

JOINT PRESS STATEMENT

CIVIL SOCIETY TAKES THE GOVERNMENT TO COURT FOR UNFAIR AND EXCLUSIONARY SOCIAL RELIEF OF DISTRESS GRANT REGULATIONS

THURSDAY 23 JUNE 2022

Civil Society is launching litigation against the government over the unfair regulations that govern the social relief of distress (SRD) grant. We are challenging the arbitrary means test of R350, which deprives millions of people in need of government assistance and regresses developments of the right to social assistance for hundreds of thousands who qualified for this assistance previously.

Despite promises to do so, the government is failing to engage with civil society to develop pathways for the introduction of a permanent universal basic income grant (UBIG) from March 2023, a vital policy which would benefit the economy and lift millions out of abject poverty. This strategy needs to be combined with, and will help reinforce, a plan for job creation.

The Black Sash Trust, represented by the Centre for Applied Legal Studies (CALC), has approached the High Court in Pretoria, challenging unconstitutional elements of the regulations, which place an unfair burden on the millions of people who are still feeling the social and economic effects of the COVID-19 pandemic most acutely.

We will read a brief statement about the current situation and then invite questions from the media.

The South African Constitution guarantees the right to social assistance for those unable to support themselves and their dependents. Millions of people in South Africa are in this position through no fault of their own but because of an unequal and exclusionary economy. We believe this constitutional right will prevail, and the courts will uphold it.

We have attempted to engage with the government on the SRD grant crisis and pathways to address the issue over some months, including submitting detailed responses to the draft legislative framework for the SRD grant. The government ignored this feedback, and the final regulations introduced even more punitive restrictions on social assistance. There was no consultation with Civil Society on the retrogressive elements of these regulations.

If the government doesn't listen to our people, we hope they listen to the courts. On the medium-term pathways to Basic Income, government has reneged on commitments to engage, and failed to take forward agreements to schedule a follow-up meeting with the President by the end of June this year (following the constructive engagement we had with him in January).

Following the crisis with non-payment of the SRD grant, we wrote to the President on 10 June requesting an urgent meeting to resolve this; as well as to take forward our discussions on pathways to a Basic Income. We have not yet received a positive response to this request, and remain committed to taking forward this engagement.

On the immediate crisis with non-payment of the SRD grant: Not a single beneficiary has received the April and May payments for this grant cycle in mid-June as promised. But instead, only back-payments from August to November 2021 have been made due to successful appeals.

Last week we were disappointed to learn that those who have been waiting for SRD grant payments since April will wait months for the meagre amounts due to them.

Although the government has now begun paying SRD grants which were outstanding appeals from August to November 2021, they have not met the clear commitments made by both the President and Minister Zulu to pay the April and May SRD grants in mid-June. On 13 May, Minister Zulu told parliament, "I assure all qualifying applicants they will receive their payments for this iteration of the grant by June."

We have learned that SASSA intends to pay the April grants in July, and the May grants in August, although given the track record of repeated delays, there is no guarantee. The government has reneged on commitments resulting in another devastating blow to approximately 11 million people who rely on this grant to buy the most basic of necessities to assist with their survival.

The Department of Social Development (DSD) expects people to wait months to receive grants. Hunger does not wait, and the need to keep warm does not wait. The government must not ignore the poor.

This delay has caused widespread suffering and hunger. It is at its root the result of the decision by the government to cap the budget allocation for the SRD grant to only provide for 10.5 million beneficiaries. The result limits the availability of social assistance to fewer beneficiaries than the government's numbers show require social assistance. This decision is rooted in the strategy of austerity and choking social spending imposed on the country when we desperately need investment in our people to build a more sustainable, inclusive economy.

That pronouncement, in turn, required invasive and punitive systems to be put in place to police grant applicants' eligibility. To stick within its inadequate budget allocation, the government has decided that people can only receive the SRD grant if their income is below R350 per month. To put that in perspective, the food poverty line in South Africa is R624 per month—that's how much money is needed per person per month to stop you from starving. According to the government, 18.3 million people live below this line. There can be no justification for only 10.5 million people receiving the SRD grant.

Despite imposing this unfair system, the government did not adequately prepare for its implementation. DSD and SASSA planned to verify all applicants' eligibility by checking their bank accounts to ensure they did not have more than R350 income in the month. This system required the facilitation of the banks. Yet, concurrence from the Minister of Finance to facilitate this was only received on April 30th, and as at mid-June, agreement had not been obtained from all the banks. This failure on the part of the government to institute its means-testing system has resulted in the egregious non-payment of April and May grants. The systems designed to shut

people out of government assistance if their income is above R350, have in fact served to simply shut everybody out of government assistance. This is a grave indictment on the logic of means testing, and a clear argument for universal social assistance.

While we know that R350 a month is inadequate to survive given the rising cost of living, beneficiaries of this grant have used it to pool resources to stop people from dying of hunger. The government's failure to pay the grants has taken away a means of getting food on the table for the poorest of the poor.

In our court action, we are also challenging other aspects of the regulations which serve to exclude people. This includes the fact that applications can only be made through an online system. We are also challenging the fact that the regulations privilege bank verification information above other information from applicants verifying their eligibility. Finally, we are challenging the fact that the regulations prohibit any new information and evidence being provided when people appeal rejections for SRD grants.

The impact of this is that whereas previously (up to March 2022), an estimated 15.5 million people were applying monthly for grants, fewer than 10 million people made applications for social assistance in April.

Systemic hurdles have led to around 16 million fewer applications over three months which is devastating.

The Constitution also holds the government accountable for progressively realising the right to social assistance. That means that the government must gradually take steps to meet people's needs over time. We hold that there is one evidence-based and effective way to do this: a basic income guarantee for all in South Africa aged between 18-59.

The introduction of the basic income grant should be immediately following the expiry of the SRD grant in March 2023. It must be at a minimum, at the level of the food poverty line, rising over time to reach at least the upper-bound poverty line and effectively eliminate poverty in South Africa.

Extensive international evidence shows that investment in social protection has enormous potential to stimulate our economy and contribute to inclusive growth while upholding the dignity of our people.

There is robust evidence for the effectiveness of this policy, and modelling from respected economists in South Africa shows that it is feasible and achievable. As such, it is a fundamental obligation of the government. We will continue to mobilise allied stakeholders nationwide to realise this milestone for human development in South Africa.

BENEFICIARY/APPLICANT TESTIMONIES

People are struggling, and now on top of putting food on the table, getting the R350 grant has become more challenging. Beneficiaries have shared with us their experiences of trying to get the R350 grant, and here's is one example of how people

are 'not poor enough to qualify for the R350. **Yolanda** said she started receiving child maintenance money three months ago, above the threshold of R350 per month. She is worried that she will not be able to qualify for the grant considering her eligibility will be determined using her bank account. Should she continue receiving money for maintenance for her child through her bank account, she will never qualify for the grant, although she needs it as an unemployed caregiver.

While **Yolanda** is not considered 'poor enough' under the new SRD regulations, **Cecilia**, an applicant from Soweto, has been facing problems with the verification system. She recently changed her surname after getting married, and she could not get verified on the SASSA system. Cecilia did not have enough money to try claim her R350; on top of that, SASSA wanted her to travel from Soweto to a SASSA office in the Free State where she is originally from to get her surname verified. That would cost her more than R350 in one return trip!

It is not just Cecilia who has to find money to apply for the R350. **Maposhadi** tried applying for the grant, but her status always returned as incorrect. She is incorrectly listed as receiving benefits under the Unemployment Insurance Fund (UIF), which disqualifies her from receiving the grant. She has tried numerous times to reapply/re-appeal her status. When she tried again in April, she couldn't access the website, and she has not managed to reapply since then. The SASSA website has been a challenge for her. DSD and SASSA have now made the application process online-only. Unless you have a device that can access the internet, you can't apply.

The new R350 grant regulations not only exclude many people but have caused distress and confusion for many. One applicant stated: "I receive +-R390 monthly from a brother to pay my funeral policy, and I have R60. Now should I ask my brother to stop sending me each month for a funeral policy premium and pay it himself while he is doing me a huge favour? Has SASSA forgotten that monies coming into our accounts must cover those important things?"

The Treasury's underfunding of the R350 grant has contributed to these regulations, designed to make life even harder for those struggling to put food on the table. The launch of litigation is our last resort to continue holding SASSA, DSD and the Presidency accountable for failing to implement a R350 grant system that can be accessed quickly and timeously by all those in need.

Issued by: Black Sash; Centre for Applied Legal Studies (CALS); Amandla.mobi; #PayTheGrants; Institute for Economic Justice; and Social Policy Initiative (SPI).

FOR FURTHER COMMENTS AND MEDIA INQUIRIES

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