

# South Africa's Recovery and Stimulus Package by Global Standards

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# Outline

- What do we mean by sustainable and resilient economy?
- What is a sustainable and resilient economy up against in SA?
- ERRP's pathway for a sustainable and resilient economy
- Assessing ERRP's pathway for a sustainable and resilient economy
- The ERRPs Missteps
- Sustainable and resilient economy principles and measures



# ERRP Aims to create sustainable and resilient economy

What are these terms?

- **Sustainable Development** - “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Institute for Sustainable Development, 2022).
- **Resilience** - Coping strategies (bouncing back) but also adaptation strategies (bouncing back better)
  - Diversity in livelihood strategies, adaptation options, access to resources
  - High degree of equity both social and economic therefore risks and benefits are equally distributed



# What is a sustainable and resilient economy in SA up against?

- Fossil fuel based economy that results in high emissions, high concentration and structural unemployment
- Macroeconomic framework that reinforces extractive economy
- Spatial inequality in urban and rural settlements shapes access to resources of working class

# ERRP pathway for a sustainable and resilient economy

- Accelerated infrastructure provision & energy security
  - Boost aggregate demand for job creation
- Industrial & sectoral policies
  - Drive localisation and import replacement for job creation
- Public Employment
  - Roads, waste, water & energy efficiency, environmental programmes, public services
- Gender equality and economic inclusion
  - Increasing representation of women in all spheres including and gender mainstreaming procurement policies
- Green Economy
  - Water & energy efficiency in public buildings can be leveraged to develop local labour intensive industry for SMMEs
- Macroeconomic interventions
  - Tax relief, debt relief and

# The ERRP's Missteps - Untransformative

## Greening Industry

- Disconnect between industrial policy instruments & green economy
- Reinforces fossil fuel based economy

## Regressive Macroecon Framework

- Tax relief and incentives for corporations
- Austerity – private financing of infrastructure
- Stabilisation, budget surpluses, low inflation,
- MTBES has been cutting budgets in healthcare and education

## Indecent Work & Livelihood

- Public employment scheme focuses on job creation & green jobs, ignores decent work
- Only 24 percent of R100 billion has been spent and 500k JOBS created
- No pathways to secure jobs,

## Gender Inequality

- Womxn representation is insufficient
- Household - power dynamics means women carry burden of care narrows livelihood strategies
- Worsened by austerity which weakens care economy therefore climate resilience.

# Sustainable and resilient economy pathways

## Principles and Measures

### Caring Rights Based Economy

- Public investment in care and public services

### Economy-wide structural transformation resulting in low carbon & climate resilient economy

- Green industrial policy diversifies away from the MEC in sectors supporting care, nature, climate resilient economic and social infra

### Source of Green Decent Work Creation

- Living wages & job guarantee
- rights and work,
- Social protection

### Transformation of ownership, distribution and access to resources

- Public provisioning
- Land reform supported by extension services for agrarian reform.

**Macroeconomic framework – target full employment, revenue raising, expenditure raising policies, progressive climate finance**