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voices

THIS YEAR'S SONA IS ABOUT SA's very survival

Ramaphosa now has comfortable party mandate. He must use it **decisively and urgently**

Each year, the president of South Africa delivers the state of the nation address (Sona) at the official opening of Parliament. We have become accustomed to this exuberant event, with its fanfare and political grandstanding - a day when elected politicians seemingly forget what their jobs are. Ideally, the Sona ought to strike a delicate balance between taking stock of where we are as a nation and providing reassurance about government's competence to lead us towards an improved future. This year, particularly, the door is wide open for real, substantive progress to be announced and actioned.

There are no more excuses left for President Cyril Ramaphosa. Over the past two months, he has won a clear majority in his party's internal leadership election - bolstered by his allies achieving clean sweeps in the ANC's national executive and national working committees. Add to this the party's parliamentary majority and the conditions have never been better for long-promised reforms to be pushed through.

The urgency for doing so is palpable. As the Sona approaches, millions of citizens are struggling to make ends meet, trapped in poverty and joblessness and without hope for a better future.

Not only is our economy in free fall, propelled by an energy catastrophe, but households also face the worst cost of living crisis we have experienced for decades. The debt trap is gripping households of all income brackets in the country. The SA Reserve Bank's latest quarterly bulletin revealed that South African households spend almost two-thirds (62.8%) of their disposable income on servicing debt.

The trend is clear: debt is increasing as net wealth declines. Add increasing inflation to this, which directly affects bond repayments and rental contracts. The cost of the basic food basket is up 13.5% year on year from R4 275.94 in December 2021 to R4 853.18 in December last year, according to the Pietermaritzburg Economic Justice & Dignity Group.

Middle- and upper-income households are burdened with additional expenses, such as private schooling, private security and private medical aid.

Lower-income households face the proportionality



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challenge, as most spend an average of 70% of their income on food and transport. In fact, more than half of South Africans live below the poverty line.

The ramifications will intensify in coming months due to rolling blackouts. Additional costs are incurred by businesses that are forced to run generators. As for food, the increased cost of doing business spans from production to the supply chain to supermarket shelves. These costs will be passed on to consumers.

Many will lose their jobs if this trajectory continues. Big businesses will begin cutting costs, while small, medium and micro enterprises - many in debt due to the economic impact of Covid-19 - face the double blow brought on by continuing load shedding.

Given all these factors, the Sona will be a make-or-break moment for South Africa. Indeed, the speech will be less about the state of the nation than about its very survival.

We propose four thematic solutions the president can announce in his speech on Thursday to stave off further suffering for struggling South Africans.

First is to radically stimulate the creation of new jobs. This can be done by establishing a vastly expanded public works programme. Any person of working age who is unemployed would have the opportunity to enrol in a variety of community service projects near their home. It is a realistic start to giving millions of people the opportunity and dignity of earning an income that can supplement what they receive in government grants.

In parallel to this initiative, we propose a complementary private sector-led initiative that can create the opportunity for unemployed people to find work with private employers under similar wage and health and safety conditions to those of the public works



WILL THERE BE CHANGE? President Cyril Ramaphosa watches members of the presidential guard of honour before delivering his state of the nation address in the National Assembly in Cape Town last February. PHOTO: SHELLEY CHRISTIAN / REUTERS

programme. If we want the private sector to employ more people, we need to make it easier for it to do so.

We also propose the introduction of a voluntary national civilian service year that bridges the gap between school and the working world. This would allow matriculants to enter work-based training in community healthcare, basic education, civil service or community policing, gaining valuable experience while earning a small stipend.

Second, cutting regressive taxes and extending further financial help to the poor. This begins by scrapping all fuel levies. One-third of the fuel price goes straight to government via an array of taxes.

Scrapping these will ease the burden on consumers, particularly the indigent. Then, the National Energy Regulator of SA approval of an 18.65% increase in energy prices must be frozen. The president is welcome to join our court action in this regard. Transport and energy costs cannot be exorbitant and unrealistic.

Third, introducing a basic income grant to expand the existing scheme in a way that improves the safety net for those who are either unemployed or in very low-paying jobs. A form of that grant, called MyShare, would provide an unconditional cash grant to young people struggling to make ends meet. It would free them to find training and work opportunities so that they could build lives on their own terms, rather than being trapped in dead-end, unskilled labour simply to survive.

Fourth, ending load shedding and providing electricity to every home. Revitalising South Africa's electricity sector requires the unleashing of private power generation capabilities by using all sources of energy, from refurbished and cleaner coal-fired power stations to conventional and unconventional natural gas resources,

as well as progressive, renewable energy options and nuclear power.

Over the next 10 years or so, South Africa must build five nuclear power stations generating 4 000MW to 5 000MW, or build a higher number of small, modular reactors from which similar capacity can be derived.

The technology to do this exists and has proven to be both clean and safe in countries where nuclear power has been deployed. By exploiting our country's substantial home-grown nuclear expertise, we can find international technology partners in the US, Europe, China and Russia. Together with expanded renewable energy, this would provide future energy security and enable South Africa to meet its just transition to green energy responsibilities.

Finally, creating a workable plan to fix municipalities whose shortcomings affect the everyday lives of citizens. The incompetence of local government means we cannot identify indigent communities and protect them from harsh socioeconomic conditions.

Efficient municipalities are able to deliver basic services such as water and electricity at the constitutional level that is established for poor citizens. At present, as rates, tariffs and taxes go up due to rising inflation and financial collapse within many municipalities, consumers are being forced to pay more for less.

Each of these proposals could be adopted as government policy by a simple majority of Parliament. None of them requires constitutional amendments or legal changes. All of them are affordable and do not require further borrowing. They can be financed by curbing corruption and wastage, redirecting existing spend and growing the economy to increase tax revenue. Mr President, it is your move.

Maimane is leader of Build One SA