

JOINT STATEMENT

Finance Minister Enoch Godongwana should be censured by the President

11 March 2025

Civil society organisations are calling for President Ramaphosa to censure Minister of Finance Enoch Godongwana following comments made by the Minister in the Sunday Times on 9 March 2025. These comments exposed the Minister's lack of regard for the democratic process and the Constitution. In making them he has misled the public, sought to pit the poor against each other, and attempted to use the press to secure National Treasury's preferred policy outcome over the will of Cabinet.

Comments are an affront to democratic process

The National Budget is the most important legislation that the government passes each year. It determines how resources are allocated in our society, and it has a profound impact on the lives of everybody in South Africa. Minister Godongwana asserted that he is not required to consult on the budget outside of ANC leadership, due to market sensitivity, and that ideally he should consult as few people as possible. This is openly contemptuous of his responsibility to the ANC's coalition partners, those who voted for them, the expertise of government departments, and our participatory democracy.

Misleading the nation in order to get the policy outcome he wants

The Minister and National Treasury have long been ideologically opposed to the Social Relief of Distress (SRD) grant. This grant is the bulwark that staves off hunger for eight million direct recipients and their sixteen million dependents. National Treasury has sought to remove it from the budget on numerous occasions and successfully limited its scope through barriers that the Pretoria High Court has deemed unlawful. Having lost the battle within government to dismantle the SRD grant, the Minister chose to solicit a press interview to preempt and circumvent government policy.

The Minister did this by misleading the public, arguing that the VAT increase was "necessary" because the SRD grant required an unplanned budget allocation. The Minister remarked: "If you allowed me to cut the SRD, I wouldn't increase anything. I'm faced with increased expenditures which are not in the budget." Setting aside the presumption of unilateralism that this phrasing reveals ("If you allowed *me* to, *I* wouldn't", as if the Minister were not part of an administration, let alone one which includes multiple parties), it is categorically untrue that the SRD grant is not in the budget. Treasury Director General Duncan Pieterse confirmed to the Parliamentary Finance Committee on 31 October 2024 that the SRD grant was "included as a provisional

allocation in the fiscal framework's baseline" for 2025/26, meaning it is budgeted for, and it has been in the budget for the past five years. It is by no means a new or unanticipated expense.

To single out a specific area of expenditure—one which gives effect to a constitutional right—as the reason why the government is facing fiscal constraints is akin to saying 'if only we didn't have to buy shoes we wouldn't be poor'. It is meaningless, and all it illustrates is that the Minister has a particular dislike for the SRD grant and has no reservation in undermining the work and policies of the Department of Social Development, and the commitments made by the President.

Playing the needs of the poorest off against one another

What Minister Godongwana's remarks amount to is an ultimatum: Choose between cuts to basic services like health and education, a significant hike in living costs (via VAT), or the life-saving SRD grant. In each scenario, it is the poorest that are being asked to make an impossible sacrifice.

As our organisations have repeatedly submitted—these are not our only options. There are better, fairer, and much less destructive [alternatives](#). These include building the state's capacity to collect existing taxes—as SARS Commissioner Edward Keiswetter has called for; drawing further on the Gold and Foreign Exchange Contingency Reserve Account; removing unnecessary tax breaks and subsidies which benefit the wealthy such as retirement fund contribution rebates and corporate tax incentives; raising VAT on luxury goods; reversing the Corporate Income Tax rate cut, from 27% to 28%; dealing with unnecessary and wasteful expenditure; and implementing a wealth tax. None of these options are completely frictionless—but they are effective and much, much less painful than increasing the VAT burden. Implementing just a couple of these measures combined with a coherent, expansionary, and inclusive public investment plan would help to improve investor confidence, reduce the cost of South Africa's debt, and help put the country on a sustainable growth path.

Risk of economic instability

We believe the Minister's comments, given exclusively to the largest newspaper in the country just three days before the new budget is scheduled to be announced, are not only calculated but also highly irresponsible. The Minister frequently claims that his primary concern is market stability, but he is fully aware that these statements have the potential to create further uncertainty and instability. They are made in an attempt to maintain the upper hand in closed-door negotiations. Such a lack of responsibility must be met with proportionate censure. The Minister and National Treasury were given the opportunity to fix the crisis they created on 19 February, but their mismanagement of the budget process again threatens to plunge the country into another deep crisis.

Abuse of office

Given the myriad available pathways, holding these unacceptable choices over our heads is fundamentally misleading and dishonest. We must see the Minister's comments over the weekend for what they are, a last-ditch attempt to preserve his campaign of austerity by ransoming the SRD grant and the livelihoods and dignity of those who benefit from the grant, to force through an unpopular and anti-poor tax increase. Politicians must be held accountable for their actions, and any Minister who preempts democratic policy processes in order to impose their preferred path by misleading the public and threatening the rights of the most vulnerable has abused their office and the trust we place in them.

The President must ensure that the Minister of Finance shows due regard for democratic processes and mandates, and is appropriately censured. The government as a whole must end the era of impunity for National Treasury, which, together with the Minister of Finance, must not be allowed to act unilaterally and defy the collective will of government.

[ENDS]

Endorsed by the following organisations (as of 13:00 on 11 March 2025):

- Institute for Economic Justice (IEJ)
- #PayTheGrants
- The National Education, Health and Allied Workers' Union (NEHAWU)
- Black Sash
- Alternative Information and Development Centre (AIDC)
- My Vote Counts
- Extinction Rebellion (Gauteng)
- Makause Community Development Forum (MACODEFO)
- Kopanang Africa Against Xenophobia (KAAX)
- Green Hope Foundation

This list will be updated as more organisations add their support, with the latest endorsements available on organisational websites.

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