

MEDIA RELEASE PSA urges government to reform SOEs to improve economy

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The Public Servants Association of South Africa (PSA), as one of the biggest trade unions in the Public Service, remains extremely concerned about troubled economic conditions in South Africa.

Increase in the inflation rate, fuel prices, and food prices exacerbated the situation. In addition, unemployment and crime rates increased drastically over the years. At the same time, tax revenue collection has declined. Service delivery to citizens is suffering whilst the cost of social relief grants has increased. International factors, such the war in Ukraine and the weak US dollar, also contributed to the dire economic situation.

To further add to this dire situation, corruption has depleted government coffers. Capital budgets were looted and depleted owing to a lack of monitoring tools and accountability. The State Capture Commission made several recommendations, which were not implemented with urgency. Stolen monies must be recovered urgently to improve economic conditions.

Citizens are lamed by the soaring cost of living and are increasingly living below poverty levels. Continuous loadshedding adds to the woes, with power cuts disturbing the livelihood of citizens and destroying businesses. As a result, many jobs were lost. The country is on the verge of collapse and, as a result, investments will decrease.

The PSA strongly believes that one of the interventions required to improve the country's economic situation is a close focus on state-owned-entities (SOEs). Instabilities and uncertainties at the entities must be addressed. Government is urged to put more emphasis on the effective and professional management of SOEs. Capital budgets at SOEs have deteriorated and do not make profit, with SOEs no longer being sustainable.

The mandate of SOEs must be reviewed. Government must review the status of SOEs and reshape them to ensure their positive contribution to the economy. SOEs must be managed to become cost effective and provide necessary support to government. Bailouts to struggling SOEs must stop. SOEs must sustain themselves and create jobs. Government must appoint qualified executives in these entities to ensure proper direction. The investigation into corruption and criminal activities at entities such as Transnet, Prasa, Denel, and Eskom, amongst others, must be fast tracked. There should be constant collaboration with law enforcement agencies to curb corruption. Those found to be on the wrong side of the law must be punished.

The PSA urges government to reduce wasteful expenditure in SOEs and appoint qualified, experienced and competent professionals to sustain the existence of entities and attract investments in the interest of the country's economic recovery.

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