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BJC is concerned about rising inequality in a time of disaster

In anticipation of the 2023 budget, the Budget Justice Coalition (BJC) hopes that the Minister will not use the social budget to fund the current crises caused by the government's bad spending habits. Despite government's assurances that it is committed to socio-economic rights, BJC is disturbed about the trend we have witnessed over the years to reduce social spending through the maintenance of an expenditure ceiling and broad fiscal consolidation.

The BJC is concerned about the current energy crisis and welcomes the promise to permanently tackle loadshedding. But the allocation of funds and reduction in spending to address the R400 billion Eskom debt must not be implemented to the detriment of other rights found within the Constitution. Rights to education, healthcare, basic services and social assistance cannot be compromised or deferred.

The largest expenditure item in the 2022 Budget and outlined in the MTBPS last year was debt-service costs, at R333 billion per year on average, thus growing more than 12% per year on average. In effect, resources are being redistributed away from public spending to government creditors. The coalition is concerned about the choices on how to raise and allocate spending towards debt-service costs is impacting the kinds of public services delivered. A more appropriate mix is required given the catastrophic levels of poverty and inequality in South Africa.

In the SONA, President Ramaphosa clearly alluded to using the mechanism of basic income support for the most vulnerable. Over a quarter of the population (including around 9 million working-age adults and more than 7 million children) are living below the food poverty line of R663 a month. This limits the ability of adults to engage in the economy meaningfully, and limits the development of children, compromising their futures and the future economy. Both the Child Support Grant (R480 per month) and the SRD (R350 per month) are substantially below the food poverty line.

The BJC is looking forward to seeing decisive steps towards increasing the support above the poverty line and clear implementation of the UBIG. At the very least, the real value of the grants must be maintained.

Taxes should be seen as a contribution to society and the common good. A progressive and fair tax system is fundamental to building a strong public service and a healthy, more equal economy.

Amid threats of greylisting, we call upon the Minister and National Treasury to speed up tabling important legislation such as the Public Procurement Bill in 2023. The time has come to deliver on the promise to address endemic corruption which serves to only steal much-needed funds from the public purse.

The 2023 budget is much anticipated as the country is eager to get relief from the rising cost of living, unemployment, persistent energy crisis, lack of service delivery and crime and corruption. We hope that the government rises to the occasion, and tables a budget that is people-centred and reflective of human rights.

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ABOUT THE BUDGET JUSTICE COALITION:

Civic organisations who are part of the Budget Justice Coalition include: the Alternative Information and Development Centre (AIDC), the Children's Institute at UCT (CI), Corruption Watch (CW), Equal Education (EE), Equal Education Law Centre (EELC), the Institute for Economic Justice (IEJ), Oxfam SA, Pietermaritzburg Economic Justice and Dignity Group (PMBEJD), the Public Service Accountability Monitor (PSAM), the Rural Health Advocacy Project (RHAP), SECTION27, Ilifa Labantwana, Treatment Action Campaign, Centre for Child Law, 350.org, Open Secrets, Social Policy Institute, Public Affairs Research Institute, Amandla.mobi, Black Sash as well as friends of the coalition.

The purpose of the Budget Justice Coalition is to collaboratively build people's understanding of and participation in South Africa's planning and budgeting processes – placing power in the hands of the people to ensure that the state advances social, economic, and environmental justice, to meet people's needs and well-being in a developmental, equitable and redistributive way in accordance with the Constitution.