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# The Role of Financial Social Work in Strengthening Socio-Economic Recovery of Families Post COVID-19 Pandemic in South Africa: Implications for Practice, Education, and Policy Considerations

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Eastern Cape Province, South Africa**Abstract**

The outbreak of the Covid-19 pandemic in March 2020 found a vulnerable South African economy. In fact, when the pandemic reached our shores, the South African economy had experienced two consecutive quarters of a recession. As a result, the Covid-19 pandemic deepened the economic crisis. Many people lost their jobs, many have gone without income for extended periods, and many are going hungry every day. As it is known, the family as a pillar of any society has been negatively affected by the COVID-19 pandemic, wherein families have lost breadwinners due to deaths associated with the pandemic. In addition, the cost of living has increased significantly in South Africa, resulting in families battling to sustain themselves financially. Against this background, this paper aims to argue that South Africa's agenda for socio-economic recovery should prioritize families. As such, financial social workers need to play active and central roles in strengthening the socio-economic conditions of families in South Africa. The financial social worker may act as an advocate for families that are struggling to survive financially. Given the difficult financial positions of families, psychosocial services in the form of counseling and empowerment must be offered to families to help them survive and overcome their financial challenges. This paper is important since it seeks to contribute to the body of knowledge about financial, social work as an area of specialization in social work. There is no specific literature in South Africa that refers to financial or social work. The paper concludes with some implications that need consideration from different social work levels, such as practice, education, and policy.

**Keywords**

Families, COVID-19 Pandemic, Socio-economic recovery, Financial social work, South Africa

**Introduction**

This paper aims to argue that South Africa's agenda for socio-economic recovery should prioritize families, and as such, financial and social workers need to play active and central roles in strengthening the socio-economic conditions of families in South Africa. According to Strydom (2021), families around the world were affected in various ways by the COVID-19 pandemic. In South Africa, the impact was often driven by families' economic and demographic composition. The outbreak of the Covid-19 pandemic in March 2020 found a vulnerable South African economy. In fact, when the pandemic reached our shores, the South African economy had experienced two consecutive quarters of a recession. As a result, the Covid-19 pandemic deepened the economic crisis. Many people lost their jobs, have gone without income for extended periods, and are hungry daily (South African Government, 2020). To support this observation, the findings of a South African study indicate that the COVID-19 pandemic exacerbated the threat of hunger, especially among the poor (Nwosu & Oyenubi, 2021). The COVID-19 pandemic implies that families have lost their loved ones and breadwinners. As such, their socio-economic situations were affected. Therefore, any agenda focusing on socio-economic recovery should prioritize families, as they are the cornerstone of every community and country. Families continue to remain the foundation of most people's lives. They can provide people with security, support, and intimacy (Kirst-Ashman & Hull, 2018).

Despite a report titled "Building a new economy" indicating that the recovery and reconstruction strategy places jobs as its center with an employment focus that bridges the traditional separation of growth and social policies (The Presidency, Republic of South Africa, 2023), the reality is that the problem of unemployment continues to affect the

majority of South Africans. For instance, South Africa's unemployment rate in the first quarter of 2023 was recorded at 32.9% and is among the highest in the world (Statistics South Africa, 2023). In addition, Hlayisi (2022) states that before the coronavirus disease 2019 (COVID-19) pandemic in early 2020, the unemployment rate in South Africa was at its highest in history at 29.1%. During the COVID-19 pandemic to date, unemployment rose even higher to 35.3%. The unavoidable fact is that these statistics represent human beings who are from families and are breadwinners, and being unemployed means that they cannot provide for their families and meet their basic needs. Lack of employment opportunities and other sources of income deny people to buy healthy dietary foods. As a result, this causes malnutrition in families and communities and, without any doubt, negatively affects people's health and well-being (Motshedi, 2009).

At the time of writing this paper, there were some major triggers that, without any doubt, would worsen the socio-economic situation of South Africa. Thus, families would be negatively affected. One of the topical issues is the ever-increasing cost of living due to factors such as fuel price increases and the avian flu, which increased egg prices. Earlier this year, the Competition Commission released a report on how food markets had responded to the Covid-19 pandemic. The Commission found that consumers were subjected to unjustified price increases of sunflower oil, white and brown bread, and opportunistic prices in maize meals (Smit, 2023). According to the Ombudsman for Banking Services (2023), the rising living costs eventually influence the number of consumers forced to default on their debt payments. Increasing numbers of defaulters may, in turn, increase the number of creditors instituting legal action for the closure or repossession of financed goods. The increase in prices means that families, especially poverty-stricken families, will continue to experience socioeconomic hardships without any hope of reducing prices and improving their livelihoods. Given the financial hardships of some individuals and families in South Africa because of the COVID-19 pandemic and other factors, people turn to loan sharks to borrow money. To this end, Lepule (2020) reports that desperate consumers whose pockets have been hard hit by the effects of COVID-19 are falling victim to greedy loan sharks. The implication of borrowing money from loan sharks is that the loan sharks take the financial independence of individuals and families away, and as such, the agenda for the socio-economic recovery of families post the Covid-19 pandemic is delayed or may never be realized at all.

Considering the socio-economic situation of individuals and families affected by the COVID-19 pandemic, the South African government has put some measures in place to assist the affected South Africans cope financially. For instance, the special COVID-19 Social Relief of Distress (SRD) grant, which is R370.00 per month, has been extended to March 2025. Despite this government intervention, there have been some criticisms around this financial relief. Organizations such as the Institute for Economic Justice (IEJ) and the Socio-Economic Rights Institute of South Africa (SERI) argue that the grant should be increased to a minimum of R413.00 and be aligned to the high inflation in South Africa (GroundUp, 2023). In addition, South Africa now has nearly 19 million citizens surviving on permanent government social grants, costing the taxpayer more than R200 billion per year (Felix, 2023). Regrettably, a submission is advanced in this paper that reliance on social grants cannot adequately address poverty within families and strengthen the socio-economic recovery of families following the COVID-19 pandemic. Therefore, much needs to be done to look at sustainable alternatives towards enhancing the socio-economic conditions of families.

In looking at the need to strengthen socio-economic recovery efforts with special reference to families, it is necessary to look at the psychosocial effects of financial and poverty hardships on families within the South African context. According to Shokane, Ntini-Makununika, and Nmutandani (2023), the escalating financial pressure confronting families is one of the major contributors to family breakdown. A report by Money Stress Tracker, which is one of the largest surveys about how financial stress affects other aspects of South Africans' lives, found that respondents who said they were stressed about money had increased from 70% in 2022 to 78% in 2023 (Zwane, 2023). The same report indicates that of these, 94% said financial stress is affecting their home lives, 78% their work life, and 77% believe it is affecting their health (Zwane, 2023). Against this background, this paper aims to argue that South Africa's agenda for socio-economic recovery should prioritize families. As such, financial social workers need to play active roles in strengthening the socio-economic conditions of families in South Africa. According to Callahan, Frey, and Imboden (2020), financial social work is a growing area of social work practice that emphasizes the importance of financial well-being within a comprehensive approach to social work practice. It dovetails with yet goes beyond issues of poverty and income inequality and encompasses factors associated with the incredibly complex financialization of daily life. This paper is significantly important since it seeks to contribute to the body of knowledge about financial and social work as an area of specialization in social work. There is no specific literature in the South African context that refers to financial and social work. To this effect, Patel (2015) concedes that while financial capabilities are an age-old social work intervention, they are not well known or integrated into social work and social development practice. For this reason, this paper seeks to close this identified gap by contributing literature on financial social work within the South African context.

## **METHODOLOGY**

This is a desktop paper wherein the author reviewed literature from different sources such as government policies and reports, media reports, published journal articles, and books, to name a few. The author used different keywords such as financial, social work, the COVID-19 pandemic, families and COVID-19, and socio-economic conditions. The use of these sources enabled the author to read and assess rich data that made the process of writing this paper enjoyable as it contributed to the body of knowledge within the social work domain. Given that the subject of the COVID-19 pandemic is almost recent and still topical in some corners of the world, the author was able to get recent literature and sources not only on the COVID-19 pandemic but also on the financial aspect of the paper.

## OBSERVATION AND DISCUSSIONS

### IMPLICATIONS OF FINANCIAL SOCIAL WORK INTERVENTION

In this section of the paper, the observations and discussions focus on how financial and social work as one of the specialized fields of social work may be relevant to the South African context regarding the need to strengthen the socio-economic recovery conditions of families post the COVID-19 pandemic. The discussions focus on practice, policy, and education considerations.

#### Practice Considerations

##### *Educator role*

Many direct service organizations and community centers work with financially vulnerable populations. Financial literacy is a valuable resource of social capital for individuals and families from these populations to help alleviate poverty and other financial difficulties (Streu, 2021). To this end, financial social workers need to educate individuals, families, groups, and communities on different legal ways of making money and how to use their money responsibly. According to Miley, O'Melia, and DuBois (2017), community education promotes the broader use of social services. It raises community consciousness about issues of concern to social workers and the population groups with whom they work. Educating South Africans about the responsible usage of money is necessary because many television programs, such as "I Blew It", have shed light on how South Africans misuse and mismanage their money. Through this television program, South Africans have access to money from different sources, such as winning lotto games, receiving pension payments, and other sources, such as insurance pay-outs. However, the problem is how to manage the money.

One of the realities associated with money in South Africa is that there are many financial scammers who target people through various ways, such as social media platforms. According to Nazia Karrim, Head of Product Development at the Southern African Fraud Prevention Service (SAFPS) (2023), scam artists abuse cultural belief systems and take advantage of the believers' financial desperation to defraud them. Some companies defrauded some people through investments that promised them large dividends in a short period, such as six months. To this end, Fischer-French (2023) advises potential investors always to do their homework. If it sounds too good to be true – then it is – even if you are reading about it in the media. In addition, just because there are no negative articles or reviews does not mean it is above board. Therefore, financial social workers must educate individuals and families on spotting potential financial scammers and make them aware of some scammers' modus operandi.

##### *Advocate role*

Advocacy means to speak up, plead the case of another, or champion a cause (Patel, 2015). According to Kirst-Ashman and Hull (2018), social workers acting as advocates must know many things. They need to know the rights of clients and the avenues of redress available to clients. To achieve the socio-economic recovery agenda by families, financial and social workers need to advocate for those families that lose their businesses and livelihoods due to the ongoing problem of electricity load shedding within our communities. In support of this observation, Inglesi-Lotz (2023) states that South African households have been affected by load shedding for over a decade. Low-income households are the most heavily impacted by unreliable electricity supply, rising electricity prices, and lack of financial means to absorb such shocks, subject to their living conditions. In addition, a study by Debt Rescue revealed that 93% of South Africans have been forced to throw away food spoiled in refrigerators during load shedding. In comparison, 38% have had to replace their fridge due to damage caused by power outages (Stubbs, 2023). This is a classic example of how financial and social workers must advocate for the recourse of their clients affected by load shedding. This is because load shedding affects the socio-economic recovery conditions of families that were negatively affected by the COVID-19 pandemic.

##### *Counsellor role*

The fact that the deteriorating socio-economic conditions of families affect their psychosocial functioning is not doubtful or disputed in this paper. This paper argues that financial and social workers must carry out the counselor role when working with families to address their socioeconomic conditions. This is because social workers have a long history of working with families, which predates the emergence of family therapy as a practice modality (Shulman, 2016). Financial social workers need to offer counseling services to families to assist them in dealing with the financial effects of COVID-19 on their socioeconomic conditions as well as their mental health. There is no doubt that given that families lost their loved ones due to death associated with the COVID-19 pandemic, they are not only psychosocially affected but also economically affected due to the pandemic. This is because some of the breadwinners are deceased, creating a financial vacuum within the families, while others lost their employment due to the closure of some businesses and organizations. Therefore, the role of the counselor is of paramount consideration by the financial and social workers in their intervention.

#### Policy Considerations

The subject of strengthening socio-economic recovery efforts implicates the need for financial social workers to assess and make inputs on financial policies decided by the country. According to Miley, O'Melia, and DuBois (2017), social policy analysis involves studying and evaluating public policies that address citizens' needs or redress identified social

problems. The current situation in South Africa is that the socio-economic conditions of families are deteriorating, and one of the policy measures to address this is the Social Relief of Distress grant, which is currently R350.00 and is not enough and sustainable. Therefore, financial social workers need to enter the policy debates on whether there should be an increase or the need to find alternatives that will not encourage dependency on government grants to assist families. The truth is that any sustainable and ideal socio-economic recovery measure to address the aftermaths of the COVID-19 pandemic should be inclusive and enable the financial growth of individuals and families.

Lastly, the policy considerations arguments advanced in this paper is that considering the importance of strengthening the socio-economic recovery of individuals, groups, families, communities, and the country, financial social work must be considered and registered by the South African Council for Social Service Professions as one of the fields of specialization within the social work profession. No community or family development can occur without comprehensive and inclusive financial interventions. To this end, financial social work remains more relevant than ever, given the difficult socio-economic conditions unique to South Africa and the world.

### Education Considerations

Establishing institutions that educate and train new social workers is, without doubt, a critical component of the social work professionalization project (Sajid, Baikady, Sheng-Li & Sakaguchi, 2021). Given that socioeconomic conditions of individuals, groups, families, and communities are evolving due to different dynamics, and in the context of this paper, different dynamics such as the Covid-19 pandemic, increasing fuel prices, and wars between countries such as Russia and Ukraine, and Israel and Palestine, which affect other countries including South Africa. It is necessary that the social work curriculum in South African universities also evolve to train social workers to address contemporary issues, including strengthening socio-economic recovery efforts to enhance the social functioning of families. To this end, this paper makes a noble recommendation that higher education institutions in South Africa should embrace and integrate financial social work within their curriculum. In addition, short courses and postgraduate programs on financial and social work should be developed to accommodate and train social workers who are already in practice so that they may improve their interventions that address the socio-economic conditions of families.

### CONCLUSION

This paper has highlighted some of the socio-economic conditions of families within the South African context. This paper is an important contribution to the body of literature as it has attempted to trigger debates and document literature on the relevance and role of financial social work within the South African context. It has been written at a critical juncture when the socio-economic conditions of South Africa and the world are affected by various factors such as load shedding in South Africa, the war between Russia and Ukraine, and the ongoing war between Israel and Palestine. All these factors are, without any doubt, worsening the socio-economic conditions of families worldwide. Note the effects of the COVID-19 pandemic, which has affected the Sustainable Development Goals agenda.

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