

Civil society statement on the Supplementary Budget and the implications for food security and land reform 30 June 2020

Context: engulfed by multiple crises

The Minister of Finance has announced an austerity budget at a time when the fissures of unresolved historical inequality, poverty and suffering are made so much sharper. The lives of people are going to be made so much worse, at a time when redistributive and social measures are needed most. It is shocking that these measures are not the focus on the budget, despite the fact that the pandemic has exposed the vulnerabilities and inequalities in the society, and will deepen these issues with income loss, prolonged hunger and other negative health and social impacts. Instead the government is aiming to go from deep debt to a budget surplus in as little as four years, which is short-sighted and unlikely and will rather reinforce and perpetuate societal ills.

The Supplementary Budget was passed in the context of multiple, deep-seated economic, ecological, social and political crises in South Africa and globally. These crises reveal the apparent incapacity of the late capitalist system to deliver on the needs of diverse populations in complex societies. They have revealed the extent of corporate-financial capture of the state, in South Africa as much as in the US and Europe. We know the coronavirus pandemic is but one of a series of shocks to come, with the climate crisis already manifesting daily in a variety of morbid symptoms. The pandemic harshly exposes the vast and deepening inequalities in society, especially in the era of rampant militarised neo-liberalism and the unchecked rule of finance capital. The pandemic has shown the limitations of 'the market' in meeting the needs of humans and the ecological systems we are embedded in. It lays bare the structural problems with the global food system, the manner in which food is produced and the unequal power relations in global value chains. By so doing, the global crisis in the food system starkly reveals the grave problems with international trade relations and within institutions like the World Trade Organisation and the International Monetary Fund.

The budget is also framed in the context of a deepening debt crisis, wrought on by neoliberal policies advectioned by the International Monetary Fund and international and bilateral trade agreements exemplified in the economic partnerships agreements. This crisis is of the African National Congress's making over the past 10 years in particular. Where did the borrowed money go? We would at least expect some greater level of infrastructure and services, but the pandemic has revealed the failure of the government to respond to the needs of society these past years. The rich grow richer, and the poor grow poorer, even in the presence of a so-called 'developmental state'. Corruption and nepotism are rampant and unchecked at all levels of society. Even emergency food relief has been fair game for embezzlement. There is no shame. Farmer support programmes such as the Comprehensive Agricultural Support Programme (CASP) and Ilima/Letsema have shown limited results despite tens of billions of Rands having been poured into them over the past decade. Where land has been transferred, this is mostly without any further support forthcoming to settle on and use the land effectively and sustainably. This state of affairs is evidence of a society that has been led down the wrong path. There is mismanagement and incapacity in the state even for basic functions, with the collapse of municipalities, non-functionality of entire departments and increasing irregularity of spending at every level. While we can acknowledge increases in social protection for the most vulnerable since 1996, this has also entrenched a reliance on the state, with many citizens constrained to being passive and disempowered recipients of government welfare rather than active participants in a democratised economy.

Austerity: making the poor pay for the crisis

President Ramaphosa has offered platitudes about a new society and a “new dawn” arising from the ashes of the pandemic, reiterating this message in the budget which says government is “resolved not merely to return our economy to where it was before the coronavirus, but to forge a new economy in a new global reality”. We have understood the President’s message to have meant that the pandemic has taught us about the failings of the industrialised production system that exploits the planet and the poor for profit. We had hoped this new dawn would include laying the foundations to ensure a rapid transition to a more resilient society where the wellbeing of every person counts, and the regeneration of the living earth systems on which we depend.

However the budget shows more of the same: first stabilise the economy - which implies imposition of an austerity budget that is wholly inappropriate and unsuited for South Africa, especially as we face this health crisis – and then the benefits will “trickle down” later. The proposed budget entirely overlooks advice given by academics that government spending can bring about stimulus. For every “R1 billion government spends, gross domestic product (GDP) increases by R1.68 billion and 6,900 jobs are created. This means that spending 6% of GDP, R305.6 billion, would increase GDP by R513.4 billion and support the creation of 3,542,460 jobs.”¹

Setting aside the fantasy of a budget surplus within the next three years, the logic of the Supplementary Budget is the same as that which misled us with GEAR in 1996, resulting in 24 years of widening inequality, and a widening gap between decision-makers and the mass of the population. State-society relations are filtered through party structures that act as a buffer between political elites and the mass of the population. This has created a political system characterised by lack of accountability, lack of trust in the people, and exclusionary, opaque, and undemocratic planning and decision-making. The budget is doubling down on the strategy of permanent austerity and policing the response of the poor. We call for immediate resistance to entrenchment of these austerity measures in the medium-term budget framework.

Food security, land reform and small-scale producer support

Government’s remote and out of touch approach is nowhere clearer than in the deep cuts made to the budget of the Department of Agriculture, Land Reform and Rural Development (DALRRD). In essence, funds that were previously allocated to land reform, food security and rural development have been redirected to military and police spending in anticipation of increasing deployments onto the streets. The Defence and Police budgets have been increased by a combined R5.6 billion, while the DALRRD budget has been slashed by R2.4 billion, and Environment, Forestry and Fisheries by R766 million. Cuts have been made to land reform (R809 million), farmer support (R733 million) and agricultural infrastructure (R506 million). Again, this is familiar territory: we have just gone through years of public hearings and deliberations on land expropriation without compensation, but once again, nothing has come of it. Political elites have again shown that they will raise issues before elections for votes with no intention of following through with these proposals in reality.

Agricultural development is a primary industry and fundamental economic driver, especially from the low base we are now looking at. Productive employment to producing food which in turn creates

¹ Gilad Isaacs 2020 “South Africa is bent on austerity: there’s a strong case that it should change tack.” (<https://theconversation.com/south-africa-is-bent-on-austerity-theres-a-strong-case-that-it-should-changetack-135977> accessed 29/06/20).

a new economic growth node is crucial right now. Yet the budget appears to anticipate and prepare for food riots rather than rededicating resources to growing clean food in an environmentally sustainable manner, which implies an enormous increase in small-scale ecological farming, as

advised by the United Nations Food and Agriculture Organization and called for in the Sustainable Development Goals, which the government has endorsed. Allocations to small-scale producers, and appropriate rural infrastructure are precisely the kind of investment needed to mitigate and weather predicted future shocks, especially if an agroecological approach is adopted, as civil society has called for. Instead, the supplementary budget provides a band-aid in social grants that at best just make up for the food price increases that have enlarged corporate retail coffers.

In the same manner, we are concerned with the Department of Environment, Forestry and Fisheries (DEFF's) budget cuts, which penalise the already under-funded small-scale fisheries sector. While Minister Barbara Creecy and DEFF officials continue to promise that support and capacity building programmes will be provided to develop the sector, no provisions are made in this budget to provide relief to small-scale fishers. Further cuts of over R88 million are made to the Fisheries Management Programme, at a critical moment where additional capacity is needed to meaningfully implement the coastal Small-scale Fisheries Policy and to develop and implement a legal and policy framework that will recognise the livelihood and food provision activities of small-scale fishers operating on freshwater bodies.

We view the DALRRD budget cuts and reallocations as an act of bad faith. Only a few weeks ago Minister Thoko Didiza and Director General Mdu Shabane expressed strong support for an orientation towards household and local food security initiatives as part of the immediate crisis response and as an essential medium- to longer-term approach. The Department has claimed it wants to engage with civil society to review existing policy and programmes and to redirect support to local initiatives. We understand that they were compelled by the Department of Finance to make cuts, but when it came to the crunch, local food security and redistribution faced the largest cuts. There was no consultation whatsoever with civil society about what to do in this emergency. It is clear that there is a long way to go to build trust and meaningful engagement.

Despite commitments to civil society about the importance of an active population in local food security, the underlying logic of the budget cuts in DALRRD and DEFF is still that large scale commercial agriculture and fisheries, and corporate food production and distribution are viewed as the ultimate guarantors of food security in South Africa. This aligns with Agri SA which is boasting that food supply to supermarkets has continued without disruption through the pandemic and therefore that South Africa remains food secure. On the contrary, the pandemic has exposed the lie that full supermarket shelves equate to individual, household and local food security. High and rising prices at supermarkets and conditions of restricted movement have meant lack of effective access. The pandemic has highlighted the essential services provided by street traders, informal and smallscale distributors and retailers, and the crucial role of public sector food programmes, especially the National School Nutrition Programme. The pandemic has revealed and intensified the stark lack of effective access to food for large numbers in the population. The Constitution states there is a right to food. This cannot be some abstraction but must mean the right to food every day, for every person, to meet nutritional, health, social and cultural needs. Effective access to food for all must be the organising principle of food systems.

The budget includes a R3 billion liquidity bridge to the Land Bank, which blames rising costs and drought for reducing its income. This is another example of a string of bailouts for financial

institutions which support unsustainable production models of commercial agriculture. We also note with concern the pursuit of public-private partnerships (PPPs) (disguised as "blended finance") in order to direct (commercial) funding to developing farmers. This is the opposite direction to the one required and poses a massive threat to any chance of food sovereignty and promotion of local food economies. It opens the door for further privatisation of farmer support, and essentially defeats the object of the exercise by turning new farmers into vassals to the financial system. Bailout funds could be better spent to support agroecological transitioning and support for a majority of smallscale producers and local food distribution systems that have proven their importance as essential to ensuring the right to food during the lockdown.

Alternatives: invest in the potential of the people

What is required is investment in the innovative and productive potential and capacity of the diverse population, with popular agency in food systems at a human scale, and active involvement of the people. This was the spirit and promise of the mass democratic movement and the "people-centred development" of the 1994 Reconstruction and Development Programme, but which was allowed to dissipate without achieving traction in the material world. Today there is a woeful lack of participation in economic activity, with wasted human potential exemplified in extremely high youth unemployment and increasing economic disparities which fuel social violence including violence against women and girls. The pandemic offers an opportunity for the mobilisation of the whole society to respond to the crisis and to reorient the economy towards one that responds first and foremost to the basic needs of everyone in the society. But this is apparently not on the agenda of this government, with its preference for top down, remote and (not very effective) technocratic planning and decision-making, and its ceding of food systems to corporations to run and profit from.

Call for a radical and people-centred response to the crisis

In this context, we the undersigned insist on the following:

- We reject the redistribution in the supplementary budget from household and local food security to increased militarisation and policing of our society. We call for the full restoration of funds taken from household and local food security programmes, including for small enterprise support in ecological input supply, agroecological production, small-scale fisheries, processing, distribution and retail, and fresh produce markets situated close to end users, all managed in a participatory and decentralised way.
- We call on the Minister of Agriculture, Land Reform and Rural Development to show good faith by an internal reallocation of the revised DALRRD budget back to food security, land reform and integrated rural development.
- We call on Minister of Environment Forestry and Fisheries and the Department to make an internal budget reallocation towards the Fisheries Management programme, particularly towards the Small-Scale Fisheries Unit and its support and capacity building programme.
- We call for more active participation of popular rural movements, small-scale farmers and fishers, and other civil society organisations in decisions on budget allocations and programmes in DALRRD and DEFF, not just as recipients of decisions made by the departments.
- We call for the government to publicly recognise the critical role of rapid land redistribution, tenure security, release of commonage land, local food production and distribution, and democratised food systems as urgent responses both to the short term crisis of lack of effective access to food at individual, household and local levels, and to the increasingly urgent imperatives for a rapid and just transformation of the South African economy centred on the

needs of the population, and empowering the population (citizens and migrants alike, regardless of status) as active participants in transformative actions.

- We call for a participatory, rapid and critical review of producer support programmes over the past 15 years, including Ilima/Letsema and CASP, the Land Development Support policy and other relevant policies, development of concrete proposals for revised, more transparent and participatory, land and producer support programming, and a commitment from the leadership of DALRRD to materialise revised producer support programmes in alliance with civil society.
- We call for state capacity and budgetary support for agrarian reform that is aimed at addressing the combined hunger, climate and water crises, and a producer support strategy that explicitly acknowledges the serious climate, biodiversity and related ecological crises by promoting ecologically and socially sustainable forms of production (agroecology, ecological organic agriculture, biointensive agriculture, permaculture, biodynamic agriculture, regenerative agriculture etc) and the role of small-scale producers.
- While policy and programme reviews are taking place, we call for the identification and immediate unblocking of bureaucratic bottlenecks that inhibit farmers accessing funds and other support for their farming activities.
- We note that farm workers, who have provided an essential service in ensuring the availability of food during the crisis, still face evictions and retrenchments in some places. We call for an immediate moratorium on all evictions in the midst of the pandemic, and for this moratorium to be extended into longer term tenure security for all even beyond the immediate crisis.
- We call on the government to focus on prioritising the livelihoods of rural farmers instead of pushing mining as a source of jobs (particularly coal mining) given that mining displaces hundreds of people and negatively impacts on thousands who potentially have the capacity to feed themselves and their families. Mining is unsustainable and leaves behind devastated landscapes, contaminated water sources and polluted soils and air that are unlikely to be rehabilitated and will become a burden that rural communities will carry for many generations.
- We call on the government to initiate talks at continental and international levels to challenge and undo the current balance of forces in international trade arrangements that result in unequal returns for small-scale farmers and food producers in global and domestic value chains.
- We call on social movements, small scale farmer and fisher organisations and other communitybased and civil society organisations not only to resist the austerity budgets, but also to mobilise and organise independently, without waiting for the state to act, to respond to the immediate food crisis and to continue to advance the longer term imperatives for democratisation of our food system.

Endorsements

Organisations:

Abelimi Bezekhaya

African Centre for Biodiversity

Association for Water and Rural Development (AWARD)

Biowatch South Africa

Cooperative and Policy Alternative Center

Dijalo

EarthLore Foundation

East Cape Agricultural Research Project (ECARP)

Eategrity

Environmental Monitoring Group

Food Equity, Equality and Democracy (FEED)
GenderCC Southern Africa – Women for Climate Justice
Global Environmental Trust
Good Food Network Green
Business College
groundWork (Friends of the Earth, South Africa)
Hoedspruit Hub
Inyanda National Land Movement
Masifundise
Mfolozi Community Environmental Justice Organisation (MCEJO)
Mopani Farmers Association
Ntinga Ntaba kaNdoda
Participatory Guarantee Systems South Africa (PGS-SA)
PHA Food & Farming Campaign
Phuhlisani
Seriti Institute
Siyavuna Development Centre
Siyazakha Land Rights Forum
Solidaridad Southern Africa
South African Adaptation Network
South African Organic Sector Organisation (SAOSO)
Surplus People Project (SPP)
Trust for Community Outreach and Education (TCOE)
Tshintsha Amakhaya
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