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SAFSC
SOUTH AFRICAN FOOD
SOVEREIGNTY CAMPAIGN

26 February 2021

National Food Crisis Forum Response to Tito Mboweni's and the ANC Government's Pro-Business Budget

Yesterday, the South African Food Sovereignty Campaign convened the National Food Crisis Forum, with the Co-operative and Policy Alternative Centre (Copac) and allies in the Climate Justice Charter Movement.

Increasing unemployment (now at 32% with the narrow definition), hunger and water stress in numerous communities featured in our deliberations. In this context we are deeply disappointed by the austerity and pro-business budget of the ANC government.

The ANC government worked with the misguided assumption after 1994 that business will develop South Africa and solve our economic challenges, rather than lead through effective state and people driven development. This pro-business approach has failed. After the 2007-2009 financial crisis it remained locked into the same assumption. Now in the midst of the Covid-19 pandemic the same assumption informs the Economic Recovery Plan and the Budget. The economic evidence is overwhelming that business has not solved the unemployment challenge, inequality, hunger and water challenges facing the majority. Actually it has caused these problems. We reject the pro-business approach of the ANC government which we call a **'business as usual approach'** in the [Climate Justice Charter](#). In the midst of the deepening economic, climate and Covid-19 crisis the ANC government has merely demonstrated once again that it is incapable of meeting the needs of the people and transforming South Africa. It has wrecked state institutions, looted them, incapacitated them and now wants us to continue believing in its pro-business illusion. We reject this!

The budget's approach to fiscal consolidation is premised on fiscal cuts to education, health and other public services the state provides in the medium to long term. The belt tightening approach in the budget is not about constructing a **people driven climate justice state**, with the necessary capabilities, to deal with multiple crises. Rather it is asserting a 'bean counter' view of a state merely attentive to the needs of markets and credit rating agencies. The concessions made to business in terms of the drop in the company tax rate, further liberalisation of exchange controls and 'crowding it in' for infrastructure development reflects an ANC government firmly in the grip of business. We stand with Cosatu, when it says it cannot support the ANC in the forthcoming local government elections. The over 120 water stressed communities we work with have still not had their water needs met in a sustainable manner. Central to this is the failure, dysfunctionality and crisis of ANC run local governments. ANC rule is a disaster in the everyday lived experience of many.

The failure to address our [proposal](#) to government for a universal basic income grant and a transition in our welfare system is a slap in the face of the societal consensus for such a democratic systemic reform. The measly increases in existing grants is mind boggling given increasing food costs. We will not stop campaigning for a #UBIGNow to meet the immediate needs of society and provide a crucial mechanism for the deep just transition.

We stand with all in progressive forces in civil society, Cosatu, Saftu, IEJ, AIDC and many other progressive civil society forces in rejecting the pro-business budget and macro-economic approach of the ANC government. South Africa deserves better leadership than this.

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