CHAPTER 8

GOVERNMENT’S COVID-19 FISCAL RESPONSES AND THE CRISIS OF SOCIAL REPRODUCTION

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INTRODUCTION

The South African government’s fiscal response to the Covid-19-induced crisis has failed to take into account how economic production and social reproduction intersect. On 23 March 2020, President Cyril Ramaphosa declared a National State of Disaster, announcing a 21-day national lockdown that saw large parts of the economy come to a standstill, exacerbating the already existing crisis of social reproduction for working-class women. We define the crisis of reproduction broadly as ‘the inability of people to adequately reproduce their livelihoods’ (Dowling 2016: 5).

Despite looming destitution and hunger there was a lack of immediate socio-economic relief within a context where even before the crisis at least 55 per cent of South Africa’s population (30 million people) were living below the Statistics South Africa (StatsSA) poverty line of R1 267 per person per month (StatsSA 2017). Early warnings of the lack of consideration given to social reproduction included school closures, which impacted over nine million school-going children reliant on school-feeding schemes, prior to the closure of businesses, and the lack of measures to support essential workers in their social provisioning, amongst others.

The crisis called for economic and social relief measures, which government heeded as a pragmatic neoliberal actor, and with some pressure from progressive
forces. These measures were announced on 21 April 2020, almost a month after the commencement of the lockdown, and took even longer to come into effect. They centred on a R500 billion package (approximately ten per cent of GDP). While the theme of the package was saving lives and livelihoods, livelihoods were largely defined by proximity to formal sector production, with the majority of the response going to businesses and formal employment. Two months later, when the Supplementary Budget was tabled, it became evident that the allocations for the 2020/21 budget year did not reflect the president’s 21 April announcement. The Medium Term Budget Policy Statement (MTBPS), tabled in October 2020, as well as Budget 2021, failed to address the inadequacy of the announced emergency response and further doubled down on fiscal consolidation with budget cuts of more than R300 billion over three years.

This should be viewed within the context of a fiscal framework, within a deeply neoliberal state, that systematically fails to account for social and, in particular, gender inequities. Although South Africa was one of the few countries globally to consider gender-responsive budgeting (GRB) – a framework advanced by feminist economic advocates – the state has continued to systematically ignore social reproduction, which is largely undertaken by women. Since 1998/99, the government has reneged on its commitment to GRB despite women and children, particularly those who are black and rural, being the most vulnerable to poverty and shouldering the cost and burden of social provisioning in the South African economy.

The purpose of this chapter is to unpack the relationship between social reproduction and fiscal policy in the context of a worsening economic crisis and post-crisis recovery, beginning with the historical underpinnings of the context. We argue that government’s Covid-19 fiscal response was inadequate, punitive to women, and is likely to exacerbate existing structural inequalities. Furthermore, the Supplementary Budget and Budget 2021 proposed austerity measures which would disproportionately affect women who, for the most part, carry the burden of social reproduction and therefore require more access to public services – which austerity takes away. These austerity measures undermine government’s constitutional obligations as outlined by the Constitution of South Africa and rescind on government’s commitment, stated in the National Development Plan 2030, to build a capable and caring state.

We discuss the trajectory of neoliberalism and the social reproduction crisis in South Africa. Demonstrating how capital accumulation has shaped this crisis, which has been exacerbated by Covid-19, we discuss the role of fiscal policy in addressing it.
The social reproduction of black labour played an early and deliberate role in shaping the industrialisation process – and the trajectory of capitalist accumulation more generally – in South Africa (Cousins et al. 2018). The advent of this accumulation process was prompted by the discovery of gold, diamonds and coal, characterised by violent colonial expansion. This process has been built upon, and intersects with, the exploitation and oppression of the black working class, and specifically the social reproduction of undervalued labour. Under apartheid, this found expression in serving the interests of white capital.

The apartheid state played an active role in enforcing spatial and socio-economic separations between production and social reproduction. As articulated by Ben Cousins et al. (2018: 1081), the system of labour migration established to supply underpaid labour to the South African mining industry marginalised the land-based livelihoods of the rural population, ‘with few compensating employment opportunities’. This dispossession of land from the black majority has also meant that they have been deprived of natural resources, such as water. This has made social reproduction, in the absence of wages and adequate state support, even more difficult – for instance, in the fight against disease and in securing adequate sustenance. These processes were compounded by labour relations that set black men apart from their families and contributed to men’s detachment from childcare and the long-term fragmentation of families (Budlender and Lund 2011; Hull 2014). The result was the perverse, unequal distribution of caring labour, income, wealth, and economic and social outcomes across race, class, gender and geographical lines.

These inequalities have fundamentally framed the post-1994 economic policy. The economy is characterised by conservative economic policies, despite various inadequate efforts to implement state-led social provisioning such as nationwide social grant schemes. These policies have reinforced the concentration of wealth in historically dominant sectors underpinned by a system of accumulation based on heavy industries such as mining, and an increasingly sophisticated financial sector. South Africa has a Gini coefficient – a measure of income and wealth inequality – at 0.67,² the highest in the world; the richest ten per cent hold 71 per cent of the wealth, while the poorest 60 per cent hold a mere seven per cent (StatsSA 2020; Stent 2020). In addition, the lack of effective redistributive land reform meant that huge swathes of social reproduction in rural areas essentially subsidised the expansion of economic activity in the urban areas surrounding industrial activity.
Social reproduction in South Africa also gains particular salience under neoliberalism because of premature deindustrialisation. Fiona Tregenna (2016) shows how the massive attrition of industrial and manufacturing jobs, particularly over the past two decades, resulted in a surplus population that does not have resources from wages or other income and depends on reproductive labour performed in the household (mainly) by women, for its survival. The consequence of a lack of structural transformation of the economy has contributed to a high unemployment rate of over 30 per cent (StatsSA 2021). As a result of the Covid-19 crisis, unemployment in the first quarter of 2021 increased to a record high of 32.6% (expanded definition: 43.2%). Black African women and youth (defined as those between the ages of 15 and 24 years) are the most vulnerable in the current structure of the economy. The unemployment rate for black African women is at a staggering 38.5% (over six million women out of the 11 million total unemployed) (StatsSA 2021).

While strides have been made in provisioning basic goods and services such as greater access to water and sanitation through redistributive fiscal policy, the remaining needs are still substantial, particularly for women residing in rural areas. Their inability to access these goods and services has made it difficult to secure social reproduction. The mainstreaming of gender into the neoliberal structure, which is characterised by the privatisation of social reproductive work and the participation of women in the market through employment, has been at the core of the government’s strategy. Our critique is that this strategy reinforces neoliberal economic policies that limit state intervention and relegate care to the private sector while making reproductive work done in the household invisible. Government’s approach has fallen into the dismal presumptions of economic policy ‘neutrality’, which fails to take into account that macroeconomic policies are predicated on distributive relations across different social groups that entail distributive choices across these groups, and within and across households (Floro and Hoppe 2005). Thus, despite government’s interventions (or lack thereof), gender inequities have continued to be reproduced.

COVID-19 AS A CRISIS OF SOCIAL REPRODUCTION

A number of feminist scholars, such as Tithi Bhattacharya (2020) and Alessandro Mezzadri (2020), have characterised the pandemic as a crisis of social reproduction. For Bhattacharya (2020), the pandemic has made clearer the centrality of life-giving activities and social reproductive work in any society. Gross domestic
product (GDP) measures from this period do not sufficiently capture the contribution of reproductive activities to employment, production and inflation, as well as the stabilisation of economies, nor do they provide a clear indication of how domestic demands were met and the diverse income sources that have contributed to aggregate demand during this period. For example, the lockdown measures that closed schools for an extended period of time shifted childcare and learning to the household. The closure of schools was coupled with the termination of the National Schools Nutrition Programme, which also meant that more than nine million children who relied on the programme were not getting fed over the lockdown period (Damons 2020). Despite the reopening of schools in the second half of 2020, and since school reopening in January 2021, by May 2021 school feeding remained at a lower level than prior to the pandemic. The pandemic has also made abundantly clear that capitalism is incapable of preserving and nurturing life. Financialised capitalism has led to disinvestment in public goods, the privatisation of social services and welfare, and the deregulation of labour and financial markets alongside the stagnation of real wages. The current debilitated state of many public health-care systems, primarily because of the gradual hollowing out of state institutions and capacity through neoliberalism, has resulted in the inability of states to effectively care for their citizens (see Bischoff: chapter 9 of this volume). Asha Herten-Crabb and Sara Davies (2020) extend the intersectional understanding of health care in this context, by arguing that health outcomes and the economy are not separate, but intrinsically linked, because of the social determinants of health. The social determinants of health are not finite, but refer to ‘the conditions which people are born, live, work and age in, and the systems put in place to deal with illness’ (World Health Organization 2008: 1). Risk factors for diseases, in short, depend not merely on biological factors, but also on behavioural, societal and structural determinants. Social distancing measures are impossible to abide by for many households that reside in overcrowded informal settlements, and with limited or no access to adequate water, sanitation and electricity – let alone access to sanitisers – disease prevention measures are all but impossible (Hemson 2020).

The economic crisis induced by Covid-19 has deepened the crisis of social reproduction, particularly for working-class women. Women comprised the majority of those who experienced job losses (over two-thirds) during the first three months of the imposed lockdown. This trend continued because women are disproportionately concentrated in low-paying, low-skilled and semi-skilled occupations, making them more vulnerable. The majority of job losses were from grant-receiving households (Spaull et al. 2020), where the recipients are predominantly women. This directly threatens livelihoods and jeopardises the lives of many women; research by Chandré
Gould and Sello Hatang (2020), for example, found that food insecurity almost doubles the risk of men’s perpetration of intimate-partner violence in South Africa.

Existing severe levels of social deprivation have been exacerbated by factors beyond the loss of income. Food insecurity has also been worsened by price increases. Despite measures to regulate pricing during the first part (March to April 2020) of the Covid-19 crisis, data from the Pietermaritzburg Economic Justice and Dignity Group (PMBEJD) indicates that between September 2020 and April 2021, the cost of the average food basket across South Africa increased by 8.8 per cent and by September 2021 sat at R4 198.93. This is expected to be further exacerbated by fuel and electricity price increases (PMBEJD 2021; see also Morgan and Cherry: chapter 5 of this volume).

At the same time, as schools and other childcare facilities were closed, the added burden of unpaid care and domestic work multiplied. Casale and Posel (2020) show that approximately 80 per cent of women were spending four more hours per day on day care, compared to 65 per cent of surveyed men. Even in households where domestic care work is paid, the absence of the workers due to lockdown meant that households had to internalise that work, including care of the elderly, children, the sick and others within the household through activities such as washing, cooking and cleaning (Sibeko et al. 2021). In addition, many working-class women – essential workers such as grocery tellers and health-care workers, for example – were faced with the alarming choice of engaging in often underpaid waged work, thus being exposed to the virus, or risk not receiving a salary. In contrast, the middle class not only made use of the services provided by these workers, but were also able to work from home.

As the crisis unfolded, it became clearer that not only was the proposed rescue package inadequate, but its implementation was also failing.

**FISCAL POLICY'S ROLE IN ADDRESSING THE CRISIS OF SOCIAL REPRODUCTION**

Orthodox economics perpetuates a binary between the public sphere of the market and the private sphere of the household or family. This narrow conceptualisation of the economy, advanced by mainstream economics, as merely a site of production and market-based activities has obscured the extensive social relations that are also essential for the reproduction of capital and the labour force. As a result, economic policies, including fiscal policies, have largely been biased towards the ‘productive economy’. Rich literature from feminist scholars has advanced both
theoretical and empirical arguments that production under capitalist conditions is underpinned by a number of intersecting social relations that are needed to reproduce the labour force, but are often undervalued and unrecognised. There are a number of competing definitions of social reproduction. For Marx, social reproduction was considered the formation and the reproduction of the ‘totality of the capitalist mode of production’ (Harnecker 1980: 23). This definition distinguishes between production in the ‘public’ organisation of the market and activities that occur in the ‘private’ household. While social reproduction in Marx’s analysis is understood to be an indispensable prerequisite for production in the public sphere, some social reproduction theorists have provided a more nuanced definition that eradicates the binary of the public sphere of the market and the private sphere of the household or family. Johanna Brenner and Barbara Laslett (1986: 383), for example, argue that Marx’s definition is best understood as ‘societal’ reproduction, whereas ‘social’ reproduction refers to a range of activities, including the attitudes, behaviours and emotions and responsibilities directly involved in maintaining life, on a daily basis and generationally. It involves various kinds of socially necessary work – mental, physical and emotional – aimed at providing the historically and socially, as well as biologically, defined means for maintaining and reproducing the population. Among other things, social reproduction includes how food, clothing and shelter are made available for immediate consumption, how the maintenance and socialisation of children is accomplished, how care of the elderly and infirm is provided, and how sexuality is socially constructed.

By this definition, social reproduction is not only concerned with reproducing the labour force, but includes the work of reproducing, caring for and maintaining life. Nancy Fraser (2016) posits that in capitalist societies the vast majority of social reproductive activities occur mostly outside of what is deemed the market; however, any work produced within the market is impossible without it.

The separation between social reproduction and economic production, therefore, is an artificial distinction that, according to Fraser (2016), has been prevalent from at least the industrial era. In the context of unprecedented economic expansion in the late twentieth century, Silvia Federici (2019) argues that social reproductive activities were relegated to the private, domestic domain of the household, associated strongly as ‘women’s work’, while economic production was seen as productive and thus compensated in the form of a wage. Alienating unpaid social reproduction from other human activities entrenched a ‘newly institutionalised
domestic sphere where its social importance was obscured or diminished’ (Fraser 2016: n.p.).

Despite the critiques from feminist economists, including Isabella Bakker (2007), who explains how all profit-making economic activities carried out by both the state and the market depend on socially reproductive labour, governments – particularly in the global South – have continued on the path of limited state service provisioning with the expectation that the private sector will provide. The dominant approaches to macroeconomic policy over the last four decades – and prevalent in Africa since the International Monetary Fund’s and World Bank’s structural adjustment programmes of the 1980s – emphasise the ‘supply side’ of the economy. This has resulted in an emphasis on macroeconomic policy creating a ‘conducive environment’ for market mechanisms to expand production and grow the economy. Within this paradigm, the role of the state as a public provider of goods and services is minimised.

Today, under these neoliberal policies, the contradictions between capital accumulation and social reproduction have deepened (Cousins et al. 2018). The increasing commodification and privatisation of basic services, for example, has made social reproductive activities such as health care difficult to access, for working-class women in particular. Their pay conditions have also deteriorated, which in itself is informed by class, gender, race, location and other social standings (Bakker and Silvey 2008). These contradictions, explained by Adrienne Roberts (2012), were markedly exacerbated with the onset of the 2007/08 financial crisis in which the rush to maintain the existing socio-economic order via bank bailouts and austerity policies, shifted many of the costs associated with social reproduction onto families or the private sector.

Stephanie Seguino (2019) shows how gender inequalities perpetuated by the crisis of social reproduction – such as in health, education and unpaid labour – have substantial economy-wide detrimental effects. The inequalities ‘threaten … to destabilise the very reproductive processes and capacities that capital – and the rest of us – need’ (Fraser 2016: n.p.). For example, gender inequalities in education have been shown to have dampening effects on labour productivity (Seguino 2019; Elson 1996). Similarly, macroeconomic policies also have gendered effects. Austerity policies, for example, have hollowed out social welfare, resulting in the need for women’s labour and time to fill the care gaps. Expansionary fiscal policies that target the care economy and social provisioning, therefore, have redistributive effects that lessen the burden of care work on women. This tension, or contradiction, forms the basis of the crisis of care, and the social reproduction crisis more broadly, and creates inherent instability throughout the socio-economic system.
It is clear that neoliberalism will not – indeed cannot – deliver a new economy and that a fundamental rethink of macroeconomics from an emancipatory feminist perspective is required. What feminist economists and activists agree on is that the radical redistribution of care work, and the expansion of the state’s role in supporting social reproduction, is urgently needed. This is where we have focused our economic research, policy and advocacy – on attempting to influence contemporary discussions on economics in the face of an orthodox hegemony. The pandemic became a salient moment for the state to deliver on its constitutional obligations and ultimately highlighted the ways in which neoliberal economic policy in South Africa has failed to make South Africa a viable society for the majority. Our advocacy during this period focused on monitoring and influencing government’s fiscal policy approaches to the pandemic. The next section highlights some of the critical areas of concern that emerged from our work during the Covid-19 pandemic.

**SOUTH AFRICA’S FISCAL POLICY RESPONSE TO COVID-19**

Three months after the initial enactment of the State of National Disaster and two months after the president’s announcement on 24 June 2020, the Minister of Finance tabled a Supplementary Budget to give effect to the emergency Covid-19 expenditure. Progressive economists, budget analysts and activists, including ourselves, noted that not only was the package late and inadequate, it also reneged on President Ramaphosa’s promised R500 billion rescue package announced on 21 April 2020 (Budget Justice Coalition 2020; Gqubule 2020; Lehohla 2020). They noted that the failure to implement the rescue package, as a result of capacity issues and corruption, would further undermine the protection of lives and livelihoods, particularly for women, children and foreign nationals. Despite the government announcing the largest emergency stimulus response on the continent (ten per cent of GDP), the Supplementary Budget presented a net increase to non-interest spending in the 2021 fiscal year of just R36 billion, equating to less than one per cent of GDP. This was because, of the R145 billion targeted at Covid-19-related expenditure, R109 billion was funded through the suspension of baseline allocations and through reprioritisations, which all threaten long-term socio-economic development and social provisioning. Table 8.1 gives an overview of the Covid-19 relief areas and announced amounts.

Forty per cent of the pandemic response was biased towards business rescue, through monetary stimulus, as opposed to the ten per cent allocated to social security (for those not in employment). The response to businesses highlights the
A contradictory approach to the role of the state under neoliberalism – limiting its ‘interference’ in the market on the one hand but rescuing businesses during crises on the other (Clarke and Newman 2012). Kevin Farnsworth and Zoe Irving (2018) argue that ‘while a range of discretionary social provisions and services, from public spaces to social care, are erased from the social citizenship balance sheet, the post-financial crisis years have seen increased demand for state support for private business’. This demonstrates the bias towards what is considered to be ‘productive’ expenditure versus ‘consumption’ – an approach that fails to take into account the regenerative interaction between public investment, social reproduction, labour productivity, socio-economic development, rights and equity.

The Covid-19 crisis has laid bare the flaws of the current social protection system, including the lack of gender sensitivity in policy design. The system has failed to sufficiently target those who are in the non-waged economy, including caregivers and those who are unemployed and of working age, in particular black and coloured women and youth who are particularly vulnerable in the economy. Government has rescinded its constitutional commitment to ensuring minimum social protection – below which no one should fall – over the entire life cycle (SA Government 2012). This includes minimum income and access to basic services.
(e.g. health, education, housing, food, water and sanitation) which are critical for social reproduction.

Social protection

As provided by the Constitution, relief during crises must be made available through state provisioning (SA Department of Justice 1996). The president announced that R50 billion (ten per cent of the total package) would be allocated to social relief as follows:

- Child support grant (CSG) beneficiaries would receive an extra R300 in May and from June to October they would receive an additional R500 each month;
- All other grant beneficiaries would receive an extra R250 per month for the next six months;
- Between 23 April and 7 May, 250 000 food parcels would be distributed across the country; and
- For the next 6 months, a special Covid-19 Social Relief of Distress (SRD) grant of R350 a month would be paid to individuals aged 18 to 59 who, at the time, were unemployed and did not receive any other form of social grant or UIF payment.

The initial exclusion of caregivers from the Covid-19 SRD grant brought to the fore gender bias in its design. Subsequent briefings by the South African Social Security Agency (SASSA) indicated that the extra CSG payments would be a single increase for the caregiver (the recipient of the money) rather than the child (the beneficiary for whom the money is intended). This was despite the fact that ‘the child support grant of R440 is set below the food poverty line of R561, and further below the average cost of R638.40 to secure a basic nutritious diet for a child in July 2020’ (PMBEJD 2020).

The R50 billion social grant allocation was revised down to R41 billion in the Supplementary Budget, citing low uptake as a reason (Parliament of South Africa 2020). Meanwhile, there has been a systematic exclusion of unemployed applicants for the Covid-19 SRD grant. The criteria targeted people who are unemployed and who do not receive any other social grant from government or payments from the UIF, the South African Revenue Service and the National Student Financial Aid Scheme. These criteria have been particularly punitive to women who are registered caregivers within the system, excluding the 7.1 million caregivers, largely black women, who receive CSGs on behalf of children from accessing the supplementary R350 Covid-19 SRD grant. The majority of these caregivers (around six million)
were unemployed or working in the informal sector prior to lockdown. According to Ina Conradie et al. (2020), the CSG attached to caregivers, combined with the closure of school feeding programmes and restrictions on caregivers’ eligibility for the Covid-19 grant and food parcels, would plunge families with children into destitution. This would leave two million more people below the food poverty line than would otherwise have been the case, if the increases had been attached to every child. In addition, as a result of an outdated UIF database, 85 per cent of the UIF cases which had been rejected were found to qualify for the grant. The rejection left many unsupported between March and June 2020 (Mgwili 2020). Capacity constraints have contributed to the inadequate response to Covid-19.

The introduction of a caregiver allowance provides an interesting case for remunerating care work, which feminist economists have long been interested in. Feminists have argued that caregiver grants could be a way to compensate and value women’s work in the economy. Some feminists hold that an unconditional income, independent of paid work, would enhance women’s agency in families, households, the workplace and the community, with particular benefit for those facing multiple and intersecting forms of discrimination (Williams 2021). The existing evidence on grants in South Africa points to the same benefits. The provision of a caregiver grant by government was not only an outcome of the government’s ostensible desire to support households, it was also provided in such a way as to spend as little as possible. The assumption made was that caregivers would be better off because they would receive R500 instead of the R350 SRD grant per grantee. If the R500 was meant to provide additional support to children – as is the case – then the caregivers themselves were not receiving any benefit and were essentially unfairly excluded from the SRD grant. The exclusion of caregivers from the SRD grant undermines government’s pro-women rhetoric, as policy considerations did not sufficiently take into account their intersecting oppressions and exploitations.

In the president’s presentation of the Economic Recovery and Reconstruction Plan – which the 2021 MTBPS reinforced – it was revealed that the R350 Covid-19 SRD grant would remain in place until January 2020. In February 2021, the grant was further extended by another three months and terminated in April 2021. The R500 caregiver’s allowance, as well as increases to the other grants, were not extended despite research that in the absence of extensions three million people would face hunger. Government did not heed the continuous calls from civil society that both the Covid-19 SRD grant and the caregiver’s allowance be extended and increased to R585 per month to match the food poverty line (Institute for Economic Justice 2020). In October 2020 the Black Sash Trust, represented by the Centre for Applied Legal Studies, launched a Constitutional Court application against SASSA
to protect social grants (Black Sash 2020). The Court did not rule in favour of the Black Sash Trust. This example is one of many advocacy initiatives by civil society to extend and increase the grants.

Austerity partly explains why the social protection measures have been approached in a stop-start manner, with civil society constantly having to advocate and fight for continued and expanded social protection measures. The stop-start manner highlights the supranational and Constitution-defying power of financial markets, international financial institutions and the business press, as well as the private sector’s neoliberal influence on public policy. Government’s response continuously sought to appease the market, advancing fiscal austerity to address debt concerns. This is compounded by neoliberal concerns of dependency and anti-poor arguments about laziness that are devoid of understandings of social reproduction.

Health

In South Africa, the public health-care system remains severely overstretched and underfunded. This sector demonstrates the intersecting effects of women’s paid, unpaid and underpaid labour – particularly their role in providing care – during the Covid-19 pandemic.

Prior to the pandemic, the implementation of austerity had led to vacant posts and declining standards in many parts of the public health system (see Bischoff: chapter 9 of this volume). In May 2018, the Treatment Action Campaign reported that 38 217 posts were not filled. Despite being central to the implementation of primary health care, an estimated 60 000 community health-care workers, the majority of whom are women, were informally employed, with poor equipment and training, and reliant on a paltry stipend (Daviaud et al. 2018). Reducing the public sector wage bill has been a central tenet of austerity in South Africa, without serious consideration of how these measures impact on social reproduction – the macro–micro linkages.

Paid and underpaid working-class women in the health sector were tasked with being on the frontline of the pandemic, risking their own lives. Herten-Crabb and Davies (2020) argue that as Covid-19 placed strain on the economies of middle- and low-income countries, these countries faced the risk of women health-care workers contracting the virus during their provision of care, thereby leaving a gap in the health-care system that needed to be addressed through resource allocation from an already overstretched health-care system. Despite the systematic underfunding of health – between 2015 and 2020, the rate of growth of health expenditure per uninsured person slowed and, in 2016/17, was actually reduced – the net increase to the health vote was only 2.9 per cent in the Supplementary Budget. Budget 2021
simultaneously ‘reduced planned spending on public health by an unprecedented R50.3 billion over the next three years’ (Budget Justice Coalition 2021).

National Treasury has always chosen ‘fiscal balance’ above wellbeing and the consequences of the lack of adequate health-care provisioning have always been pushed onto households. Even during the height of the HIV/AIDs crisis, early intervention by government was thwarted by affordability arguments. Care was privatised into the household, with women and girls having to undertake the unpaid work of caring for the sick. Working-class women were forced to leave formal employment to buffer the shocks of the crisis. The aftermath of the HIV/AIDS pandemic ‘resulted in great suffering in terms of loss of income, poor quality of life, morbidity and mortality, with children being destitute and orphaned at an alarming rapid rate’ (Mogotlane et al. 2010). Even when large-scale provisioning for the HIV/AIDS pandemic was implemented, it was working women, for example, who undertook the underpaid work as community health workers to support the health system. The trajectory of neoliberal policy has always been to externalise care and social reproduction more broadly to the household.

Public goods and social infrastructure
While government took proactive and aggressive steps to ‘flatten the curve’ to reduce the impacts of the Covid-19 pandemic, the gains made by the public health response have been severely constrained by decades of neocolonial, neoliberal and increasingly financialised forces and structures. Basic services have continued to be a concern for feminists, particularly in the global South. In South Africa, our concern includes the use of neoliberal user-fee models in the provisioning of public basic services. The financialisation of everyday life has meant that people have had to, and continue to, borrow in order to consume, and the public provision of health, education and housing has been replaced by private provisioning of these public goods. The pandemic has highlighted the centrality of natural resources such as water and land in the fight against disease and the sustenance of social reproductive functions. These are the two areas we focus on here.

This includes the ability to socially distance in the context of numerous densely populated areas, particularly informal settlements. Cousins et al. (2018) argue that policies for land reform, accumulation and social reproduction should take into account land and property rights, fragmented classes of labour, communal areas, customary norms and values and customary and social institutions. Policies for land reform should be coupled with use of the fiscus to finance the radical redistribution of land and the public provisioning of basic services that will counter the spatial apartheid that continues to reproduce unequal access to basic services.
Local government, which is responsible for the provisioning of basic services, was not sufficiently capacitated to deal with the Covid-19 crisis. In the Supplementary Budget, R20 billion was allocated to municipal Covid-19 spend; the net increase to local government, however, equates to only R11 billion. These amounts were expected to provide adequate water and sanitation, sanitary public transport, food and accommodation for the homeless. The government promised to roll out 20 000 tanks of water, which the South African Food Sovereignty Campaign argued was not adequate (Mphahlele 2020). By May 2021, government reported that about 17 000 tanks had been rolled out. However, many communities reported water distress. Women, children and people with disabilities disproportionately bear the brunt of lack of access to water for the more than 50 per cent of South Africans who go without access to piped water in their houses (StatsSA 2019). The South African Human Rights Commission has referred to women and girls as the ‘bearers of water’ (SAHRC 2014). According to the Socio-Economic Rights Institute of South Africa, women and girls in informal settlements fetching water face an increased risk of violence or sexual assault while doing so (SERI 2018). This also applies to women who live in rural and peri-urban areas.

Part of the reason local government is failing to provide basic services in an equitable manner is that the government revenue model was built on the assumption that local governments would be able to generate their own revenues through user-fee models of basic services provision. This model has failed because it has not taken seriously the spatial apartheid – and in particular, the historic inequality in revenue-generating abilities – that exists in South Africa in the absence of interventionist macroeconomic policies to tackle unemployment, poverty and inequality. National Treasury admitted that the poorer provinces and municipalities would be the most impacted by cuts in the MTBPS 2020 (National Treasury 2020a).

The failure to address the land issue and the lack of investment (as a result of austerity) in the provisioning of public goods mean that households, especially working-class women, will continue to be forced to subsidise the state’s failures through their social reproductive work.

Job creation and protection
As already indicated, the majority of the business support was off-budget initiatives. Small and informal businesses are particularly vulnerable to failure because they usually lack emergency savings. We posit that government should have considered using the fiscus during the Covid-19 crisis period to rescue such businesses. For example, Jane Battersby et al. (2016) have argued that almost 70 per cent of households in South Africa’s poorer neighbourhoods get some of their food from informal
businesses. There are also an estimated three million people (mostly women) working in the informal sector and these funds and other support in the form of direct bailouts could have provided much needed support to their businesses, which are critical for food security (see Benya: chapter 6 of this volume).

Government has continuously promised to pay attention to the creation of jobs. As a response to Covid-19, R100 billion was promised for job creation and protection. However, only R12.6 billion of the promised R100 billion was allocated as of July 2021. The allocation was made to the Presidential Employment Stimulus (PES), which is intended to provide 700 000 job opportunities. Our primary critique of this initiative is that as part of a larger initiative for driving employment creation in South Africa, it is incongruent. While the PES allocates short-term teacher’s assistants to schools, the public sector wage bill cuts have entailed, for example, retrenchments of 4 000 teachers in KwaZulu-Natal (Khan 2021). Education is one of the main factors for the social reproduction of society and persistent cuts to the sector will have longstanding effects on it. In addition, not only is government contributing to persistent unemployment in the country through its mass retrenchments, but job creation policy provides short-term employment to thousands without real plans to secure their future, ongoing employment. Government has missed the opportunity to invest in the care economy, for example, to generate employment and redistribute unpaid care. Research by the International Trade Union Confederation (ITUC) on South Africa shows that multipliers are high in the care economy. ITUC shows that if two per cent of GDP were invested in the care sector, it would generate increases in overall employment of over 400 000 (ITUC 2017). However, because of the neoliberal inclinations, government will continue to wait for the private sector investment instead.

DEEPENED AUSTERITY AND THE CRISIS OF SOCIAL REPRODUCTION

While the government promised an emergency relief package immediately after the onset of the pandemic, and has called for a ‘new economy’, neither appears to have been enacted in practice; both the short-term emergency and medium-term responses threaten to deepen an already acute crisis. In the 2021 Budget, National Treasury noted that ‘consolidated non-interest spending will contract at an annual real average rate of 5.2 per cent’ (National Treasury 2021). This entails a fall in real per capita expenditure on public services, which will negatively impact on social reproduction. In October 2020, the National Treasury tabled the 2020 MTBPS with proposals to decrease expenditure by R300 billion over the next three years. The
2020 MTBPS failed to address the inadequacy of the emergency response package and the crises that have been exacerbated as a result, including that of social reproduction. The 2021 Budget reinforced National Treasury’s extreme approach to fiscal consolidation. Diane Elson (2002) explains how this is contrary to expansionary feminist fiscal policy that prioritises substantial investments in the infrastructure that caters for social reproduction and other social security measures that directly target and benefit women within and outside the household.

The Budget Expenditure Monitoring Forum and the Alternative Information and Development Centre first raised concern over austerity in 2014 (Section27 2014). The Budget Justice Coalition has argued that since at least 2014/15, National Treasury has been systematically implementing fiscal austerity and the public has been made to believe that it is the only viable solution to our economic problems. The implementation of austerity has been presented as ‘fiscal consolidation’, ‘rebalancing’, ‘cost containment’ and ‘stabilising the public finances’ (Budget Justice Coalition 2019; National Treasury 2020a). The dominant narrative has been that cutting national budget expenditure will help to address South Africa’s ‘runaway’ debt. Between 2016/17 and 2018/19, the increase in average non-interest expenditure was 0.9 per cent versus a 1.6 per cent increase in population growth, which indicates falling per person spending. Despite government’s commitment to a counter-cyclical stance – which involves saving in periods of strong economic growth while sustaining spending in downturns – expenditure trends from 2014/15 have been procyclical, meaning cutbacks during periods of weak growth. The 2018 increase in the VAT rate from 14 to 15 per cent represents a clearly retrogressive measure, which, when combined with spending cuts, imposes a greater burden on the poor, particularly women. This logic has seeped into the economic and social relief measures to mitigate against the impacts of Covid-19. In the Supplementary Budget, expenditure was reduced by R230 billion (in nominal terms) for two years, with further cuts proposed for the medium term.

Prior to the Supplementary Budget, then finance minister Tito Mboweni stated that ‘we’re no longer as rich as we once were’ (Felix 2020). The implicit message was that the Covid-19 response would be constrained by income in the same ways that households would be, and that future expenditure would need to pay back the increases. Thus, the Supplementary Budget, which was meant to give funding to the Covid-19 rescue package, was redefined as a moment to tackle our ‘fiscal crisis’. The budget stated that ‘the Supplementary Budget sets out a roadmap to stabilise debt, by improving our spending patterns, and creating a foundation for economic revival’ (National Treasury 2020b: 5).

The general public is being moralised into providing ‘disaffected consent’ to austerity measures. Disaffected consent occurs when the public is made to believe
that there is no alternative, so they give consent to the current status quo (Clarke and Newman 2012). Disaffected consent in South Africa has been strengthened by National Treasury’s insistence that government spending has limited or no impact on the economy – it argues that the fiscal multipliers are zero or negative. This means, for every rand of government spend, there is no value created in the economy or that value is eroded. As activists we continue to ask how government spending can yield negative or no returns, when government, for example, spends on free education for low-income households. The responses always focus on total expenditure relative to debt, as opposed to what the expenditure is for.

The current moment is reminiscent of how austerity was moralised into the public consciousness across the world after the financial crisis of 2007/08, creating a ‘new normal’, allegedly in pursuit of economic recovery. This occurred in tandem with a concerted effort to redefine the global financial crisis as a supposed ‘fiscal crisis’; a crisis due to government spending, not the systemic predatory behaviour of financialised capital. Governments made a moral appeal for shared sacrifice, suffering and collective obligation to correct the failures of the fiscal crisis – this was the moralisation of austerity.

International evidence has demonstrated that women bear the costs of austerity (Bras Gomes 2015; Himmelweit 2016). Austerity undermines the provisioning of goods and services, thus making social reproduction even more difficult than it already is. The Office of the United Nations High Commissioner for Human Rights Report on Austerity Measures and Economic and Social Rights concluded that austerity exacerbated the financial crisis of 2007/08 and, ‘consequently, the ability of individuals to exercise their human rights, and that of States to fulfil their obligations to protect those rights, [was] diminished. This is particularly true for the most vulnerable and marginalised groups in society … who suffer from decreasing access to work and social welfare programmes, and reduced affordability of food, housing, water, medical care and other basic necessities’ (OHCHR 2014: 7).

With the probable onset of more budget cuts, government is likely to consider social reproductive work and sectors as the most expendable – this is already being observed. Budgets in sectors such as health and education have historically been the first to be cut.

CONCLUDING REFLECTIONS

Extensive research on social reproduction has uncovered the myth of the ‘private’ home as independent from the ‘public’ market. Rather, social reproduction is integral
to the reproduction of both the labour force and capital and its neglect by policy makers and economic theorists more broadly perpetuates gendered inequalities that see reproductive work, predominantly performed by women, as limitless and freely given.

We argue that it is important to systematically address the crisis of social reproduction in a manner that reprioritises social reproduction and decentres profit. This means the South African economy will need to structurally transform to ensure that a number of intersecting inequalities are reversed. Constrictive fiscal policies, prioritising debt stabilisation in the form of budget cuts at the expense of developing a comprehensive social provisioning policy – which has only deepened since the onset of the global pandemic – have locked the economy into austerity policies that have worsened conditions for working-class women. What is needed is state-led expansionary fiscal policy that restores greater investments in social infrastructure, particularly care infrastructure (Sibeko and Isaacs 2020).

In our writing and advocacy, we have posited that there are a number of ways to reorient finances towards an expansionary fiscal policy of this kind (Sibeko and Isaacs 2020; Sibeko et al. 2021). As demonstrated by the United Nations Conference on Trade and Development (UNCTAD 2019), substantial financial resources in the current global financial architecture are either wasted (in inefficient bureaucratic systems), abused (for example, via corrupt state-capture processes), hidden (through illicit financial flows) or promised and not delivered (from Official Development Assistance resources that do not meet assistance targets). Reversing this will mean focusing on numerous potential revenue streams, such as clamping down on illicit financial flows, increasing tax revenue and increasing taxes on natural resource extraction. The point is that there are alternatives and sources of finances to support these alternatives.

Feminist approaches to fiscal policy which recognise the structural exclusions that are reproduced by the orthodox approach to economic policy making are urgently needed in South Africa. The reality is that without the strengthening class solidarities and coalition building in driving a ‘radical politics of redistribution’ as articulated by feminist scholars such as Ruth Castel-Branco (2020: 5), social reproductive work will continue to be pushed into the domain of the household, socialising the burden to working-class women. What is needed is the adoption of a fiscal framework that takes into account the regenerative interaction between public investment, labour productivity, socio-economic development, rights and equity: an economic framework that is concerned with challenging historical and ongoing intersectional, racialised and gendered inequalities in the economy. This would require the state to abandon neoliberalism. Without a fundamental rethinking of the economics in South Africa, the social organisation of labour (reproductive, productive and otherwise) will remain unviable for the majority.
Lastly, many have argued that we need political will to drive feminist alternatives. The pandemic has opened some space not only to contest previously held conservative assumptions about the role of the state and the economy, but to advance transformative alternatives to capitalism. These alternatives, articulated by feminists, are promoted through protest, coalition building, building power from below and making strategic alliances amongst progressive movements and labour.

NOTES
1 Budget cuts and/or regressive taxes (amongst other measures) implemented in order to reduce budget deficits.
2 A Gini coefficient of 1 indicates 100% inequality.
3 See for example Adrienne Roberts’ 2012 paper on financing social reproduction.
4 Total government expenditure less debt servicing costs.
5 See Granlund and Hochfeld (2019).

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