



EFF STATEMENT ON THE BUDGET SPEECH

Wednesday, 23 February 2022

The EFF has noted the lacklustre, uninspiring and neo-liberal budget speech, delivered by the clueless Minister of Finance Enoch Godongwana. His speech, was as predicted a repetition of the script of privatisation, and dependency on foreign direct investment, which was written for them by their handlers.

The fact that the Economic Recovery and Reconstruction Program remains the blueprint for this government's economic growth, a document drafted in Washington by leaders of defunct economic policy formulation Robert Lawrence and Ricardo Hausmann, reaffirms our belief that South Africa has been sold at the altar of capitalists.

There is absolutely no hope of rescuing this economy or creating jobs, because the Minister of Finance has resolved to auction our railway, transport, port, energy and arms manufacturing capacity to the private sector.

A projected growth of 2.1% in 2022 and 1.8% over the medium-term, of an unproductive and highly financialized economy will continue to produce high levels of unemployment, poverty and inequality.

Godongwana has in essence emphasised the misplaced and misguided view, that the state must surrender its responsibilities to grow our economy, create jobs and lead a developmental agenda to the private sector.

Outside of the empty phrase-mongering, Godongwana has provided no direct plan to stabilise South Africa's debt in the short or medium term, rather he completely evaded the fact that they are servicing dollar denominated loans from global financial institutions with more dollar denominated loans, which will undoubtedly increase in expense as our currency depreciates.

There is no verifiable plan towards economic recovery or fiscal sustainability, rather, it was a reassertion of dependency on loan-schemes from the International Monetary Fund and World Bank, that the Minister himself has no idea where they come from or what purpose they will serve.

Minister Godongwana has persisted with placing euphemisms around the deliberate collapse of State-Owned Enterprises, by calling the destruction of Eskom, South African Airways, Denel and Transnet, “tough love”. The fact of the matter is, the State under the misguidance of the ruling party has abdicated their responsibility as a so-called developmental state.

His poetics do not do away with the fact that his government has failed to sustain and utilise State-Owned Entities as anchors of development and industrialisation.

The privatisation of energy generation, has not led to a reliable electricity supply, rather these Independent Power Producers are extorting the state with exorbitant Power Purchase Agreements, while running blackouts continue to cripple our economy.

Denel has lost revenue on a year-by-year basis, and today struggles to pay the salaries of its employees, basically eliminating South Africa as a global competitor in the arms and manufacturing industry.

There has been no indication about how much has been allocated for the development of the pipe-dream smart city which Godongwana’s President has waxed lyrical about over the years.

There was absolutely no meaningful mention of how this budget will stimulate job creation, and this is as this regime has presided over a bloodbath of a loss of over 1.7 million jobs.

The pitiful increases of social grants is an insult to war veterans, the elderly and those who have been failed by this government during the COVID-19 pandemic and are loitering our streets with no employment.

The promise of the establishment of a State Bank and a Sovereign Wealth Fund, have all but disappeared from the guarantees made by this government. Outside of the externally drafted agenda of privatisation, it is a government that lacks consistency and assumes each opportunity to give a speech is the beginning of a new term.

The self-admitted disaster that we are in as a result of their governance was made evident by the Minister of Finance himself, who unashamedly admitted that South Africa’s debt has reached R4.3 trillion, and he expects it to rise to R5.4 trillion in the medium term, under his tenure.

This means that government needs to service debt annually at an amount of R330 billion. This amount exceeds the budget set aside for critical services such as healthcare, education and policing.

The debt crisis that this government has placed us in is tantamount to treasonous and a fundamental betrayal of future generations.

It is patently clear that there will be no jobs and no development of the productive forces of our economy, because our government will be too preoccupied servicing its debt.

One of the more shocking revelations was Treasuries commitment to the agreements of COP26 which strengthen the agenda of what can be deemed as environmental imperialism.

This is because Western nations, which emit the highest levels of carbon emissions, and have founded their developed economies on the use of fossil fuels, have developed an environmental consciousness of convenience, and want to tell African to abandon mineral based development.

The Minister of Finance made an explicit statement that international finance must be accessed to pay for a transition towards greener solutions, which will undoubtedly undermine our coal industry.

South Africa is not going to emerge from the dark economic situation it finds itself anytime soon, and the only solution this government has is bending over backwards for the private sector and global loan sharks.

The people of South Africa must vote this government out, if there is to be any hope of development, job creation and sustainable economic growth.

ISSUED BY THE ECONOMIC FREEDOM FIGHTERS

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