

Budget Justice Coalition 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.



Source: Supplied.

Despite the assurance of access to social-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 load shedding. We however caution that the allocation of funds and reduction in spending to address the R400bn 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.

Servicing government creditors

The largest expenditure item in the 2022 Budget and outlined in the Medium Term Budget Policy Statement (MTBPS) last year was debt-service costs, at R333bn 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.



Social housing in South Africa is in trouble - here's why

Maxwell Roeland 10 Feb 2023



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 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 in increasing the support above the poverty line and clear implementation of the Universal Basic Income Guarantee

Taxes for the common good

Furthermore, the BJC argues that 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," a spokesperson for the organisation said.

"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 that continues to steal from the nation.

"We hope that the government rises to the occasion, and tables a budget that is people-centred and reflective of human rights."

For more, visit: <https://www.bizcommunity.com>