

Ramaphosa's Stimulus Package Anything to celebrate?

President Ramaphosa has announced his much awaited stimulus package. It is intended to lift the economy out of the recession, create jobs and reignite growth. At the heart of this 'turnaround strategy' is the drive to attract investment. A number of proposals have been put forward. At the centre of Ramaphosa's plan is a so-called "re-prioritization of spending". Below, *Newton Masuku, National Committee*, looks at each of the key points and what it will mean for the working class.

Lowering the cost of doing business, increasing productivity and competitiveness.

To reduce the cost of doing business simply means an attack on the living standards of the working class. It means lowering wages so as to enable the bosses to extract as much profit as is possible. For under capitalism, the bosses don't invest unless they are assured of maximum return on their investment. Pension funds, fully paid maternity leave, medical aid and other such benefits, which the working class cannot do without, must necessarily be sacrificed if the bosses are to be guaranteed maximum profits. In a word – precarious work! Moreover, they will use tax cuts and tax breaks as an incentive for companies to invest. But this means less money for social programmes like health, education, social grants, etc. – services which are much needed by the already impoverished working class.

Growth through infrastructure development.

Ramaphosa said he will establish a R400 billion infrastructure fund, which will, according to him, "fundamentally transform our approach to the roll-out, building and implementation of infrastructure projects". This, we are told, will prioritise the building of schools, housing, roads, water infrastructure and public transport. A cursory glance at this policy proposal reveals, contrary to claims in the bourgeois media, that this has absolutely nothing to do with the working class. It is part of an age-old strategy by the ANC to create a black capitalist class. This infrastructure fund will go into BEE companies – or into giant multinational companies, with BEE companies as subcontractors – owned by well-connected individuals, as has always been the case.



In building roads, schools, roads, water Infrastructure, etc., the working class will continue to be subject to ruthless super-exploitation. Ruthless and unrelenting exploitation has always been, and continues to be, the lot of the workers employed by BEE companies since the dawn of democracy – and there's absolutely no reason to suggest that it will be otherwise with Ramaphosa's much hyped-up stimulus package. Workers employed by BEE companies contracted to Prasa, SAA and other state and private entities, know this all too well.

Re-allocation of spending with a focus on agriculture.

Given Ramaphosa's commitment to capitalism, it is clear that the 95% of farmland in the hands of a mere 36,000 farmers will not be touched. His plan is to create black capitalist farmers. As he said himself: "The interventions we have identified will include a package of support measures for black commercial farmers, so as to increase their entry into food value chains through access to infrastructure like abattoirs and feedlots". To finance this project, funds will be sourced, the stimulus package says, from the Land Bank, Industrial Corporation and commercial banks – further entrenching the intricate relationship between farm owners and banks at the expense of the working class. This clearly demonstrates that even in agriculture the stimulus package has absolutely nothing to offer the working class. They will continue to slave under their masters – only this time their masters will be of a different colour.

Re-prioritization of funding.

President Ramaphosa has made it clear that he intends to maintain fiscal discipline and fight to lower the debt to GDP ratio, which currently stands at 50.7%. That is to say, to fund his stimulus package, he will not source additional funding. So where will the money come from? The president answers: "The government has limited fiscal space to increase spending or borrowing. It is imperative that we make sure that the resources that we do have are used to the greatest effect". He then points out, "the reprioritization of spending we are outlining as part of this stimulus and recovery plan will take place within the current fiscal framework and in line with the normal budgetary process". It is in this context that talk about "bloated state" must be understood. Ramaphosa intends to resuscitate the economy by shedding jobs in the public sector! It is in this context, moreover, that the passing of the labour amendment bill, which effectively takes away the rights of workers to strike, must be understood. The regime knows that the working class will not take this outright attack on its livelihood laying down!