

# South Africa isn't budgeting for its care economy. What can be done about it

By [Lisa Vetten](#)

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The South African government pays dedicated care workers less than anyone else in its employ - as little as R500 (US\$39) a month. These include social workers, home-based care providers as well as counsellors who help victims of domestic violence and child abuse. This is despite the fact that they do some of the most important jobs. They deserve more respect and better rewards.



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In his 2017 [State of the Nation Address](#) President Jacob Zuma proposed a range of actions intended to accelerate radical economic transformation. None recognised the parlous state of South Africa's care economy - those aspects of human activity (both paid and unpaid) devoted to the care of the current and future labour force, as well as the entire population. Yet funding decisions flowing from economic policies were among the reasons cited for the deaths in 2016 of [94 mentally ill patients](#) in the country's richest province, Gauteng.

As the country gears up the national budget speech on February 22, will Finance Minister Pravin Gordhan do any better at recognising this forgotten economy?

Care is a public good and no society would survive without it. Its neglect sustains and reshapes pre-existing gendered forms of inequality.

Care workers in the not for profit sectors are appallingly badly paid. So are care workers employed by the state to provide home-based care to people living with AIDS. The state's contribution has not kept up with inflation while avenues of supplementing these funds from donors has become increasingly difficult over the past eight years.

A great deal of care has traditionally been provided by women as an unpaid part of their domestic responsibilities the world over. This has included caring for children, older family members, or those with disabilities. As women have increasingly entered the workplace, these responsibilities have shifted elsewhere. At the same time, particularly in the welfare states of the North, the state has also been shedding many of its responsibilities in this regard.

Globally, this has seen the entry of many women into the low-paying care jobs that have emerged as a result.

## Lessons from a tragedy

The deaths of the mentally ill patients is a good starting point for showing how care and its costs are distributed across the profit-driven private sector, the non-profit and community sector and the state. The state includes the departments of health, social development and basic education.

Each sector is paid differently to provide services on the state's behalf. In the Gauteng province government's case, psychiatric hospitals [were allocated](#) between R1,386 (\$107) and R1,960 (\$150) a day to care for patients with psychiatric disabilities. Life Esidimeni, a private sector health facility contracted by the Gauteng department of health to provide chronic mental health care to poorer citizens, got R320 (\$24.50) a day and NGOs R112 (\$8.50) a day.

The department of social development also [pays NGOs less to provide services](#). It expects NGOs to obtain the balance of their financial needs from business, philanthropists and other donors.

These alternate funds have shrunk since the [financial crisis of 2008](#). Donors have shifted their focus to lower-income countries. At the same time funding for social welfare services by the corporate sector [has stagnated](#) and not kept up with inflation.

The proportion of the department of social development's budget allocated towards social services is also small: 88% is allocated to grants, with just 10% going towards social welfare programmes. The department's grants system is [an achievement](#), but the same cannot be said of welfare services.

Budgets have simply not been adequate to addressing decades' worth of under-resourcing, especially in services to black communities. Indeed, when the [review](#) of the White Paper for Social Development was released in October 2016, committee chair Professor Vivienne Taylor noted "huge gaps" in the provision of social welfare services that

“ *leave the poorest individuals and households in extreme distress.* ”

In 2014/15, the most recent year for which data are available, the average amount spent on welfare programmes for the poorest 40% of the population was R463 (\$35.46) per person. This [varied considerably across provinces](#).

Preliminary results from my research covering 2012/13 to 2016/17 show a pattern of below-inflation annual increases – or no increase at all – for subsidies to NGOs. Contrast this with, for example, pay increases for government employees. These have been consistently higher than inflation for the past decade.

My research also highlights disparities in subsidies paid to organisations within provinces, even when staff have the same qualifications and do the same work. In 2016/17 some social workers in North West province received subsidies of R5,415 a month. The subsidies of those based in the Western Cape were nearly three times as much at R14,362 a month.

NGO staff without formal qualifications earn considerably less. In the Eastern Cape and Limpopo the provincial offices of the department of social development allocated stipends to “volunteers” of between R500 and R600 per month – even though they were working hours similar to those classified as employees. In Gauteng, the subsidy paid to counsellors was R1,250 per month, while housemothers, who manage domestic violence shelters, received subsidies of R2,500 a month.

All these amounts fell below the R2,779 monthly minimum wage for farm and forestry workers in 2016, not to mention the proposed [minimum wage](#) of R3,500 a month.

Challenged by the director of a non-profit organisation about these meagre subsidies, a department of social development official's offhand response was that the department “is not in the business of enriching others.”

The depressed conditions in the sector have contributed to both a high turnover of staff. Given the sector's dependence on the department, few are willing to challenge its practices for fear of losing their only source of income.

In addition, the social welfare sector by its very nature favour ways of working that are co-operative and conciliatory rather than confrontational. University students succeeded in forcing their financial issues onto government's agenda by damaging property and shutting down campuses, but no such tactics are likely to be adopted in the NGO social welfare sector. Consequently, while the sector's hardships are very real, their quiet desperation is overshadowed by more spectacular forms of confrontation.

## Why change is possible

The report by the [National Minimum Wage Panel](#) recommends that an expert panel be established to address the pay challenges experienced in the care work sector, including government's low subsidies.

The [review](#) of the White Paper, approved by Cabinet in June 2016, also calculates that a further ring-fenced increase of 1.9% annually over the next five years would ensure that all provinces spend as much per poor person as the Northern Cape. The increases would be appropriately distributed between provinces.

This would help reduce the provincial disparities in expenditure on services, as well as standardise the payments to NGO staff. The review also explicitly states that these increases should not go towards the compensation of government employees.

The South African government often recites its commitment to economic transformation, and eradicating poverty, unemployment and inequality. The social care sector is a very good place to start giving life to these slogans.

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