



AZAPO

AZANIAN PEOPLE'S ORGANISATION

TO: ALL MEDIA HOUSES FOR IMMEDIATE RELEASE

FROM: AZAPO SECRETARY FOR PUBLICITY & INFORMATION

DATE: NOVEMBER 01, 2024

SUBJECT: AZAPO ON THE MID-TERM BUDGET POLICY STATEMENT

AZAPO notes the delivery of the MTBPS 2024 by Minister of Finance on 30th October 2024. This happens to be the seminal budget after that historic error of cobbling up of the “GNU” in July 2024.

It is the hallmark of this policy statement that it therefore appears to be very tentative, whilst continuing to list known challenges faced by the country, with little solutions. Instead, the speech reintroduces the nebulous language of "socio-economic developments", a clear sign that the real and difficult and persisting problems of South Africa are being skirted deftly with sophisticated language. Nothing we now expect will be tackled directly and head on.

It is very clear that within the GNU, there are many divergence voices, and its tenure in the next 5 years will be characterised by the ineffective ‘balancing’ of policy proposals, or as AZAPO projects, a painful veering to the right on policy as narrow selfish interests stand in the way, leaving the country without real benefit.

First, the issue of the economy has become, as usual, the game of decimal points. There is failure to recognize that the economy is at the lowest point and has been since the Global Recession of 2007/2008. It is therefore an illusion and morally reprobate to claim that a limping economy is finally turning the corner. For AZAPO, what is the benefit that the economy in 2024 is now hopefully to grow at 1,1 per cent (revised down from 1,3 per cent in February 2024) and leap to a miserable 1,8 per cent in 2025? And we are told that these numbers are still to be verified by the IMF when it engages South Africa in November 2024. The IMF estimates are even lower compared to those of the government.

Second, we note as AZAPO that the policy statement observes that boosting economic growth will be based on infrastructure, and yet fails to take very bold steps to increase spending in this area in a massive way. If there is one area where “boldness is necessary”, and ensuring multiplier trade-offs, it is here where tangible results are possible on a very large scale. Needless to say, the dogmatic adherence to the tried-and-failed budget consolidation should, if anything, be redirected

to a transparent and properly planned infrastructure-built programme. Otherwise, as AZAPO we believe unless the structure of budget is changed robustly and fundamentally, the talk of achieving an “inclusive growth” and “prosperous and thriving nation” will be a pie-in-the-sky dream.

Overall, it is our observation as AZAPO that even when good policies are implemented, they will have to contend with serious leakages in the fiscal system. One is the ongoing act of corruption and persisting dismal record of accountability on government spending by the bourgeois politicians and their accomplices in business. The other is the wastage that only enrich the bond-holders through a massive annual debt repayment that over time has come to exceed R300 billion.

Materially, the lived conditions of our people have reached what one analyst has characterised as a “pain-point”, from a government clearly lacking imagination and solutions, temporary or long-term, to take the economy out of its doldrums. Unemployment remains despairingly high and the material conditions of the Black people, the poor and middle class, are a pinching burden.

To conclude, as AZAPO we condemn strongly the lame effort by government by presenting budget statement that only agitates for hope, and our revolutionary observation is that hope is not a concrete lever to achieve tangible results. And that there will be no “new light is shining down” on the country until, and unless, this government has the courage to act decisively in the best interests of the poor and suffering.

Indeed, we have always being convinced as AZAPO that monetary policy inflicts severe pain, and little in terms of relief; and the same can be said about fiscal policy that increasingly it is becoming a blunt tool in the hands of this GNU, or the hidden hand for the bourgeois interests.

As AZAPO we call for a radical budget that gives strong and unambiguous signals, whilst also deploys substantial resources to push towards the achievement of its ambitious goals. That budget is not possible now until the masses of our people cross the River Jordan when a progressive leftist government takes over. Sadly, AZAPO’s observation is that the next five years of GNU, judging by what has been presented, will be hard times for all of us.

END

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