

Press Release

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South African Institute of Race Relations

The power of ideas

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#TellTito to leave your pension alone, and concentrate on growing the economy - IRR

The Institute of Race Relations (IRR) has launched a campaign to warn South Africans about the risks to their pensions, and to take a stand in urging the government to concentrate on growing the economy instead.

This follows the announcement that the governing African National Congress (ANC) is considering introducing a regime of prescribed assets.

The IRR has warned that expropriation without compensation (EWC) will be about more than just land, and extend to other forms of property, too. Introducing a policy of prescribed assets to compel pension fund and other asset managers to invest in certain companies or certain sectors will be EWC under another name. Being forced to invest in government-prescribed assets will mean the pensions of South Africans will be worth less when they retire, or they will have to work longer to retire comfortably.

The IRR invites members of the public to #TellTito to not look to the pensions and savings of South Africans to help fund the government.

The only reason the government is looking at implementing a policy of prescribed assets is the very high and unsustainable levels of government spending, especially since 2009. South Africa's budget deficit continues to rise, and the debt-to-GDP ratio is the highest it has ever been in modern South Africa.

The government need not look to the pensions of ordinary South Africans to get it out of this hole. State-owned entities (SOEs) need to be sold, the government wage bill needs to be brought under control, and the government needs to create an environment which encourages investment, both foreign and domestic. This is the only way for South Africa's economy to grow at six percent, the minimum needed to sustainably beat poverty and unemployment.

In addition, an economy growing at that rate would see the country's tax take rise (with a bigger pool of taxpayers), increasing government revenue. This in turn would enable the government to spend where it should – building schools, clinics, and roads in underserved areas, for example, rather than servicing debt, or bailing out SOEs that only haemorrhage money.

Take a [stand](#) with the IRR and #TellTito to leave your pension alone, and rather concentrate on getting South Africa's economy growing.

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