

Padayachy's Budget: Are Economists Halfwits? Cowards? Or What?

Because different budgetary measures affect different social classes differently, the Finance Minister is under different pressures – on both expenditure and revenue. The annual budget is a moment to look at the bigger picture and judge the class nature of the MSM-led Government's economic program.

Let's begin by exposing the objective interests served by a demand many "economists" are making: Minister Padayachy, they say, must "target" social measures to balance his budget. But, in whose interests?

Economists with perfectly good qualifications and brains, when they find Government spending "too high", look only at one side of the Form IV Accounts columns: "expenses". They go on-and-on about introducing *targeted* food subsidies, pensions, *targeted* everything. Yet, "too high" is a relative term, as any child knows. It means "too high *for Government revenue*". So, economists have two choices to balance any item. How come they suddenly forget the "revenue" column?

Tax the Rich! Don't Target the Poor!

What Government pays out for universal pensions, it can just take back in taxes in its revenue column. This way, social services stay "a right". Why are economists willing to pass for half-wits by insisting on "targeting the poor"? The mechanism used, as economists well know, has a name: "claw-back". The State gives everyone, say, universal food subsidies, then claws the money back from those who can pay.

Economists know the disadvantages of targeting. It demands a massive bureaucracy. It is paternalistic, intrusive, costly. The very poor get neglected by it. A handful of tricksters beat the system and, when discovered, discredit it. Economists all know that the rate of income tax is easily scaled for social justice: the higher your revenue, the higher *the rate of tax* Government imposes, by layer of income. The lower, the lower. And the very low receive a payment instead i.e. negative income tax – that already exists. Meanwhile, the main tax revenue, from *Value Added Tax*, does nothing for social justice. On the contrary. It taxes the rich a smaller proportion of their revenue on items or services they buy, and the poor a larger proportion of theirs! And we accept this cruelty? Economists carry the blame for not exposing it. Instead they campaign against income tax increases and for targeting the poor.

The very words "targeting the poor" are proof of violence. It's a military metaphor. It means aiming a weapon at the vulnerable "target" – and presumably firing. That is what "targeting" ("*siblaz*") means.

Why do economists not propose increasing income tax? Why "targeting"? Not because they are half-wits. Or sadists. No. It's because they intend targeting to benefit the capitalist class i.e. a small class with a monopoly on "investment". A few are, themselves, in the capitalist class – in real estate, off-shore, etc. – but most are just paid high salaries by the capitalists and their compliance is assumed. They become lazy or cowardly, and thus collude with the capitalist class by dividing the working class into "the targeted poor" and "the-supposed-middle-class", then humiliating "the targeted" with hand-outs and terrifying "the-supposed-middle-class" with fear of falling into the abyss of "poverty".

Bring in a new COLA!

In the face of the crisis, some opinion leaders, like Jean Claude de l'Estrac and Lindsay Rivière, have proposed the immediate introduction of a COLA (Cost of Living Allowance) that brings automatic increases, graduated, in wages and social payments as living costs rise. LALIT, too, agrees with this elementary universal measure. It prevents the *status quo* worsening.

Food Supply Crisis Looms

There was a crisis before Covid.

The sugarcane bosses were already running losses. The hotel industry was already fragile, the off-shore sector already threatened with dismantlement world-wide – to end tax avoidance and decrease money laundering. Local production of everything was already down. Unemployment was rising.

There was already no food security. There was a housing crisis with some 100,000 families living in “*lakaz zeritye*” while the Government pretends they are “home-owners”. Children were already unable to see their futures.

And then Covid arrived and made a bad situation worse.

Before Covid is over, the war-in-Ukraine and sanctions-on-Russia cause havoc with food and fuel supplies i.e. disrupting the means of human survival.

So, it is indeed time to “see” the big picture.

Ban All Non-Disclosure Agreements!

When the Government allocates public money to the capitalists, it must be *in public*. This is what democracy demands. Minister Padayachy must legislate to this effect. For example, the *Mauritius Investment Corporation*, wholly owned by the Bank of Mauritius, cannot use NDAs to hide Government capital allocation. We the people must *see* the big picture.

Force the Sugar Cane Bosses to Produce Food

Everyone finally agrees that Mauritius needs food security. Absolutely everyone.

LALIT, having fought for 40 years for sugar estates to be forced into food production – including for export – is well placed to explain why this has *not* come about. And why, today, as food provision nears disaster in a “worst case scenario” of protracted war, the Government continues to refuse to make food production actually happen. On 21 May, MBC’s *Journal Télévisé* exposed Government’s strategy: pay lip-service to “food security” and then propose the solutions of a 6-year-old: each family keeps two chickens and plants four lettuces while small planters use marginal land. This is irresponsible.

Absolutely everyone can *see* the lion’s share of arable land is under sugar estate *cane*, not food. You just look out the bus window. Everyone knows that the State *subsidizes* cane to the hilt. It is a lame duck industry. Everyone knows the oligarchs now don’t even produce energy from bagasse-and-coal, their pretext for not diversifying thus gone. People see how NDAs permitted such blackmail. Yes, the cane bosses withhold electricity from CEB. Yet still, the entire intelligentsia balks at any move for the State to force the big conglomerates to produce food? Even when starvation looms? Such is the cowardice?

Outside LALIT, no-one, repeat no-one, stands up and says that the Government must *force* the big land owners to uproot, say, one-third of their cane and plant food crops as legislation made them in World War Two. No-one but us says the bosses must be *forced* to preserve and transform these crops. Employ workers, get going!

And if they don’t, the State will have to do it. If it doesn’t, we the people will have to do it. Or else society will literally fall into barbarity.

Alternatively, bosses can re-organize cane-rows (two close, two further apart) to allow interline cropping in alternate rows. The land-owners must also be *forced* – since they are recalcitrant – to use their infrastructure at existing and former mills for factories for food preservation and transformation. If they don’t, the State must. And if it doesn’t, the people will have to. Food will not appear from “*desann dan lari*”. It needs a political plan for production, preservation, transformation, distribution. That is the kind of thing a political program is made of.

Fishing Industry

Outside LALIT, there is no-one who stands up and says the State must devise policies to *force* the owners of land and capital to invest in fishing vessels – not in more hotels, real estate, or off-shore, which are not edible – or do so itself.

Does the intelligentsia really think that god gave the cane-land owners their land? And challenging land-use is blasphemy? That god gave the capitalists their capital, capital not produced by slave-and-indentured-labour, and wage-slavery? Or do they think capitalists work harder than cane-cutters? And those who collect rubbish, or break the rocks? And all the rest of us? And that, because the capital is their private property – not the means of survival of us all – they can just keep cane on it, or sell it to the highest bidder and invest in what they please? While we all starve?

Every day there are reports on the *Indian Ocean Tuna Commission*. Mauritius has rightly had the UK kicked off the IOTC for not being a coastal state via its “BIOT”. But, what kind of budget will then refuse to use MIC capital to create a fishing fleet? If capitalists refuse to invest, the Government must. Already Government has enlarged the EEZ to 2.4 million square kilometres by reclaiming Chagos. Now we need a halt to morcellement permits and fishing licenses for foreign ships, and to launch a sustainable fishing industry. Already Government is training fishers to work beyond the over-fished lagoons. But where are the fishing vessels?

A fishing industry can kick start the ever-vague “Blue Economy”.

Wave and tidal energy can replace part of the cane-bagasse-and-coal component that the sugar cane bosses are unwilling or unable to produce.

Conclusion

We have heard enough arguments in the short term interests of the capitalist class. We have seen enough cowardice from Government and Opposition parties and economists.

We must force the Finance Minister to assure universal services and introduce COLA. He must get food-crops planted and fishing vessels launched, with food-factories ready to preserve and transform the crops and catches. This will produce jobs and foreign exchange. As will energy produced from renewable sources. Land needs to be taken over for housing for all, with families living in asbestos on a fast-track. Readily available housing for rental for all will have the immediate effect of decreasing intra-familial violence.

Seeing the Budget this way helps judge its class nature.

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