

THERE IS “AN ALTERNATIVE” TO THE STATUS QUO OF STAGNATION, MASS UNEMPLOYMENT AND UNPRESIDENTED INEQUALITY!

By: Various Social Movements

19 February 2024

On 21 February, we will be marching with community organisations, trade unions, and activist groups ahead of the 2024 budget speech, recognising that austerity will likely continue to be implemented in this coming budget.

Reports from health sector workers speak to an unfolding and deadly catastrophe in the public service due to budget cuts. Thousands of doctors, nurses and teachers remain unemployed while at the same time thousands of vital posts are left vacant due to being unfunded, leading to a breakdown in service and morale. In addition to this, learners lack dignified schooling infrastructure, while the treasury has stated its intention to make further reductions to basic education, resulting in increasing class sizes.

Similarly, we hear from those who have been left without reliable housing, as they wait for a housing backlog in the millions that will not be fulfilled in their lifetime, as well as those who have had to wait in queues for days in order to receive grants that have fallen far behind inflation. Existing patterns of gender inequality are reinforced, increasing the burden on women and girls in particular. It is clear that the impacts of austerity are disastrous.

The National Treasury states that it needs to implement broad budget cuts and other cost containment measures due to the high levels of public debt. Together we evaluated and debated the levels of public debt. In this assessment, it was agreed that, while we were concerned about the growth of debt interest payments, it was not a sufficient nor necessary condition to justify the budget cuts currently being implemented. Moreover, it is clear that austerity is self-defeating, as it is crippling the economy and thereby shrinking our GDP in relation to our debt to the benefit of lenders and loan sharks from the local mashonisa to the World Bank.

Together we are demonstrating to demand for a universal basic income grant of R1500, a halt to budget cuts, an increase in taxes for the rich, and free basic services. We want alternative public debt management strategies to be further explored, which include considerations for domestic resource mobilisation and sources of cheap domestic finance.

This includes the exploration of a range of potential tax proposals that can be implemented over the short to medium term, as well as discussions on the use of assets on the government balance sheet for a necessary immediate economic stimulus towards the restoration of our public services so as to avoid a social and economic catastrophe.

Looking at the longer term, we also explored the possibility of a broader transformation of the economy towards the alignment of not only fiscal but also monetary policy to ensure the protection and advancement of the rights enshrined in the Constitution. South Africa's deeply conservative monetary policy cannot be justified in the face of our world-beating unemployment and inequality. This broader realignment can and should include institutions

from the Public Investment Corporation to the Reserve Bank and is absolutely necessary to resolve the national crisis resulting from the financialisation and deindustrialisation of the economy.

There is consensus among us that there are a range of possibilities which the government has failed to explore before turning to the disaster of fiscal consolidation. We, therefore, call on the government to take these proposals into consideration so as to fulfil its constitutional obligations and pursue progressive economic policy. To the progressive forces in South Africa, we collectively state that “there is an alternative” to the status quo of stagnation, mass unemployment and unprecedented inequality.

Endorsed by:

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This press statement was released by Various social movements on 19 February 2024.