

Civil society coalition rejects National Treasury scheme to terminate income support for adults

Civil society organisations campaigning for basic income are becoming increasingly alarmed by the fact that National Treasury seems determined to unilaterally, and secretly, push through a woefully misguided and unfeasible proposal for income support: the so-called *family grant*. We have become aware of this proposal circulating in government in recent weeks but had largely assumed that it would be rejected because of its exclusionary nature, its deeply patriarchal bias, and quite simply, because it is unimplementable for multiple reasons.

Provision of access to social security and social assistance for those unable to provide for themselves and their families is a Constitutional obligation on the state. Study after study undertaken in the wake of the Covid-19 pandemic, as well as beforehand, has demonstrated the urgent, profound and almost universal need in South Africa for income support, a country of vast inequalities.

But Treasury seems determined to go ahead with this reckless and probably unconstitutional plan in the run-up to the MTBPS. Currently, the overwhelming call by civil society, and supported by the governing party, is that government should extend and improve the Social Relief of Distress (SRD) grant from April 2022, as a basis to introduce a Basic Income Guarantee for the 18-59 age group. Yet to prevent this, Treasury is now proposing to terminate the SRD grant being received by over 9 million people and replace it with a 'family grant'; supposedly modelled on the Brazilian *Bolsa Familia*, which will only be given to the 'head' of a family household. Millions will be excluded, as information suggests that this grant would only be extended to 1 million households. This will be disastrous and must be decisively rejected.

Is the Brazilian Bolsa Familia experience one to emulate?

[Research by Stephen Kidd](#) of Development pathways shows that, despite the significant role played by this program, it has taken many years, and extensive administrative systems to roll out the grant. Despite these systems, there is an exclusion rate in the Brazilian *Bolsa Familia* of 44-51% of the poor. In other words, 44-51% of intended beneficiaries are excluded because of difficulty of implementing the targeting of poor household.

There is also extensive corruption associated with registration of households.

The proposal is anti-poor and fundamentally flawed

Treasury's proposal that a grant should be targeted only at household heads, not household members, is anti-poor, as it will radically reduce the number of beneficiaries, at a time when hunger, poverty and unemployment has been worsening.

Further, if implemented, it will have a devastating effect on women and children, and will cause multiple administrative inefficiencies, and room for corruption. These many flaws include:

- The family grant proposal lessens the poverty reducing impact of households pooling a number of individual grants (a common feature of the SRD grant), as they would now only receive one.
- It will deepen dependency of household members on the 'head of the household', and worsen gender power imbalances, and GBV. Even if the grant is awarded to a female head, this deepens tension in the household as individual adults no longer receive the grant.

-The proposal does not directly account for household conditions or number of dependents – and will be skewed against women-headed households carrying heavier burdens. It is impossible to determine the number of dependents a household head is responsible for, so the grant is a horribly blunt instrument (unlike the grant to adult individuals).

-Because of a range of historical reasons, tied in part to our apartheid past, migrant labour system etc., there is not a single, clear definition of a ‘household’ or ‘family’ in South Africa. In many respects households are fluid and porous in nature.

- The family grant would be administratively impossible to implement effectively, confronting challenges of informal dwellings, proof of residence, with no usable database or household registry required for roll-out of such a scheme. Plans to roll out such a registry would take many years - time that we don’t have given the critical nature of the current situation. Our understanding is that the research done for Treasury by SALDRU on the family grant concluded it was not feasible.

- Because the proposal will remove the SRD grants of so many people currently receiving it, it is a regression on the constitutional obligation to progressively realise the right to social security for all, and therefore is prima facie unconstitutional.

Meanwhile, the positive economic and social impact of the SRD grant has already been clearly proven, with the research showing this already shared in National Treasury and other social partners.

Government must reject this problematic proposal, and ensure open transparent engagement

Together with our allies, we will:

- Formally communicate our total opposition to Treasury’s proposal to the Presidency, and relevant departments
- Call on fraternal organisations and concerned individuals to join us in rejecting this plan
- We will consult with organisations about the option of mobilising mass protest, if this proposal is taken forward
- Seek legal advice on the constitutionality of this proposal, given that it reverses existing grants, and excludes large sections of those needing income support
- Call on parties, including the ANC to clarify their position on this, in the run up to the November 1 elections
- Intensify our campaign for extension and improvement of the SRD grant and introduction of a Basic Income Guarantee

We demand an end to secretive, closed door policy discussions, driven by technocrats, and selected researchers. There must be opening up of public discussion on policy options, transparency on research being produced for government, and establishment of mechanisms for input by society on pathways to a UBIG.

Issued on behalf of Institute for Economic Justice, Black Sash, Studies in Poverty & Inequality Institute, Amandla.mobi and #PayTheGrants

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