

Global Issues

The South African Precariat, COVID-19 and #BIGNOW

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Currently, there are 95 countries on the planet that have vibrant campaigns for universal basic income grants (BIG). A global coalition of these campaigns has also called on the United Nations General Secretary to support a BIG agenda for the planet, to complement existing public benefits and goods. Such requests have been reinforced by the Pope, who on Easter weekend also called for a basic income grant. With economies shut due to COVID-19 or cranking back up slowly, unemployment skyrocketing and income loss in households, having cash in the hands of citizens to meet basic needs is crucial. With labour movements weakened by over three decades of financialisation, deregulation and liberalisation, citizens are at the mercy of neo-liberal ruling classes. The spectrum ranges from Hindu fundamentalist fascism in India, to white nationalist Trumpism in the United States to Afro-neoliberalism in South Africa.

What is at stake is self-evident: society is too big to fail. These ruling classes are now facing a historical test in which market-centric pragmatism and more financialisation policies will not be adequate to redress the scale and depth of social suffering. US unemployment is worse than it was in the 2007–2009 crisis. The International Labour Organization (ILO, 2020) has drawn attention to the imperative of comprehensive and adequate social protection measures to accompany COVID-19 public health responses. South Africa has particular features of precarity that existed before the COVID-19 pandemic, and that have been at the heart of its crisis of socio-ecological reproduction. These have worsened under one of the strictest lockdowns in the world. South Africa's lockdown is based on household confinement for the entire population and government-determined "essential service" economic activity, informed by public health guidelines, at Lockdown Level 5. This was accompanied by a total ban on exercising in public, and on purchasing alcohol and cigarettes. This lasted for five weeks. Currently government has articulated a lockdown approach of five levels, allowing an expansion at Level 4 of "essential service" economic activity, exercise time from 6 a.m. to 9 a.m. daily, and prohibitions of alcohol and smoking. Level 3 regulations are slightly softer and looser, and this logic extends to Level 2 and ultimately Level 1 at which point public health guidelines guide social behaviour, all economic activity is meant to be opened up and there are no social controls on big gatherings. The country can revert to Level 5 and within this framework some areas of the country can be isolated as "hot spots". A maze of irrational regulations has accompanied each level of lockdown, thus far, such as an elaborate system of registering and obtaining permission for community-led food relief efforts at Level 4, or criminalisation of thousands of small-scale subsistence fishers while fishing corporations and trawlers have legal permissions to continue devastating ocean ecosystems. Many of South Africa's leading epidemiologists, virologists and public health experts have raised concerns about the over-regulation driving this lockdown approach. The ANC government, which has failed for over two decades to lift the African majority out of poverty, joblessness and the grip of inequality, has suddenly stepped up with a new-found concern for the wellbeing and health of the country's citizens. The draconian lockdown has been hailed by the

World Health Organization as consistent with the urgency of the situation. However, not enough attention has been paid to the socio-economic mitigation measures that could blunt the horrific social pain caused by the lockdown.

COVID-19 and the Socio-economic Death of the Precariat

South Africa has had stubborn and high structural unemployment, above 20 per cent throughout most of the post-apartheid period; in 2019 the narrow unemployment rate stood at 29 per cent and the expanded rate stood at 38.5 per cent.¹ It is clear that almost 40 per cent of the working-age population (about 10 million people) are excluded from generating and sharing in the wealth created in the society. This group of permanently unemployed persons is only one fraction of the precariat.

The second fraction of the precariat and the broader working class comprises the short-term unemployed (about 1.9 million). These are workers who are locked into temporary work, part-time work, labour-broking relationships and other forms of subcontracting. For these workers there are no labour law protections; they are extremely vulnerable and face a high risk of losing earning capacity at any time.

South Africa's economy has a third fraction of the precariat and the broader working class linked to another structural feature, commonly referred to as the "second economy" or in labour market and development studies literature as the informal sector. This includes about 3 million people – 2.6 million engaged in informal trading and about 60 000 to 90 000 waste reclaimers. (The latter group saves municipalities about R750 million a year in landfill costs.) They live from day to day.

The fourth fraction of the South African working class and precariat are those who have some long-term employment but who earn a wage below R4 125 per month and who do not have benefits such as health and unemployment insurance. This figure represents a minimum-wage poverty line; it means that workers have to earn this amount or more to ensure that they can bring themselves and their dependents out of poverty. According to the National Minimum Wage project at the University of the Witwatersrand, about 5.5 million workers earned below this amount per month in 2015 (NMW Research Initiative, 2015).² They were mainly domestic, agricultural and construction workers. Moreover, their wages supported families ranging from four to ten dependents.

On 26 March 2020 the South African government imposed a Level 5 lockdown. Most of the economy was locked down except telecommunications, corporate-controlled food, online banking, health facilities and energy. For the South African precariat this meant increases in the ranks of the unemployed, an instant loss of income and wage-earning capacity. This is a precariat that is trapped in poverty and low wages, and is highly indebted to survive. For the past two months, about 20 million people have had to face a situation with close to nothing to sustain their families. Unemployment is increasing and hunger is widespread. The squeeze on the

¹ The narrow rate refers to how many people in the labour force are out of a job but looking for work. The expanded rate additionally includes anybody who is out of a job, wants a job but has given up looking for work.

² South Africa introduced a Minimum Wage Act in 2018, which was implemented in 2019. The legal minimum wage threshold was changed in 2020 to R20.76 per hour, a 3.8 per cent increase on the previous R20 per hour. Moreover, domestic workers would now receive R15.57 per hour and farm workers R18.68. None of these minimum wage determinations assist workers break out of wage poverty.

precariat has thrown up a discourse about how the hunger pandemic may well kill more people rather than COVID-19.

Managing the Desperation of the Precariat

With the socio-economic crisis among South Africa's precariat already a nightmare before COVID-19, the lived experience under the lockdown can only be described as desperate. The government imposed a lockdown on one of the most unequal countries in the world, and the public health response was not balanced with an appropriate socio-economic response. Besides post-apartheid economic restructuring being guided by financialised imperatives to ensure an externalised economy deeply connected to global financial markets, South Africa's state has also been ravaged by widespread looting. This has created serious fiscal constraints on the state. In response and just before COVID-19, the Afro-neoliberal Finance Minister announced an austerity budget, including cut-backs in health expenditure, to deal with this fiscal crisis. With COVID-19, Afro-neoliberal reason morphed into epidemiological reason (Satgar, 2020a). This means that trickle-down economics and its assumptions of individualising and marketising social problems continued to prevail. This is best understood as epidemiological neo-liberalism to manage the desperation of the precariat. This has been apparent as Level 5 lockdown kicked in. While unemployment benefits were triggered, this was mainly for workers in formal employment and who have employers that have registered for such benefits. For most of South Africa's precariat such benefits are out of reach. Moreover, with a corrupt and fiscally constrained Afro-neoliberal state leading the COVID-19 response, it chose early on to mobilise and instrumentalise social solidarity. It crowd-sourced and privatised the frontline response to COVID-19. Individuals and corporations were invited to contribute financially to a Solidarity Fund, seeded with R150 million state funding. This provided an opportunity for billionaires, not subject to an effective wealth tax, to step up to save the nation. We now had to be grateful for their donations and generosity. The Solidarity Fund, together with the Department of Social Development, has distributed just over a million food parcels over the past two months; based on an assumed four persons per household, this equates to 4 million people reached. Such parcels are designed to last for two weeks and have been shown to be nutritionally deficient (Vermeulen, Schönfeldt and Muller, 2020). Food parcels have been inadequate to meet the food needs of the 20 million members of the precariat. The media has reported on several hunger flashpoints ranging from street protests to attacks on supermarkets, and even hijackings of food trucks. At the tail end of the Level 5 lockdown, the government announced a "stimulus package" of R500 billion. Most progressive political economists argue this was not a stimulus package, with no new money injected into the economy, but instead a stabilisation package largely based on reprioritising existing fiscal resources (COPAC, 2020). Within this framework R50 billion was allocated to increases in social grants, including a new COVID-19 Relief Grant for the unemployed of R350 per person per month for the next six months. This grant is below the food poverty line of R547 per month. At the moment, food prices are going up, and an essential basket of goods now costs R3 470.92. It also lasts two weeks rather than three weeks (PMEJD, 2020). The costs of a basic basket of hygiene products is R694.74. Besides R350 being inadequate to ensure a nutritious diet and to meet the hygiene needs of a person, this grant, like others, is shared within poor households that have anywhere between four and ten people. With more people eating and living together under lockdown in poor households, such meagre resource

transfers are not going to make a fundamental difference. The epidemiological neo-liberalism of the ANC state is not a proportionate response to the suffering of the precariat.

A #BIGNOW for South Africa

It is in this context that a substantive, non-means-tested and universal basic income grant is necessary in South Africa – anywhere from R3 500 to R4 500 per person per month (Satgar, 2020b). This should be paid to everyone living in South Africa, including migrants and refugees. As a co-founder and activist in the South African Food Sovereignty Campaign, we are working with numerous allies, leading a #BIGNOW Campaign endorsed by unemployed peoples' organisations, informal traders, trade unions and numerous high-profile non-governmental organisations (SAFSC, 2020). Many argue that the time has come for systemic change to break the precariat out of poverty and dependency on wage work, and to provide a security cushion to all in society, to ensure a recovery from COVID-19 led by the working class, and to provide a mechanism to enable the working class to lead a deep just transition to confront the climate crisis. The epidemiological neo-liberalism of the ANC state is threatening both the public health response to COVID-19 and the future of South Africa's democracy. The #BIGNOW will end the unbearable lived experience of the precariat and ensure an emancipatory future.

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BIOGRAPHICAL NOTE

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