art groups and companies had to fire or furlough many of their employees. This is the reason why the stimulus package to support artists was crucial – and like so much done from government's side, ultimately a terrible disappointment.

In the Free State, for example, the occupation protest has escalated at Performing Arts Council Free State (PACOFs). We salute artists under the banner of Cultural and Creative Industries Federation of South Africa (CCIFSA), who point out that the PACOFs board is incompetent and has engaged in wrongdoings. The CCIFSA demand the suspension of the board and in particular its CEO. Members of CCIFSA in Kimberly also embarked on a hunger strike due to poor administration and underfunding of the arts sector.

Three factors are at the center of the current struggles of the South African artists: corruption in the arts sector, poor management arising from deployment of people with no adequate knowledge of the art sector, and the underfunding of art sector by government. The unholy trinity of these factors resulted in scaled-down service provision, an appalling quality of the fewer services offered, and the degeneration of the public sector into a terrain of constant struggle as ordinary poor and working people fight to gain access.

SAFTU reiterate that Treasury's commitment to neoliberal policies is the underlying problem. SAFTU and many other progressive formations have made countless calls on the government to abandon its conservative and inappropriate fiscal and monetary policies that are strongly supported by the rating agency but that are setting the government against the working class and the poor. We reiterate our view that the government fiscal and monetary policy may be good for the developed western nations who have already gone through where South Africa is today in terms



of underdevelopment, but these policy guarantee an implosion of society with the worse unemployment amongst industrialising countries, worse levels of poverty and worse inequalities.

Government has reduced expenditure on public goods across the board. Not even the CCMA and StatsSA have escaped these mindless austerity programmes. Public Servants have seen a four year wage freeze. Health and education has been massively reduced leading to the current students protests against financial exclusions.

In other countries, the growth of cultural and artistic production boosted GDP and created jobs. If considered from a fairer perspective, the arts and culture industry could contribute immensely to socio-economic development and upliftment, by creating jobs and boosting household incomes. But starving the vital cultural sector of needed resources – financial and human – will strangle the industry and stifle its growth and creativity.

SAFTU is in agreement with the protesting artists, we insist that a new disbursement of the funds in a regular manner is not enough. We support these demands:

- Concrete answers must be provided as to why PESP monies way above requests were paid to some of these companies.
- Concrete answers must be provided as to why owners of multiple companies got funding for those companies whilst other artists got nothing.
- A full investigation of - and halt in funding to - the non-artist companies that benefited from the fund.
- Recover funds that have been lost to corruption in the sector, and provide relief funds from the stimulus package meant to relieve struggling artists.
- Suspend the board of PACOFS, investigate them and bring those found of any wrongdoing to justice.
- Treasury to increase its funding for the arts and culture.

Statement issued on behalf of SAFTU by General Secretary, Zwelinzima Vavi:

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