

Article

Government by grants: the post-pandemic politics of welfare

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Introduction

In April 2020, with South Africa in national lockdown, president Cyril Ramaphosa announced the Covid-19 relief program on a scale he called ‘historic’. He affirmed that the state would not only reestablish the economy but forge a new economy and ultimately a new society in what he called a ‘new global reality’. Already at the end of March, his government had announced a special Covid-19 Social Relief of Distress Grant of R350 a month to be paid to currently unemployed individuals who did not receive any other form of social grant or unemployment benefit. Existing Child Support Grant beneficiaries also received an additional sum. With Statistics South Africa announcing in September the unprecedented loss of 2.2 million jobs in the second quarter of the year, in October the government extended the special unemployment grant for another three months.

With the full economic impact of the pandemic still to be determined, this short paper attempts to think with the growing calls in South Africa and globally – including from the World Bank and the Pope – for increased cash transfers to the poor and unemployed or even for unconditional, universal basic income. We read these calls as amplifications of moves towards such transfers that have become prominent in various quarters over the last two decades, and we will consider the implication of these calls, especially for the administration of the poor and the possibilities of social inclusion. We will pose this consideration against recent scholarship on post-apartheid social grants, and suggest, in closing, that a contemporary politics of welfare relates to a possible new set of class relations.

Grant money, social bonds and biometric capitalism

While the pandemic did not pause capitalist accumulation – witness the growth of profits for companies such as Amazon – a large number of workplaces were affected, closing or operating in modified form during lockdown and after. Households relying on wages had to deal with reduced (or in some cases, no) income for several months, and even when the relief grant was paid, this was unlikely to match previous salaries and wages. In addition, many across the world, including in South Africa, relied more heavily than before on online forms of consumption, especially during periods of lockdown when going out in public was posed as a risk to health and intensively policed, including through the deployment of the army.

The roll out of the Social Relief of Distress, or Unemployment, Grant does pose questions for understandings of capitalism and money. Influential contemporary interpretations of Marx on money stress how, in capitalist conditions, money is more than an instrument for exchange, but a social means that becomes an end in itself (Postone 1993:265). It represents the abstracted value of work which provides people with the capacity to purchase their own means to life. Money does not represent work concretely, but rather the value of that work on an abstract level, according to socially general production times. But it also represents the capacity to survive, and to flourish, to fashion one's life through consumption, independently of the grace of a patron or social superior. Indeed, it appears not to be social at all, but rather a purely material fact from which people can make choices over consumption. As Nicolaus argues (1968:48-49), money is ultimately a social bond, a social power over and between others which people carry around in their pockets. As a bond, it is the means through which people relate to one another, and as capitalism aims to dominate society, it comes to mediate all other social bonds. It is a particular form of inclusion in social life through one's capacity to labour, and to dispense the proceeds of that labour in consumption.

Although Marx is often read as offering a moralising critique of money, this misses the extent to which Marx was concerned with a theory of capitalist society, the nature of its sociality, and the possibilities as well as forms of alienation that it engenders. Insofar as most of the society depends on the sale of their labour power for money as a condition of their survival, and indeed become oriented towards money as a necessary condition of their existence, there is no possibility of refusing money in general, even at the cost of alienation of one's own labour power. But if this exploitation is structurally inbuilt in capitalism, capitalism also generates the possibility of imagining social relations that are not

determined by traditional hierarchies and, indeed, for overcoming the general necessity of labour power itself (see Dubbeld 2019).

In contemporary conditions of emergency grants and basic income, might it be possible to think of money as independent of labour power? Certainly, recent scholarship on mobile money reorients considerations of money towards its circulation. If a longer history of remittance payments from migrant workers to kin between countryside and city and across national boundaries was fraught by the costs and local political barriers limiting the movement of money, mobile and electronic money flow presents people in Africa and elsewhere with the possibilities of honouring familial obligations and contributing to care. With ‘mobile money’ used as a means to finance the world’s poor through basic income payments, Maurer (2011) pointed to the attraction of using such platforms: for the poor, it is a matter of decreasing transaction costs and difficulties with accessing banks and financial services, along with increasing transaction speed; for banks and the state it is a mechanism for ‘banking the unbanked’ and for including them as actors within a financial network.

Considering mechanisms of registration for social grants and mobile payments, Breckenridge (2016) has drawn attention to the infrastructural configurations involving banking and financial institutions in partnership with the state. He suggests that a kind of ‘biometric capitalism’ has emerged, allowing states to register many populations who have no access to wage work in the economy. Drawing from cases in Ghana, Nigeria, Kenya and South Africa, it is these electronic apparatuses that enable the inclusion of people within a territory and a financial domain as recipients of basic income. While pointing to some of the dangers involving predatory lending, Breckenridge suggests that the state, through basic income, ends up acting as creditor for the poor, thereby expanding the reach of the market and the possibilities for particular kinds of social inclusion through money. The involvement of financial institutions in such registration is not restricted only to local banks: he notes that in 2013, Mastercard announced that it would become responsible for the first national identification system in Nigeria. It is this ‘biometric capitalism’, he suggests, that now dominates the production of value using algorithms and automated systems of calculation.

By taking as starting point the increasingly obvious incapacity to offer long term stable employment to most people across the continent, this scholarship suggests that the social terms of money and capitalism itself need to be rethought in the twenty-first century. Drawing on anthropological literature on gift and money, Ferguson (2015) also questions a leftist notion that money leads to de-

personalised social relationships. Instead, he argues that webs of mutuality and social dependence can and are built through the circulation of money as support and care. He argues (2015:136-8) that cash transfers from the state facilitate the possibility of life for many of the poor and are constitutive – rather than antagonistic – of social relationships and forms of mutuality between people.

This apparatus of biometric capitalism – or mobile money – promises a ‘post-social’ set of welfare arrangements that gives money without a bureaucracy designed to assess people’s ability and interest in working. It sidesteps questions of the political character of the state or the demands of a more encompassing public good in favour of an efficient public payment system. This system may find support from the Left for challenging a disciplinary apparatus and from the Right for overcoming bureaucratic inefficiency and corruption.

The political and the technical in automated cash transfers

There is a significant scholarship emanating from the Foucauldian tradition that challenges ideas of the neutrality of bureaucratic intervention. A relevant reading of welfare is Mitchell Dean’s (1991) account of the formation of poverty as a site of intervention in nineteenth century England. He stressed how poverty had to be produced as a specific administrative term and was accompanied by a particular regime of regulating conduct, distinguishing centrally between those who could not work and those who would not work. Dean argued that this period defines a particular approach to poverty that harnessed Malthusian arguments in order to accord moral blame to men who could not provide financially for their families, and developed policy around the existence of a male breadwinner, encouraging restrained conduct, and drawing a sharp line between those who deserved and did not deserve support. While engaging some of Marx’s analyses of the proletarianisation and the insecurity of wage labour in the nineteenth century, Dean argues that Marx underestimates the extent to which non-repressive forms of governmental practice compelled people into wage work (Dean 1991:211-2).

More recently, we see extensions of such Malthusian morality in concerns about how the poor might spend welfare cash. For instance, Daniels and Trebilcock (2005) suggested in a rethinking of welfare states that a universal programme should be rolled out not of cash but of publicly financed vouchers, which could be used only in particular sectors of the market: education, healthcare, housing and so on. They titled their study, evocatively, a ‘government by voucher’, combining different conservative values and ideas about the twentieth century American model of welfare state: that it should not hand out cash to the

poor, that it should be tied to wage work as an additional aid to the deserving beneficiaries and that it should support the national economy by subsidising private enterprises. In so doing, they thought of the voucher as a private-public object that foreshadows a possible future where the state would be reduced to a mere subsidiary or supervising role of market in emergency or relief, with state institutions becoming mere vehicles of market accountability and policy superseding politics altogether.

But the technical use of welfare might appear more neutral than the above proposal, especially when presented only a matter of increasingly efficiency. Take von Schnitzler's (2016) account of infrastructure in South Africa. In her study, introducing water meters in Soweto became a way for the municipalities to trace water use by individual households, and reframed a political demand of collective right to water in terms of an individual responsibility for self-calculation and regulation. Crucially, this appeared to be an apolitical, technical process, but its consequences were deeply political insofar as they represented an attempt to fracture a political community and create an individualised accounting in which some were more responsible than others. As a resource that might once have been seen as a collective good, water was now seen as one that had to be tracked with the implication that some in the area would be cast as responsible and others as irresponsible. Using this approach to think of grants, we might see how government – and political debates about whom to assist and in what way they should be assisted – disappears in these technical processes of simply giving money to those who qualify, in the process de-politicising public policy debate.

Such a position is further complicated by Eubanks' *Automating Inequality* (2018). Her concern is with the transformation in the United States of the 'poorhouse' into digitalised mechanisms of poverty relief. While government and the explicit control of the poor is de-materialised and de-institutionalised in the 1980s and 1990s, those who received welfare relief thereafter were not released from a disciplinary gaze. She shows that pay points of cash transfer in Maine were heavily surveilled and a large amount of data was mined in a fraud-detection algorithm. Eventually this led to the local government officials demanding that welfare recipients keep the receipts of cash and prove that it was not spent out of the boundaries of the local territory (ie the state of Maine).

While the automation of cash transfer seems to offer a non-disciplinary form of welfare, then, this work shows the extension of that disciplinary gaze. And if such technologies are individualising, they also, Eubanks argues, facilitate the policing of certain populations within the database who are deemed in advance

to be suspected of violating certain terms of the welfare grant. That is to say, the automation of welfare might both depoliticise and increase the capacity to discriminate and police the poor. A related and more general version of this position is offered by Loic Wacquant (2008) who argues that the apparent neoliberal retreat of strong government and the state is instead its recalibration: the limiting of social assistance for him is accompanied by the expansion of the penal state, with the number imprisoned in the United States having grown tremendously since the 1990s. What he understands as the ‘maternal and nurturing arm of the state’ – social workers and institutions that were once deployed to assist poor families – has been replaced by the ‘virile and controlling arm of the penal state’ (2008:14).

Although this seems far removed from South Africa in some ways, during the pandemic, the foregrounding of emergency measures and grants saw state politics disappear in bank data collection, cell phone transactions and payment posts, while simultaneously we saw the appearance of a more authoritarian state. From the beginning of lockdown the state deployed the largest military contingent on the streets since the democratic transition, responsible for 60 per cent of the arrests during the lockdown and involved in the deaths of at least 11 people, all black and poor. The action of repressive forces during the pandemic also legitimised mass deportations in border regions (particularly Zimbabweans and Mozambicans), violating sanitary and humanitarian protocols (Haffajee 2020). Within the scope of discourse, emergency measures were appropriated in a nationalist rhetoric that tried to exclude migrants and asylum seekers as beneficiaries of grants.

Another way of putting this, following Eubanks, is that digital poorhouses create new forms of marginality and their terms of inclusion are far from neutral. In the South African case, these automated social grants has not so much been a mechanism of moral policing as a means of channeling information about a population with newly-found, albeit meagre, material means to creditors and those who might be able to profit from them. Here, the terms of inclusion in welfare relief have been less about producing an obedient poor than about facilitating ways to extract more value from them. Still, with government rhetoric about moral regeneration from a decade ago still resonant, the forms of digital inclusion and the programmes of banking and unbanked may enable this possibility in future.

Post-apartheid social grants: from design to work and social re-production

Given this awareness that cash transfers might appear as neutral mechanisms of alleviating poverty but may veil political, social and economic interest from public scrutiny, how do we think of post-apartheid social grants in South Africa, especially as they offer some of the political framework and the technological infrastructure for the extension of grants under Covid-19? We start by briefly mentioning the emergence of the grant regime and then draw out some of critical dimensions of a post-apartheid social grant regime identified in a range of scholarly works.

During the first five years of the democratic administration, the government established a commission to develop a new social policy framework that would re-make apartheid forms of social welfare that had previously served white South Africans. By the end of the 1990s, the South African government offered a far more extensive system of social grants than previously, providing support to the elderly, the disabled, and caregivers of children. Central to this reorganisation was the Child Support Grant, which replaced the previous ‘Family maintenance grant’ and was given regardless of marital or familial status to the parent or guardian of a child, based on a financial means test. The numbers of grants have increased dramatically over the last decade, with close to 18 million grants paid out in 2018 compared to only three million in 2001 (Statistics South Africa 2018). This increase is even more substantial for the Child Support Grant, with one million grants in 2001 becoming almost 12.5 million in 2019 (South African Social Security Agency 2019). These and other quantitative studies have shown (Department of Social Development 2012) that these cash transfers have improved childhood nutrition and increased school attendance, decreasing absolute poverty in the country and mitigating inequality. These material impacts have even been claimed by the ANC, since the 2014 elections, as evidence of their improvement of life since the end of apartheid.

While the redesigned grant did attempt to move away from reinforcing normative assumptions of the nuclear family by giving money directly to care-givers, Seekings (2008) showed convincingly that the new cash transfer regime still relied on a language of desert – of a moral language of deserving poor (those who were incapable of work) and undeserving poor (those who had the capacity to work). This design of grant belied their increasing importance as a ‘poverty-alleviation’ mechanism (Marais 2011), leading to some urging that these cash payments could be the basis of a progressive politics that would aim at a future in which the reliance on wage work was surpassed (Ferguson

2015). Such optimism is tempered by ethnographic findings indicating the value attributed to wage work as opposed to grants, even among those who receive grants (Dubbeld 2013, 2020, Fouksman 2020), a point to which we will return.

Other scholarship considered the impact of grants in relation to their impact on care. Seekings and Moore (2014) questioned whether grants assisted government programmes of care or displaced them onto individuals who might purchase care for children and elderly in the market. They pointed to the reliance on kin for care, even as families in South Africa changed significantly in the last two decades. More recently, Moore (2020) investigated the financing of social reproduction in households, showing that the focus on cash transfers alone missed the extent to which care was distributed within and between extended families, and the effects of having to provide care on individuals who might otherwise themselves require care. She questioned neoliberal assumptions that ‘the government can rely on people to provide for their families, [and] expects that families will have the capacity to practically and financially care for family members’, and suggests that the responsibility for care needs to be thought of in broader social terms, beyond only the transfer of money to households.

We believe that this latter argument might be placed alongside Fraser’s (2016) analysis of capitalism and care that considers how, over three historically specific regimes of capitalist accumulation, the problem of social reproduction and unpaid care-work has been displaced onto women, the state, and the private household respectively. While this displacement has preserved capitalism, even when gender oppression or the state have been critiqued, the forms of inequality and domination that capitalism necessarily produces as a form of social life have not been addressed.

Other recent work on social grants has pointed to its technological mediation, and the way that such a mediation facilitates grant recipients being preyed on by creditors (Vally 2014, Torkelson 2020). A local politics has emerged through the anti-apartheid, women-led organisation Black Sash in the attempt to protect social grants from predatory lenders, both the informal market (loan sharks and *mashonisas* [small amount loan providers]) and from formal lenders (Torkelson, James and Neves 2020). Indeed, if grants are the means through which the poor become indebted consumers instead of the means through which extreme material need is ameliorated and some degree of substantial democratic citizenship enabled, can we still view grants as an element of progressive, socially transformative government practice?

Certainly some progressive proponents of the universal basic income grant

make a distinction between a neoliberal version which pays little and seeks to replace public social services and a progressive version that could free people from needing to undertake the most dehumanising forms of work in order to make ends meet. Marais (2020) stresses the need for a truly universal grant that would offer sufficient basic income alongside improved labour and industrial policy. Castelo-Branco (2020) notes the support of Sam Walton, the founder of Walmart, for basic income as a means of the public subsidisation of low wages. She suggests that we instead should take inspiration from Martin Luther King Jr and his example of coalition building: universal basic income should, for her, be part of a broader politics that can attend simultaneously to paid labour and (frequently unpaid) socially reproductive work.

Although most of these arguments were developed prior to the pandemic, the expansion of welfare as an emergency measure, with heightened calls for cash transfers to be instituted and extended, make the politics surrounding it even more ambivalent. If grants contributed in South Africa to a transformation of familial forms of care and the possibility of income beyond wage labour – these effects were intensified during lockdown. In some quarters, pandemic assistance has also intensified nationalist calls that foreground the idea of scarcity of resources and ‘taking care of our own’. This harks back to what Andersen and Bjorklund (1990) called ‘welfare chauvinism’, to signal new cleavages in the political use of social benefit in the service of nationalist ideologies.

Coda

A large impact study conducted by Stellenbosch University suggests that the Covid-19 pandemic in South Africa and the lockdown instituted in its management have largely reversed the positive effects of the Child Support Grant achieved over the last 18 years (Patel, Van der Berg and Bridgman 2020). These devastating effects have led to the government not only topping up existing grants but also, for the first time, extending aid to the unemployed directly.

Perhaps this may usher in a new kind of ‘government by grant’, especially if the kinds of biometric payment systems identified by Breckenridge become even more extensive. We have pointed to some of the difficulties that might be associated with such technical dispensing of welfare, not least that by organising such transfers within a biometric apparatus, decisions over populations and policy that are political matters, might be hidden entirely from public view, including from elected representatives. We would further suggest caution is necessary over the progressive aspirations towards the extension of basic income grants, especially insofar as they might become mechanisms to draw new lines

of deserving and undeserving in nationalist fashion, or may simply include the poor as individual market actors, with good or bad credit scores, contributing to undermining possibilities for a collective political subjectivity.

Finally, to return to where we began, if the pandemic and the extension of grants also represents an elaboration of such access to welfare and through them, registration and the movement of money, perhaps it also lends itself to rethinking what capitalism, and money's place in capitalism, is. The difficulty here, remains, on the one hand, to what kinds of new regiments the poor will be subjected: of the normalising and pathologising of expenditure, of demands to consume in particular ways, etc; on the other hand, what value wage work might continue to have, even in its absence. For while we recognise that financial institutions and the poor might profit in different ways from their biometric inclusion, it is less clear to us that economic value, and its social calibrations in capitalism, do not still refer to labour.

While the prospects of full employment have receded and do not seem to be the basis of the future, labour's position in capitalism could never be fully grasped in terms of a majority of proletarian labour against a minority bourgeoisie. Labour-power, sold by labourers, was the basis of surplus value and exploitation. That continues, but will labour now signal a new kind of virtuous position, a privilege that many cannot obtain, and nevertheless an activity which remains generative of value? Will the sale of labour power determine access to money that buys a measure of independence from a state-banking apparatus? Insofar as the pandemic has pushed more people out of work, the reorganisation of grants may have hastened what we might start to identify as a new class configuration.

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