

Media Statement

Civil Society Meets President On Extension of R350 SRD Grant and Pathways to BIG

24 January 2022

On Tuesday 18 January 2022 our civil society collective [met with President Cyril Ramphosa](#), Minister Lindiwe Zulu and Minister Enoch Godongwana. The meeting was about the urgent need for permanent income support for the growing millions of poor and unemployed people in South Africa and followed multiple requests, made over the past two years, for direct engagement with the Presidency and Cabinet Ministers. The meeting marked a significant milestone in closing the gap between civil society and the state and we were very pleased with the President's receptive and engaging approach throughout. We discussed extending and improving the R350 Covid-19 Social Relief of Distress (SRD) Grant as well as policy pathways for implementing a Basic Income Guarantee (BIG).

We jointly acknowledged government's decisive action to implement the R350 SRD Grant, which currently provides a lifeline for about 10.3 million people, the unparalleled reach and speed at which it was implemented as well as its positive effects. In the absence of the SRD Grant, poverty would have been 5% higher among the poorest households, and receipt of SRD increased the likelihood of job search by 25 percentage points. About 36 million people benefited directly or indirectly from the Covid-19 SRD and the Caregivers' grants. Evidence from the Gender Commission further shows that both grants helped some women escape violent households and abusive relationships, while also drastically reducing malnutrition which is widely experienced by women. Yet, with the R350 SRD Grant's extension not accounted for in the 2021 Medium Term Budget Policy Statement (MTBPS), the burning question and urgency for our meeting is whether the Covid-19 SRD grant will continue post March 2022?

Our main recommendations include: immediately extending the Covid-19 SRD grant, expanding its eligibility criteria to reach more people, and increasing the amount to at least the Food Poverty Line (currently R624). Importantly, its current existence relies upon regulatory powers provided under the State of Disaster, which faces the growing possibility of cancellation. Therefore, if the SRD lifeline is not to be prematurely cut, it must now be extended via adoption in the Social Assistance legal framework until at least February 2023, or until a BIG is phased in. Both the President and the Minister of Social Development welcomed our request for further engagement.

The President also expressed his gratitude for the clarity that our presentations offered. These presentations raised concerns about the clear inability of existing employment programs to immediately create the scale of employment so desperately needed in the short to medium term. Job creation is key, yet we cannot afford to take dangerous policy positions that disregard the necessity of income support in our current context. Moreover, income support policies can play a significant developmental role in the longer run alongside such employment programmes. Our presentations highlighted, for example, the multiplier effect of a Basic Income Grant, estimated at

between 0.8% and 2.52%, which will provide much needed stimulation for our economic growth and recovery.

To ensure that civil society participates in deliberations concerning policies which impact the lives of millions of people, we recommended that a fixed term Multi-Stakeholder Task Team be formed for the immediate extension, improvement, expansion and increase of the R350 SRD Grant. We further proposed that a Presidential Expert Panel be appointed to review and consider existing research for the optimal design, infrastructure and financing for implementing a BIG in South Africa. We hope that the President and Ministers will waste no time in seriously considering and acting on these proposals.

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