



STATEMENT: UBIC opposes the draft amendments to the SRD regulations which contradict government’s public commitments, and will harm the most vulnerable

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The Minister of Social Development on Wednesday published draft amendments to the regulations governing the Covid-19 Social Relief of Distress (SRD) grant.

The main function of the amendment is to give effect to the announced extension of the SRD grant until 2025. However, the government is also taking the opportunity to propose further punitive additions to the grant regulations which are likely to cause harm to beneficiaries. At the same time, they have again failed to take action on the inadequate value of the grant, or to address the exclusionary provisions which have prevented millions from accessing the grant.

This directly contradicts government policy laid out by the President less than two weeks ago, when he said in his State of the Nation Address (SONA), “We have seen the benefits of the [SRD] grant and will extend it and improve it as the next step towards income support for the unemployed.”

The Universal Basic Income Coalition (UBIC) has repeatedly alerted the Presidency and government institutions that the grant falls short of providing the most vulnerable with adequate social assistance. Due to inflation since 2020, the R350 value of the grant now amounts to well below half of the food poverty line. That means it is less than half of the minimum amount needed to avoid starvation.

Two of our members (IEJ and #PayTheGrants) have already brought a legal action to challenge the exclusionary management of the grant, and the retrogression of its value. Despite the weight of evidence supporting the importance of increasing the grant amount and expanding coverage—as well as government’s constitutional obligations—decision makers are choosing to persist with the retrogression of the grant, forcing more people into food poverty. This will continue to be challenged via court action. Previously another of our members, Black Sash, also had to turn to the courts with an urgent application to challenge the slashing of the means-test for the grant.

The government is proposing to add further punitive clauses to the regulations. This includes giving itself the power to recover monies from beneficiaries if they are seen to have benefitted “irregularly” or were not entitled to benefit. It is unclear how this will be applied, and we are

seeking legal advice as to whether this may have adverse consequences for beneficiaries. It is DSD and SASSA's responsibility to fairly assess whether an applicant is entitled to benefit, before a grant is paid, and we are concerned about the possibility of deserving beneficiaries being prejudiced by DSD and SASSA changing their decision retrospectively. Given the already high rate of unfair exclusion from the grant, it is imperative that this clause does not provide further avenues to exclude people in need. In addition the recovery of monies already paid could result in significant financial hardship, debt, and hunger.

The high rates of exclusion from the grant are the direct result of National Treasury pressurising DSD and SASSA to keep below an arbitrary and inadequate budget allocation. This has resulted in consistent underspending on the grant, which has been used as a justification to further slash the budget.

A further addition to the regulations states that the government will cancel applications that have not been paid out after 90 days if the reason for non-payment is that the applicant is not traceable or has not updated their details. This is concerning given that a very significant proportion of successful SRD grant applicants are affected by non-payment—not as a result of their own actions, but due to the poor administration of the grant by DSD, SASSA and their payment partners.

The most recent data we have available shows that about 13% of beneficiaries experience non-payment. A significant driver of this at the moment seems to be SASSA checking beneficiaries against inaccurate “fraud” databases, and requiring them to go through complex processes to prove their IDs are not fraudulent. With this new clause DSD and SASSA seem to be attempting to shift the blame for their inadequate systems on to beneficiaries. The government must clarify whether this new clause means that all payments pending after 90 days will be cancelled, and if not, under exactly which circumstances SASSA will be allowed to cancel payments.

Finally, we want to point out that these draft regulations are completely contrary to DSD's publicly-stated policy direction. In July 2023 in a presentation to civil society groups, DSD stated: “The current amount of R350 has not been adjusted to keep pace with inflation since the introduction of the grant in 2020. In real terms this implies a decrease in the grant value individuals are receiving of around 16%. Increasing the grant to R500 or R663 a month would have a significant effect on poverty.”

We do not believe that DSD policymakers have drastically changed their stance since last July. Instead we believe that the Minister of Finance has used his veto power over social development policy in the context of the upcoming budget to force DSD to acquiesce with Treasury's preferred policy positions.

This overreach by Treasury, and clear impasse at the heart of government, literally takes food off the tables of millions of South Africans. Treasury has threatened to cut other grants or raise VAT to continue the SRD grant. This is nothing more than an attempt to pit vulnerable groups

against each other—there are other sustainable ways to fund increases to the SRD and Child Support Grant (CSG)—which has also received below inflation increases over the past few years.

We strongly urge the government to honour the President’s SONA commitments to extend and improve the SRD grant, and to work towards the implementation of a basic income grant as part of an inclusive development policy framework. We reiterate our call for both the SRD and the CSG to be increased to the food poverty line.

Our members will be making formal submissions on the draft regulations, which will be publicised in due course. The UBIC will continue to strongly oppose the retrogression in the value of the grant, and the exclusion of people in need, using all available avenues.

[ENDS]

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UBIC is comprised of the following organisations:

- Alternative Information and Development Centre (AIDC)
- Black Sash
- Basic Income Earth Network (BIEN) Africa UBI Observatory
- Children’s Institute, UCT
- Congress of South African Trade Unions (COSATU)
- Global Reformed Platforms for Engagement (GRAPE)
- RightfulShare An Income Movement
- Institute for Economic Justice (IEJ)
- #PayTheGrants (#PTG)
- Social Policy Initiative (SPI)
- Women on Farms Project
- Youth Lab