**Serious economic reforms needed for economic growth**

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The budget speech came upon us after a promise laden State of the Nation address (SONA). The crisis of unemployment bears a face, one that has the face of a woman. The Gini index of 0.65 shows the world’s highest level inequality and a continued downward trajectory of the growth with constant downward revisions and technical recessions over the last few years. The current growth outlook of zero (point nine) percent by National Treasury is an indicator that we have been unable to successfully restore and restructure the economy. Moody’s Rating agency has since revised their growth estimate downward for 2020 by an even bleaker 0.7%, this was before the effects of the Corona virus on global and emerging markets were factored in. The global impact on trade and the contracting of the globes second largest economy will certainly influence these estimates. Post democracy, labour market figures show we have been unable to realise labour intensive growth. According to the Labour Force Survey unemployment is at 10 million, if that number is combined with discouraged work seekers with more than 8 million youth not in education or training should be an urgent priority. We have been unable to improve the distorted patterns of ownership in the main economic sectors, and we have been unable to use trade policy to drive the growth of employment in these key sectors and broaden industrialization. In the last quarter of 2019 the Labour Force survey showed 39 000 jobs were shed in manufacturing, 14 000 in utilities, 159 000 in trade which is anomaly after the festive season.

A growth rate shows the health of the economy, an indicator comparable across nations that is a proxy of how well economic policy has bode for the country at large. We must accept that we are in a critical state and the monetary, fiscal and trade policy undertaken have not led to a stronger and more buoyant and inclusive economy. The question is what mechanisms and policy reforms need to be put in place to address or resuscitate our ailing economy? Are we willing to admit that drastic measures must be taken to resuscitate and stabilize the South African economy?

The Commission of Gender Equality (CGE) noted the announcement by the Statistician General in the recently released Labour Force Survey result that women unemployment is higher than the national average of 29% at 31%, with recent reports on poverty revealing that poverty and inequality hits hardest on women even amongst the youth. Male unemployment levels are reported at 27.2% with a much higher labour absorption rate at 65%, the gap more than 12% higher than women. This points to the need for solutions that will respond decisively to poverty, inequality and structural unemployment, particularly of those worst affected – young women, who are mainly black and live in the rural areas or townships of South Africa.

The priority of the state should be creating labour intensive economic policies whose main intent is not only boosting competitiveness and diversification of economic sectors, but enabling the absorption of new entrants and driving job creation is a serious priority. All government tools such as the fiscal and monetary policy framework should be positioned to ensure such growth is realised. SARS data shows household debt levels have rapidly grown with meagre savings rate at 14%, and even in the good years South African growth was led by the expansion of services.

CGE believes the procurement bill and preferential procurement policies are an instrument for growth, and these will further drive new SMMEs inclusion into the mainstream economy, and the targeted 30% allocation to women will be a key enabler to widening the entry of women in the economy.

Fiscal sustainability, fiscal consolidation and the drive to reduce expenditure has led to a downward expenditure on wages and programs, these would be the things that further reduce the tax net and stimulus needed to boost aggregate demand will be further reduced.

There is a dire need for fresh ideas to boost economic growth. Managing cost containment and raising sin taxes will not bring in revenue needed to close the primary balance. A further reduction of R63 billion from estimated collections by SARS shows that companies and households are constrained. This is likely to worsen in the context of slower growth. The question we should answer is will the growth path needed of 5-6% per annum be received from cost containment, management of the existing trade policy and injection of R18 billion in industrial incentives and R6.4 billion in SMME incentive programs?

The question in the mind of many is what has the Commission for Gender Equality to do with the budget, and in fact should CGE be concerned about inequality and poverty levels in South Africa? Research by various studies from the World Economic Forum, Statistics SA show that there exists intersectionality on poverty, unemployment and the livelihoods of women and children, who on the main bear the brunt of an unequal and poor growing of economy. Jewkes in research conducted on economic emasculation showed positive correlation to intimate partner violence and levels of poverty. There is evidence it has a bearing on GBV. Simply put, violence against women is reflective of male power on women, particularly when they cannot act against the abuser. Poverty impedes their ability to act as does lack of economic empowerment. There exist interconnections to male violence against women, unemployment and the high level of inequality.

It is in our interest to ensure sustainable revenue generation, cost containment, regulatory framework that encourages job creating growth. It is the interest of women and children that more in our society are employed, all genders and income disparities are addressed. This is why we argue, with the recent tabling of the budget, that the state must drive economic growth as a matter of urgency. Evidence thus suggests a primary intervention is improving the living conditions and improving incomes in areas with low socio economic status. Growth is key, public procurement must include women, the state and its interventions and programmes must address employment in the tens of millions as these are the number of those on the outskirts of the labour market. CGE will always have an interest on the economic priorities for this reason.

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