

NATIONAL SCANDAL UNFOLDS AS IT IS REVEALED THAT GOVERNMENT HAS FAILED TO PAY A SINGLE SRD GRANT IN APRIL AND MAY 2022

Civil society demands that government reverse the inhumane decision to exclude millions from the SRD grant and resolve catastrophic payment delays

"I'm from Eldorado Park where most people are unemployed and [the] R350 SRD grant has been on their lifeline. Most of these people now go to different extensions wherever there is a feeding scheme on that day. Sometimes they go more than two days with no food."

– Elizabeth Raiters, #PayTheGrants coordinator

Civil society has consistently been raising concerns about multiple problems that have been reported by beneficiaries, since payment of the Social Relief of Distress (SRD) grant was shifted to administration under the Social Assistance Act from the beginning of April. However we were shocked to discover over the last few days that **not a single SRD grant has been paid in April or May 2022. This is a scandal and a national disgrace.** While there had been problems prior to April 2022, over 10 million beneficiaries were being paid on a monthly basis. Government has now needlessly and recklessly reversed this achievement, and the poorest South Africans have been thrown into a catastrophic situation.

What this means is that:

- Around 11 million of the poorest, who had previously been paid the SRD grant, are no longer being paid the grant. This disastrous situation may affect around half the South African population (if you consider that each beneficiary could have around two dependents).
- Around R 8 billion has been withheld from people who are confronting hunger and desperation, at a time when unemployment continues to rise.
- Because of the multiple obstacles placed in beneficiaries' way – outlined below – only around 10 million applied at the end of May 2022, compared to the over 15 million who applied at the end of March 2022 (with 11 million successful) according to SASSA figures.
- New conditions imposed unilaterally – outlined below – mean that a large number of people who previously qualified for the grant, will no longer qualify.
- Administrative chaos and bureaucratic obstructionism – including a failure to put the necessary systems in place – means that, although the government has said people will be paid by mid-June, there is little confidence that the government will resolve all payments by then.
- Government has reneged on its commitment, made in SONA, and subsequently repeated on multiple occasions, to extend the SRD grant from April 2022 to at least the end of March 2023.
- There has been zero transparency about this crisis, nor an apology to the millions plunged into destitution as a result of the reckless and irresponsible actions which led to this grave situation.

Civil society is therefore putting the government on notice for their failures with regards to income support which are resulting in widespread suffering. The President in his State of the Nation Address in February 2022 announced the extension of the SRD grant from March 2022 to March 2023, but due to bureaucratic heel-dragging including from National Treasury (who failed to secure the necessary agreements with the banks), and general administrative chaos, **Department of Social Development (DSD) and South African Social Security Agency (SASSA) still haven't resumed payments.** Now, people who have relied on this government assistance are growing only more desperate – for answers and for their entitlements.

The SRD was initially provided under regulations pertaining to the National State of Disaster. When the State of Disaster ended, DSD halted application processing for April without explanation, despite the fact that they were clearly mandated under transitional measures gazetted on April 4. We were later told that this is because the transitional measures were incorrectly drafted.

Now, under regulations released on 22 April 2022 there are significant changes to the criteria including a slashed means-test, dropping the income eligibility threshold from R595 previously (assessed on appeal), to R350. That means that applicants will only be approved if their existing monthly income is under R350 (including assistance from family). In a briefing to the Portfolio Committee on Social Development, The Minister of Social Development confirmed the reason for the tightened criteria was that Treasury has woefully underfunded the grant. **The Minister has confirmed that, while 13.4 million people in South Africa have no income and 18.3 million live below the food poverty line, the budget allocation for the Social Relief of Distress inexplicably and unjustifiably provides for only 10.5 million people to receive assistance. This is also 400,000 fewer than the number of approved applications as at March 2022.**

Zimbali Mncube from the Institute for Economic Justice notes that, *“Rational policy making should be informed by empirical evidence of need: if a legal entitlement is extended, then the appropriate budget needs to be allocated to ensure that everybody who qualifies for that entitlement, is able to receive it.”*

HUNDREDS OF THOUSANDS DISQUALIFIED

Under these new regulations, hundreds of thousands of grant beneficiaries may now find themselves disqualified from assistance they have relied on to survive. Treasury and DSD have placed a significant number of the most vulnerable in a precarious and inhumane position. DSD has failed to respond to the comments on the draft regulations made by civil society and, to the contrary, have introduced more exclusionary criteria in the application and payment processes.

Without prior notice, grant beneficiaries were told on April 22 that they would be required to reapply for the grant under these restricted criteria, and that they had seven days to do so in order to receive their April entitlement. Millions of people scrambled to navigate the new, complicated online application system. An application system that is only available in English. Even those who had access to a smartphone and data

struggled to successfully lodge applications. Some struggled to understand or supply the detailed personal information required, and abandoned the process in despair. **Six weeks later, not a single applicant has been paid, and the applications that were successfully lodged are still “pending” approval.** Community representatives have told our organisations that people have been left unable to buy basic necessities such as mealie meal, and are struggling with suicidal thoughts.

Additionally, communities are reporting that the system is only accepting South African IDs, and that qualifying refugees and asylum seekers are struggling to apply. We hope this is not the government's way of excluding asylum seekers, refugees, and special permit holders. We call for urgent clarity on this from the government.

Kgothatso Sibanda, from Black Sash, says: “lack of information nor communication from SASSA left me disenchanted and could not confirm nor reject what is mentioned. To date April 2022 statuses are pending and SASSA has committed to start with payments in mid-June which is worrisome. This really defeats the purpose of the grant and what is meant to do. This is the predicament that applicants find themselves in two years later after the first introduction of this grant.”

Tlou Seopa from amandla.mobi adds: “In our back and forth with SASSA trying to understand how the R350 grant now works under the new framework, it was clear that it now excludes even more people who need it. Anyone who gets an amount of over R350 in their bank account, regardless of where that money came from, is simply not poor enough to qualify for the grant. Sassa went to the extent of saying that the grant is not for ‘unemployed people’, but for people with ‘insufficient means’. What we are hearing from recipients is constant confusion about who qualifies for the grant. More than heartbreaking, the conditions of qualifying for the grant have become inhumane. The state is continuously failing the people.”

NO AGREEMENT SIGNED YET BY BANKS

We are extremely concerned by the role played by Treasury and the Minister of Finance in delaying the necessary agreement with banks. In a meeting with government officials at the end of April, civil society reps were told that the Ministry had delayed approval of protocols required to enter into an agreement with the banks, required to verify applicants status. Applications will not only be checked against the various government databases; they will also be verified to confirm that applicants have “insufficient means”. This can only be done by banks, who confirm whether an applicant’s ID is linked to any bank account which has received an inflow of more than R350 in the preceding month (excluding the R350 SRD grant). **The agreement with the banks has not yet been signed.** Given that the new regulations relied fundamentally on the facilitation of the banks, it is shocking that the details were not worked out with the banks, and agreement obtained, before they were gazetted. This means the unreasonably low threshold driven by austerity has created an administrative hurdle further delaying payments. The state does not have the

capacity to do means-testing and therefore has to outsource this to banks, an unnecessary use of resources that could have been directed to more beneficiaries.

RURAL CLAIMANTS DISADVANTAGED AS POST OFFICE CEASES PAYMENTS

SASSA and DSD have failed to take into consideration the needs of beneficiaries in small towns and rural areas. During this cycle, as hundreds of thousands were waiting for their approval messages, SASSA unexpectedly announced that payments would no longer be made from the Post Office, but from big retailers and banks. These outlets have a small footprint outside of urban areas. This decision excludes thousands of the most vulnerable individuals who rely most heavily on this meagre form of income support. The DSD in parliament last week stated that this issue with SAPO 'only' affects around 4-5% of beneficiaries. But this is still a huge number of people: 400,000-500,000, many of whom may not have alternative means of payment, and this remains unacceptable.

DEMANDS

In order to rectify their failures with regard to the R350 SRD grant and mitigate the already horrifying consequences of what has taken place, we demand the following:

- An immediate lifting of the income eligibility threshold from R350 to R624, the food poverty line
- An immediate lifting of the budget cap of R44 billion to cater to all who qualify for the SRD accordingly
- Reinstate Post Offices as outlets to receive the R350 SRD grant
- Immediately approve and pay all outstanding beneficiaries, including those who were approved for the grant last year and have still not received their payment
- Remove the clause forcing applicants to re-apply every 3 months
- Identify the causes of broken and inefficient administration processes, and find speedy and practical solutions to rectify these
- Increase SASSA's capacity to administer the SRD grant effectively and timeously
- The President, together with DSD, SASSA, and National Treasury engage immediately with Civil Society stakeholders to develop a policy plan to replace the SRD grant with permanent social assistance for the unemployed working towards a Universal Basic Income Grant of at minimum the Upper Bound Poverty Line

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