

# Response to Jamie Peck

**T**hank you to Professor Peck for a very thought provoking paper which has enriched our ideas about welfare to work.

## **Workfare and South Africa**

In his article (beginning on page 30), Professor Peck has shown the limitations of workfare strategies in addressing poverty and inequality in advanced industrial societies. The alternatives to workfare strategies that he suggests are consistent with our own employment strategy framework, although the economic situation and unemployment levels differ greatly between the countries. For example, South Africa is faced with low economic growth rates, high structural unemployment and high levels of mass poverty and inequality. These present us with different challenges to the challenges facing the United States or Britain. The welfare statist policy models of advanced industrial societies cannot be applied easily in the South African context.

Some features of our policies and programmes could sound like 'workfare' as you describe it. South African social policies have however been re framed within a developmental and employment absorbing economic growth strategy to boost job creation. Our employment strategy states that 'We need to get South Africa working'. A job gives a person an opportunity to contribute to the

*Leila Patel was discussant at the workshop and responded to Jamie Peck's input.*

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productive growth and social development of the nation... It generates income and self-respect'. (Department of Labour, 1998)

## **Targeting the vulnerable**

Child support benefits to single parents are being phased out. Voluntary and community development programmes have been designed to support women finding pathways out of poverty. They offer opportunities to develop skills and participate in SMMEs. The programmes exist together with other initiatives such as land reform, small-scale agricultural development and housing subsidies to increase the assets of the poor. We need active labour market policies and specially designed programmes to support vulnerable groups and people with special needs to reintegrate into the labour market.

People with disabilities are demanding access to employment, as opposed to being on welfare. The disability rights movement has consistently called for active labour market policies, social support and skills development since

disabled people are discriminated against in the labour market and many live in poverty

Ex-offenders also struggle to obtain employment and are discriminated against in the labour market. Many do not have skills, training or work experience. The National Institute for Crime Prevention is developing special empowerment programmes since there are not state benefits to support ex-offenders. The Baygen Group, which is a private sector partnership with NGOs, has developed an extremely innovative business strategy employing people with special needs. It costs R22 000 per annum to keep a person in jail as opposed to R6 000 per annum for family support. This R6 000 should reduce with the phasing out of the child and parent social programmes.

Professor Peck's paper has reminded us of how important it is to explore more fully the relationship between labour market reform and the restructuring of a welfare system. In South Africa there is a lack of policy and programme co-ordination in this regard.

### **The international experience**

World wide changes in welfare policy and in the redesign of welfare systems have influenced the direction that South African social policy has taken. We are aware of the growing pressures faced by welfare states to balance financial constraints with growing demands for more and better services.

Other important factors contributing to the financial crisis of welfare states were lower rates of economic growth, changing labour market conditions, demographic changes, changes in the nature and structure of the family, and the impact of globalisation.

There were clearly both internal and external factors which contributed to the crisis facing welfare states in advanced



*Professor Leila Patel.*

industrial societies – leading to redesigning or adapting the system.

These policy changes were supported, as Professor Peck points out, by shifts from Keynesian social democratic approaches to a neo-liberal paradigm and an attack on the welfare state. People who supported these shifts argued that public social provision worked against economic growth, produced negative work incentives, and did not encourage people to save and invest.

Policies and practices were adopted that gave fewer people access to welfare. For example, rules changed so that fewer people qualified for welfare, procedures were adopted to ensure that beneficiary take-up rates of services and benefits were less expansive and outreach oriented, public/private partnerships were implemented, and workfare programmes were adopted. There has also been a decentralisation of welfare responsibilities from central to provincial and local government.

### **South Africa's welfare policy**

Interestingly, the neo-liberal rhetoric of welfare 'dependency' has been evident

here too, where welfare is often referred to as 'handouts'. In the post-1994 period, policy-makers and some stakeholders had to be persuaded that this amounted to victim blaming and an avoidance of acknowledging the structural causes of poverty and inequality. What complicated the situation was the low status that social welfare services, benefits and programmes enjoyed in the public domain at the time.

Government engaged with stakeholders around these issues when developing a new welfare model for South Africa. It aimed to create a national consensus on a new welfare model. In fact, in the early stages of the new democratic context, many people did not understand the vital role that social security plays in alleviating poverty. Research studies demonstrated the positive social and economic impact that social benefit transfers (which are means tested and non-contributory) have on households. This positive impact is especially found in relation to social pensions which has a take-up rate of almost 80% of elderly people who are eligible. (Department of Welfare, 1997)

Thinking and policy around welfare has changed with the adoption and implementation of the White Paper for Welfare. This developmental model took global trends into account as well as the strengths and limitations of the welfare state approaches. We were particularly influenced by Third World development strategies and the social development approach adopted at the United Nations World Summit for Social Development held in Copenhagen in 1995.

The welfare policy model which we developed drew on a range of different thinking. We looked at different strands of welfare thinking and different experiences including the RDP, innovations in developing countries experiencing similar social and economic conditions; and our

own experiences of the development activities of anti-apartheid social movements. We combined what we saw with our own country-specific conditions to produce a very unique South African policy framework.

This policy framework incorporates some of the following elements:

- ☐ a relationship between social and economic development;
- ☐ a need for a comprehensive approach which goes beyond social sectors;
- ☐ social and welfare rights and obligations;
- ☐ an equitable allocation of resources;
- ☐ a pluralistic political system within which policy choices and trade-offs are made and which determines how far redistributional measures will go;
- ☐ a proactive state which would initiate and facilitate social development, social support, and protection for poor and vulnerable groups such as women, children and youth, people with disabilities and people in low wage groups.

In conclusion, the policy models or variations of welfare state models do not readily fit our local context. We have integrated some strands of these approaches, others have been reframed within a social development approach. ★

## References

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