



EFF STATEMENT ON R11 BILLION WORLD BANK LOAN TO SOUTH AFRICA

Friday, 21 January 2022

The EFF rejects the irrational and senseless R11 billion World Bank loan to South Africa with contempt. The World Bank Group Board of Directors approved South Africa's request for an R11 billion loan purported necessary to support government efforts to accelerate COVID-19 responses. National Treasury reasons for the loan are unrelated, difficult to follow and purely misdirected in the absence of coherent and clear economic policy reform.

The joint statement by the World Group and the National Treasury claims that the loan will assist South Africa to implement the Economic Reconstruction and Recovery Plan. The so-called Economic and Reconstruction and Recovery Plan, like GEAR, was developed in secret meetings sponsored by neoliberal crusaders deployed by the IMF and the World Bank and a handful of co-opted subordinates.

The Economic Reconstruction and Recovery Plan was imposed on the useless ruling party that has failed to develop any recognisable or material capacity to formulate economic policy outside apartheid economic architectures. Despite indisputable evidence that South Africa's economic policies choices in the last 25 years have been catastrophic for most black people while few whites and co-opted blacks enjoy unimaginable opulence, comfort, and security. Nevertheless, some want us to believe that the National Treasury symbolises excellence in state institutions.

The EFF maintains that South Africa does not have economic reform policy. The National Treasury parade in London, New York and Washington to so-called investors, rating agencies and multilateral organisations a pamphlet to advertise state-owned strategic assets for sale at a penny. The National Treasury claims to be leading economic recovery and reform. However, the latest GDP figure of -1,5 per cent

decline, unemployment of 34,9 per cent and the collapse of public finances mired by irregular, unauthorised and fruitless expenditure tells a story of incompetence, mismanagement, and the complete government failure.

The National Treasury is using the plight of the poor and the COVID-19 crisis to entrench neoliberal policies. It is a fallacy that the R11 billion World Bank will help poor people in any way. The same was said about the R70 billion IMF loan, but parasitic charlatans of the ruling party looted it while hundreds died while waiting for vaccines. Hospitals do not have capacity; nurses are understaffed and work in conditions not even suitable for animals daily. Thousands of South Africans live with raw sewage spillage in front of their houses and do not have water, a health hazard our hospitals cannot attend to. Hundreds of young people were made to sleep outside post offices to receive the promised R350 relief grant but never received any.

The EFF has written to the Chairperson of the Finance Standing Committee to demand an urgent meeting to demand answers from the finance minister. The EFF has also written to the Minister of Finance to demand a detailed explanation of the basis of the loan, conditions attached to the loan and repayment terms. These senseless and irrational loans are nothing but our sovereign and future bondage to the control and ownership of rating agencies, financiers, and the Washington Consensus.

ISSUED BY THE ECONOMIC FREEDOM FIGHTERS

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