

ACCESS TO SOCIAL SECURITY INDICATOR PAPER

MONITORING THE
PROGRESSIVE REALISATION OF
THE RIGHT TO SOCIAL
SECURITY USING THE SPI THREE
STAGE MEASUREMENT
METHODOLOGY

SPI
SOCIAL
POLICY
INITIATIVE

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INTRODUCTION

The South African Constitution guarantees justiciable socio-economic rights including the right to social security, health, and housing.¹ Such protections are a powerful tool to prevent or, at the very least, alleviate poverty and inequality. South Africans continue to grapple with growing levels of inequality, however. Inequality persists for a host of complex and interrelated reasons. While inequality is rooted in the racist policies of apartheid, for instance, recent research shows that in the context of South Africa's labour surplus, powerful employers continue wage-setting practices that deepen inequality.²

Social security in essence is the guarantee of access to sufficient income across a person's life, from dependent child to adult with income – earning potential, to a retired older person. Contributions are both direct, such as contributions to a personal pension scheme, and indirect through taxed income or VAT at the till.

In this paper we focus on the social assistance leg of social security. Social assistance refers to the monthly cash grants paid by the state to people deemed to meet their eligibility criteria. Currently these grants are categorical, paid to children, older people, orphans and people living with disabilities, and targeted through means tests. Only in 2020, with the introduction of a Covid-19 related Social Relief of Distress Grant (the R350 grant), did government extend social assistance to able – bodied working aged people.

¹ Constitution of the Republic of South Africa, 1996, section 26(1).

² See Bassier, I. 2022. *Firms and inequality when unemployment is high* (<https://cep.lse.ac.uk/NEW/publications/abstract.asp?index=9610>)

The country has made significant progress towards the broadening of social security, particularly social assistance, since 1994, from a system that was racially segregated in terms of access to grants and the amount of grants.. But more is required of the state if it is to fully meet its Constitutional obligation to guarantee the right to social security. The Constitutional Court has been approached a number of times in various landmark cases regarding its lack of fulfilment on its obligation to fulfil access to social security. However, there have been limitations placed on socio-economic rights, in which they are subject to progressive realisation within available resources.³ The limitations have been a source of frustration for many in the country due to the lack of transparency and clarity on timeframes, the content of these rights, the proportion or coverage of people that must receive access over time or even how the state should finance access to socioeconomic rights (SERs.) One frustration for policy makers and oversight bodies is how best to advocate for social security and evaluate government programmes and budget allocations against the government’s constitutional obligation to fulfil the right to social security.

The Constitutional Court has been largely supportive of SERs, with 80% of rulings in favour of the applicants and asserting the state’s obligations to progressively realise SERs.⁴ However, there is still ambiguity regarding how to measure what “progressive” and “available resources” actually mean. There also appears to be some reluctance to accept that ‘universal’ enjoyment is a directive to the state rather than being an optional extra. Questions regarding the best way to pay for and sustainably implement SERs are an integral consideration on the progressive nature of fiscal and monetary policy, but ultimately remain political choices.

Budget analysis and statistical indicators can be used to measure SERs provision over time, giving stakeholders tools that can be used to hold the state accountable to progressive realisation, and to improve policy and its implementation. It is for this reason that Social Policy Initiative (SPI), with the support of the International Labour Organisation (ILO) and with the endorsement of Department of Planning, Monitoring and Evaluation (DPME), have developed indicators to monitor and evaluate the progressive realisation of social security, specifically social assistance in South Africa. The methodology developed by SPI builds on international best practice and combines various approaches to monitoring SERs.

For a broader outline of the objectives of the three step methodology monitoring tool, and anticipated use and users of the tool, see [‘A Framework for Monitoring and Evaluating the Progressive Realisation of Socio-Economic Rights in South Africa’](#).⁵



3 Constitution of the Republic of South Africa, 1996, section 26(2).

4 Dugard, J. 2017. Table of Socio-Economic Rights Cases of the South African Constitutional Court 1995-2017.

5 Dawson, H. 2014. *A Framework for Monitoring and Evaluating the Progressive Realisation of Socio-Economic Rights in South Africa*. Studies in Poverty and Inequality Institute.

2. THREE STEP METHODOLOGY

figure below). These steps include an analysis of the policy effort (Step 1) and the allocation and expenditure of resources for specific rights (Step 2). These two steps assist in monitoring and evaluating the attainment of rights (Step 3) on the ground through specific outcome indicators.



2.1 OBJECTIVE OF THE MONITORING TOOL

The three-step methodology provides a comprehensive framework to monitor and assess progress made to date. The purpose of the tool, however, goes beyond constitutional compliance and aims to achieve specific objectives:

- Clarify and unpack the content of the SERs and the obligations on the state to ensure access to and enjoyment of SERs is continuously broadened.
- Determine the extent to which organs of the state have respected, protected, promoted and fulfilled their obligations. This involves identifying achievements, deprivations, disparities, and regression to illuminate both causation and accountability in terms of policies, resources spent, implementation and institutional capacity.
- Provide evidence for advocacy initiatives and legal interventions, and make recommendations that will ensure the protection, development and universal enjoyment of SERs.

The three stage methodology provides a comprehensive analysis of the status of the right to social assistance twenty-eight years into South Africa's democracy.

This indicator paper develops statistical indicators on the state of social assistance in South Africa. It provides a clearer illustration of the enjoyment, or lack thereof, of the right to social assistance and provides evidence to evaluate the state against its constitutional obligation and to make recommendations on how to broaden access to social assistance.

STEP 1: ANALYSE THE POLICY EFFORT PAPER ONE

The first step of the analysis takes a closer look at the underlying policies and legislation guiding the realisation of SERs. This step firstly assesses whether the actual content of social and economic policies adequately reflects the Constitution and international treaty obligations and international standards that the state has signed or ratified.

Secondly, this step evaluates both the content and implementation of existing legislation, policy frameworks and government programmes to assess what gaps exist in principle and in practice. This assessment is based on a human rights framework that includes non-discrimination, gender sensitivity, dignity, participation, transparency and progressive realisation.

An important component of evaluating the policy effort is an assessment of the policy making process in terms of transparency and public participation in decision-making by relevant civil society organisations and communities specifically affected by the policy under review. Another important dimension is to analyse departmental responsibilities and institutional arrangements to assess the capacity challenges and accountability mechanisms currently in place.

STEP 2: ASSESS RESOURCE ALLOCATION & EXPENDITURE BUDGET ANALYSIS

The second step assesses the reasonableness of the budgetary priorities in light of the obligations on the state and human right principles and standards. This requires an analysis of firstly, the generation of government revenue. Secondly, it requires an analysis of the allocation and expenditure of such resources to reduce disparities, prioritise the most vulnerable and disadvantaged groups, and progressively realise SERs.

This step uses various budget analysis techniques to monitor planned (i.e. budget allocations) and actual resource expenditures at both national and provincial levels and therefore assesses the delivery and implementation of government policy and programmes as they relate to the realisation of rights.

Finally, it requires an analysis of the budget cycle process from the perspective of human rights principles of participation, non-discrimination, transparency and accountability. An assessment of resource availability cannot be separated from an analysis of institutional arrangements, human resources and local capacity which are necessary for the efficient and effective spending of budgets.

STEP 3: EVALUATE & MONITOR ATTAINMENT OR ENJOYMENT OF SERS BY PEOPLE OVER TIME - THE INDICATOR ANALYSIS

The third step measures the enjoyment of rights by rights holders and thereby monitors and evaluates the state's obligation to fulfil the realisation of SERs. This step evaluates the state's performance via the development of statistical indicators which provide a clearer and more specific illustration of SERs enjoyment on the ground over time. The outcome indicators make reference to the three dimensions of access (physical and economic), quality and adequacy over time. This requires that quantifiable and replicable indicators (proxies for the different dimensions of SERs) be developed along with agreed benchmarks and targets.

The indicators need to be aligned to data that is freely and easily available in annual surveys and data sets, and must be capable of being decomposed by region, race, gender and age – wherever possible and useful. This allows disparities between, for example, different population groups or geographical regions to be identified, and an assessment of the extent to which progress has been made over time.



STATUS OF SOCIAL SECURITY: WHAT THE INDICATORS TELL US ABOUT THE STATE OF ENJOYMENT OF THE RIGHT TO SOCIAL SECURITY IN SOUTH AFRICA

SPI monitoring of socio-economic rights provides a comprehensive analysis of government policies and budgets to track the lived experiences of people in South Africa. However, to provide a more holistic picture, SPI has developed indicators relevant to the right to social assistance that can be tracked and monitored over time.

3. STATUS OF SOCIAL SECURITY: WHAT THE INDICATORS TELL US ABOUT THE STATE OF ENJOYMENT OF THE RIGHT TO SOCIAL SECURITY IN SOUTH AFRICA

3.1 DEVELOPING INDICATORS FOR THE RIGHT TO SOCIAL SECURITY: SOCIAL ASSISTANCE

The process of developing the indicators began with a comprehensive review and analysis of international as well as national perspectives on the right to social assistance. This included examining current efforts to monitor and define the right social assistance in South Africa through engagement with key stakeholders in this area.

Meetings with civil society partners, United Nations agencies, government bodies, and social security experts were undertaken as part of the indicator development. The engagement with the various stakeholders confirmed that there is greater need for methods of evaluating governments progressive realisation of SERs in a quantifiable manner. Statistical indicators that measure the access, adequacy, and quality of social assistance provided by government, and assess government measures in conjunction with market forces, shed light on how far we have come as a country with regards to caring for marginalised people. The data goes beyond government programmes to the actual provision of social assistance and shows how grants are transformative in the lives of South African's or lack thereof. Without social assistance, the poverty gap would continue to deepen already unsustainable economic inequalities.

After desktop research and consultation with experts and stakeholders involved in social assistance programmes, a set of conceptual indicators was adopted. These were approved by the ILO, which SPI worked closely with in developing appropriate socio-economic rights monitoring methodologies. The indicators chosen represent aspects of the three key dimensions of the right to social assistance: access, adequacy and quality.

The criteria for selecting final set of indicators are the following:

- Availability of data
- Public interest in the data
- Data that measures progress made over time with regard to the SER

TABLE 1: INDICATORS FOR THE RIGHT OF ACCESS TO SOCIAL ASSISTANCE

GENERAL INDICATORS	ACCESS INDICATOR (Physical and economic)	ADEQUACY INDICATOR (to meet needs & standards)	QUALITY INDICATOR (impact on quality of life)
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1. Proportion of population living in poverty.	6. Grant recipients using bank accounts.	11. Increase of grant values relative to inflation.	16. Do grants holistically function as an income replacement, or: Do Social grant contribution to poverty reduction
2. Department of Social Development Expenditure.	7. Bank charges per grant	12. Population that is covered by at least one social protection benefit by sex.	17. Are grants transformative in the lives of South African's- documented impact on people's lives?
3. Population receiving social grants.	8. Physical infrastructure and access	13. Households below the poverty line before and after social grants	18. Grant values measured against poverty and decent standard of living lines.
4. Persons that are not receiving an income.	9. Travel costs	14. How does this compare with the decent standard of living (DSL)?	
5. Distribution of sources of household income	10. Move to digitalisation? What are the implications?	15. Comparative grant spend with countries with similar spending.	

3.2 GENERAL INDICATORS

These general indicators provide an analysis of whether the efforts made by the state meet the needs of the population – are enough resources being made available to pay enough beneficiaries enough money to secure their lives and dignity under current economic conditions.

INDICATOR 1: PROPORTION OF THE POPULATION LIVING IN POVERTY

Description: This indicator measures the proportion of the population living in poverty, as measured by the Upper Bound and Food Poverty lines.⁶ It also suggests the extent to which workers in different sectors of the economy are under threat of poverty.⁷

Sources: Poverty Trends in South Africa (Statistics South Africa), Finn, A. 2015. A National Minimum Wage in the Context of the South African Labour Market. A Southern Africa Labour and Development Research Unit Working Paper Number 153. Cape Town: SALDRU, University of Cape Town.



⁶ This is according to Statistics South Africa's latest official poverty measurements in 2015, when the Food Poverty Line was R441 per month and the Upper Bound Poverty Line was R992 per month.

⁷ We use the proportion of workers employed in different sectors of the economy who are living in poverty despite being employed. This is measured by individual wages of up to R4 125 per month in 2015 prices, the same year as the latest poverty statistics used in this indicator.

Poverty by Upper Bound Poverty Line 2006-2015

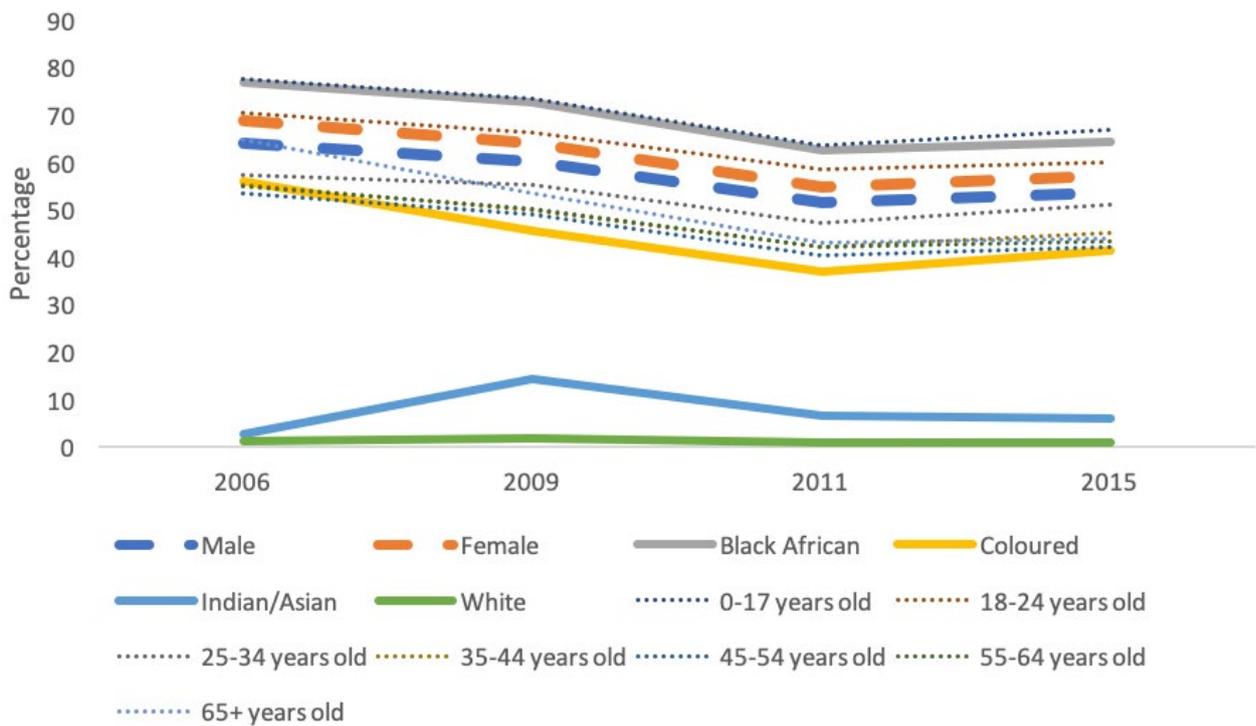


TABLE 2: PERCENTAGES OF CATEGORIES OF PEOPLE FALLING BELOW THE FOOD POVERTY LINE (R624 PPPM IN 2022 PRICES) IN 2015.

Poverty by Food Poverty Line 2006-2015

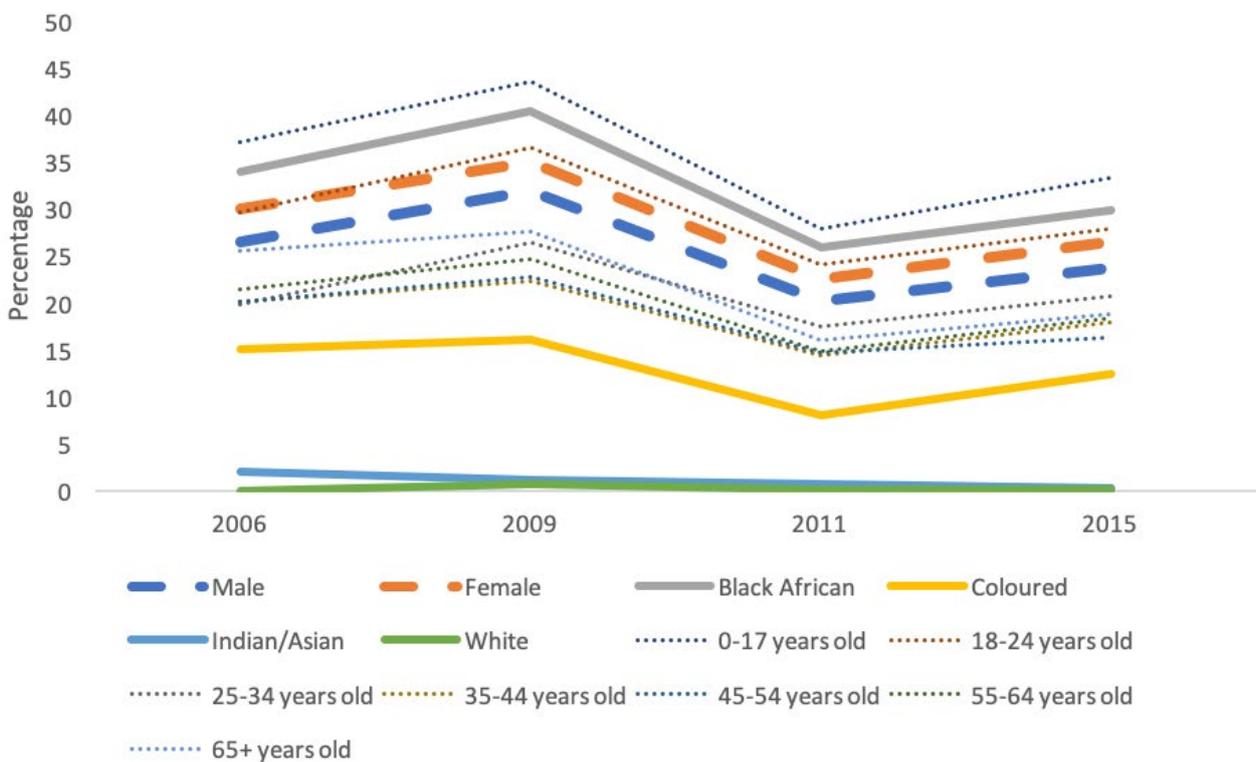
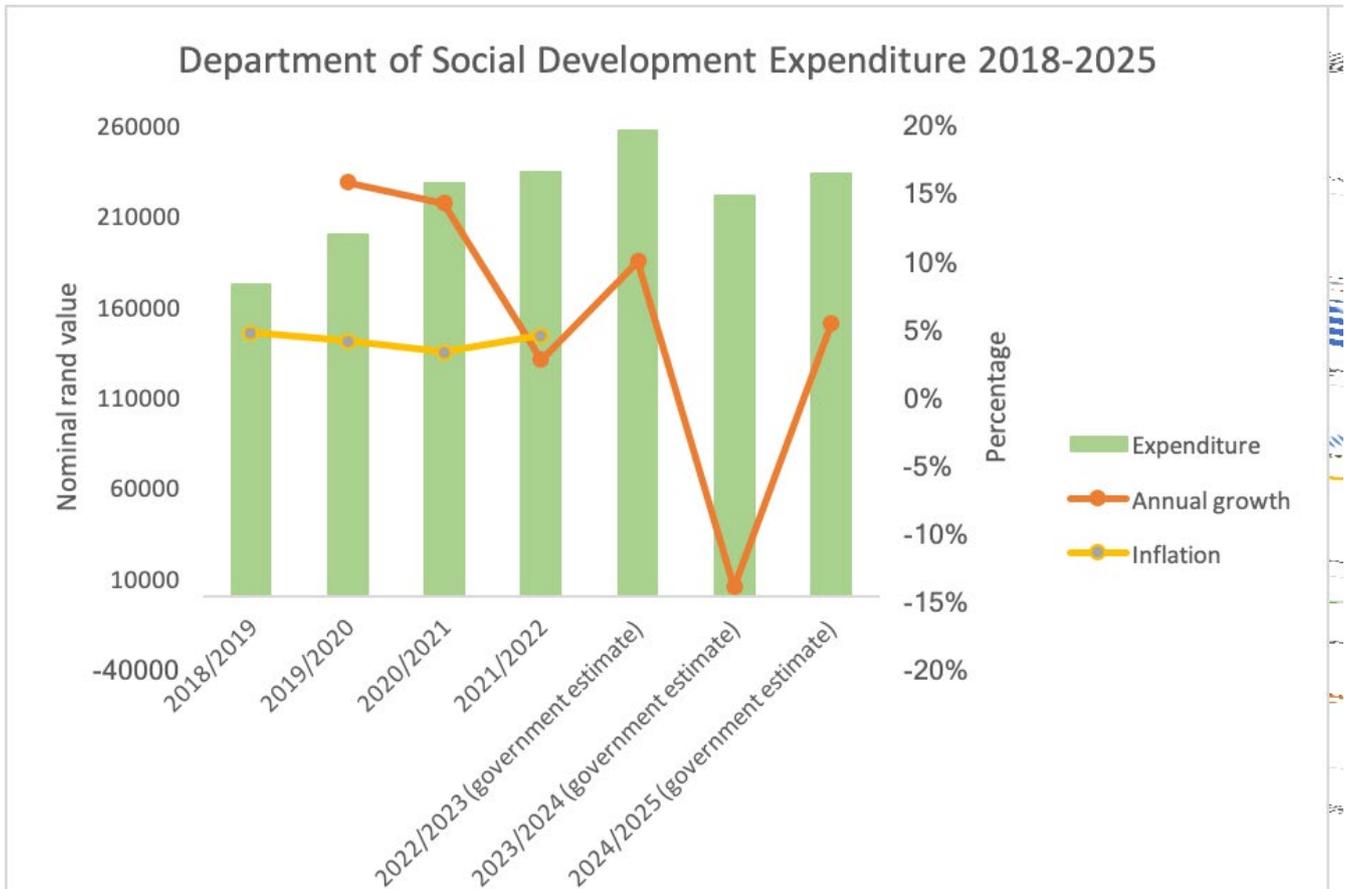


TABLE 3: PERCENTAGE OF WORKERS BY SECTOR EARNING BELOW THE WORKING POOR LINE OF R4 125 IN 2015.



Statistics South Africa’s most recent official poverty numbers showed that 55.5% of South Africans were living in poverty. More than a quarter of the population – 25.2% – were living in extreme poverty. Poverty in South Africa hues closely to the social divisions imposed by colonialism and apartheid. Black African people are poorer than so-called Coloured people who are poorer than White people. Women are poorer than men.

Poverty also has clear labour market dimensions, as demonstrated by the proportion of workers by sector living below the working poor line of to R4 125 in 2015 prices.⁸ The less likely a sector of the economy is to be unionised, the more likely its workers are to earn wages below the poverty line. When a slightly higher rand-value measure of poverty is used than the Statistics South Africa measurements discussed above, one in four workers in the heavily unionised mining sector were earning wages below the working poor line, while nine in every ten agricultural and domestic workers – sectors where unions are virtually non-existent – earned below that line.

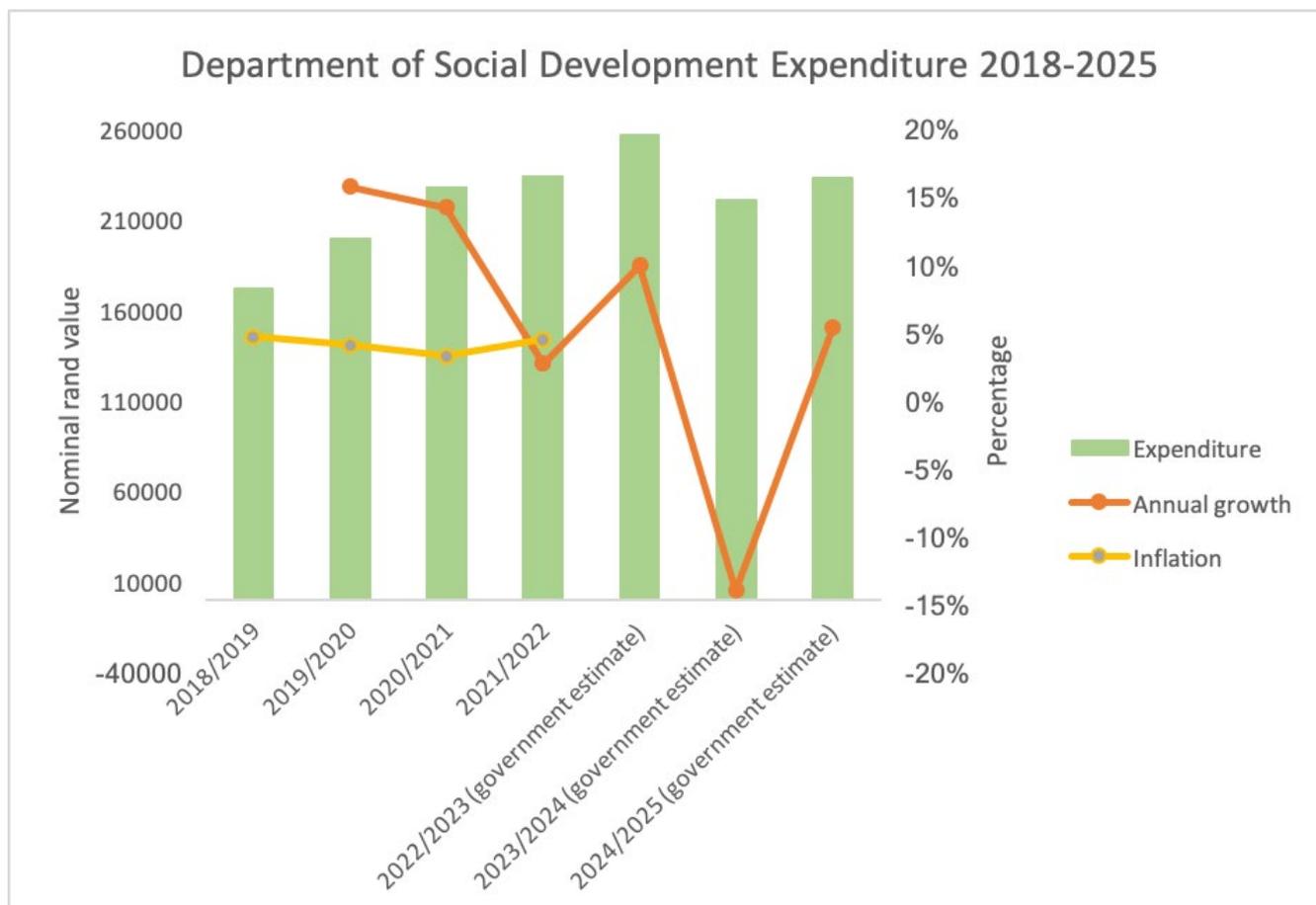
But perhaps of most concern are the depths and chronic nature of South African poverty. Even before the Covid-19 pandemic, extreme poverty was on the rise in virtually every sector of the population, except White and Indian/Asian people. Statistics South Africa should update the official poverty figures as a matter of urgency. While some estimates calculated dramatic increases in poverty due to Covid-19 lockdowns before some easing due to labour market recoveries,⁹ limits to the available data mean it is still impossible to say what the full impact of the pandemic has been on poverty.

INDICATOR 2: SOCIAL SECURITY SPENDING 2018-2022

Description: This indicator measures the state’s expenditure commitment to social security.

8 Finn, A. 2015. A National Minimum Wage in the Context of the South African Labour Market. A Southern Africa Labour and Development Research Unit Working Paper Number 153. Cape Town: SALDRU, University of Cape Town.

9 See for instance Jain, R. et al. 2020. *The labour market and poverty impacts of covid-19 in South Africa: An update with NIDS-CRAM Wave 2*. Cape Town: SALDRU, UCT. (SALDRU Working Paper No. 272)



Spending by the Department of Social Development since 2018 is indicative of the economic ravages brought about by hard lockdowns in South Africa’s response to the Covid-19 pandemic. Above inflation increases to spending from 2019 to 2022 are largely explained by the introduction of a transformative new grant in 2020 to South Africa’s social security system – the Social Relief of Distress Grant. The grant was ostensibly designed to target people with no means of supporting themselves when the economy was shut down and jobs were shed en masse. In practise, though, it was paid out to those who had not been formally employed for a long time, i.e. their distress was permanent and not directly caused by the Covid lock down. In a critical regard however this grant heralded a radical breakthrough, providing some security to a vast section of the population- able bodied working age adults - that until then did not qualify for any social grant, despite their need and constitutional right to social assistance.

There were and continue to be major flaws in the social relief of distress grant design and implementation. In a jobless economy where anyone earning below the Food Poverty Line of R624 per month could not reliably put food on the table, the value of the grant – R350 – was too low. Implementation errors also meant that thousands of people were wrongly excluded from receiving the life-saving money during the worst economic crisis in a generation. It is also deeply concerning that planned social security expenditure will fall below inflation again over the short to medium term, despite no signs of sustained economic recovery and growth.

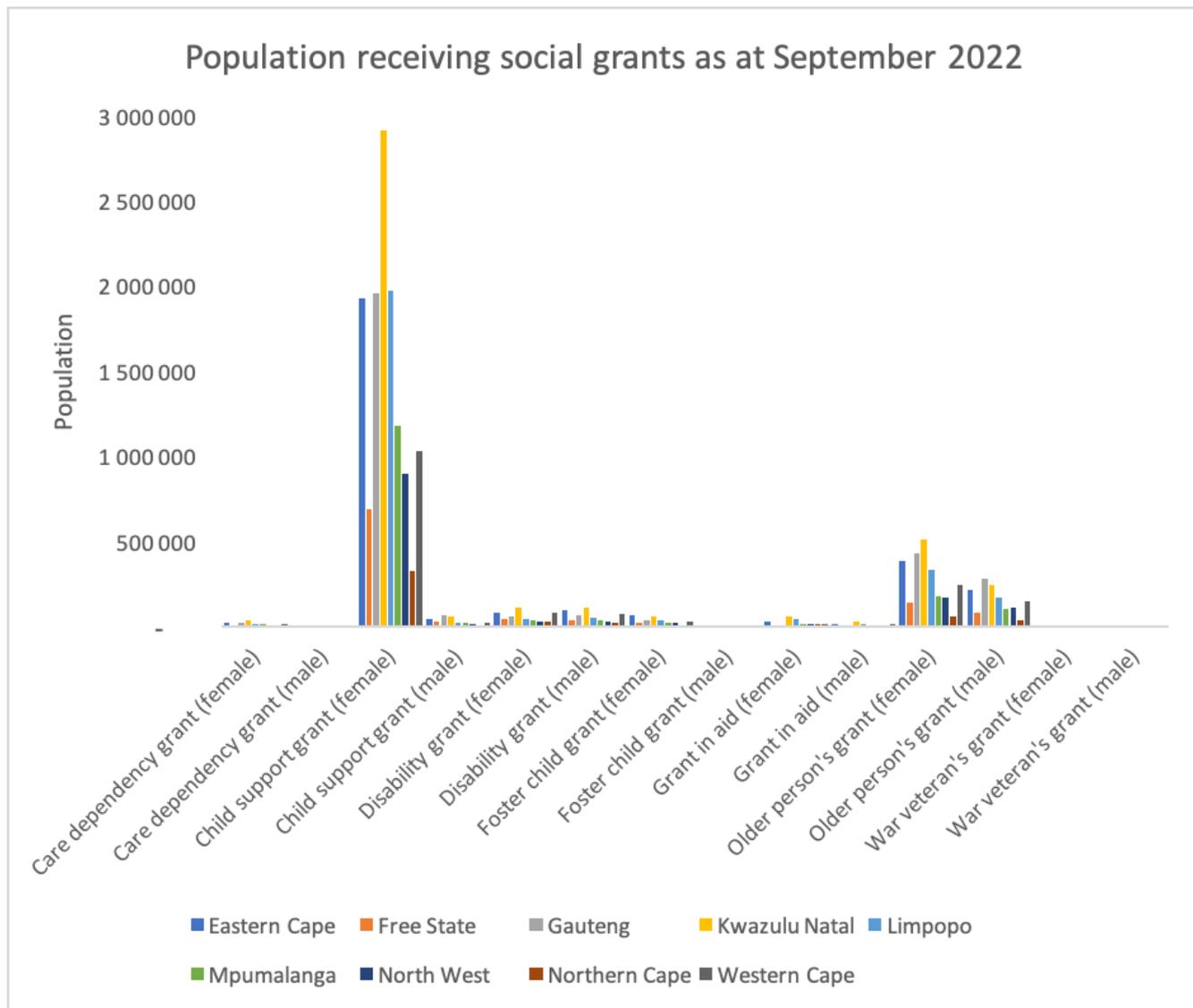
The social relief of distress grant was as much a political victory as it was a fiscal and economic one. Sustained and organised pressure on the state by civil society and organised labour federations, and especially the outbreak of widespread social unrest in July 2021, forced the state to pay the grant to more people and to extend it long beyond its initial expiry. The struggle for what will eventually replace the grant will be as pressing a political project, and may come to define South Africa for generations. One thing is clear: back-peddling on the ground made during the implementation of the social relief of distress grant is not an option. Options that the

National Treasury has modelled include expanding public employment programmes, extending the Social Relief of Distress Grant, increasing the value of the existing Child Support Grant, introducing a Basic Income Grant, or introducing a new household-targeted 'Family Poverty Grant'.¹⁰

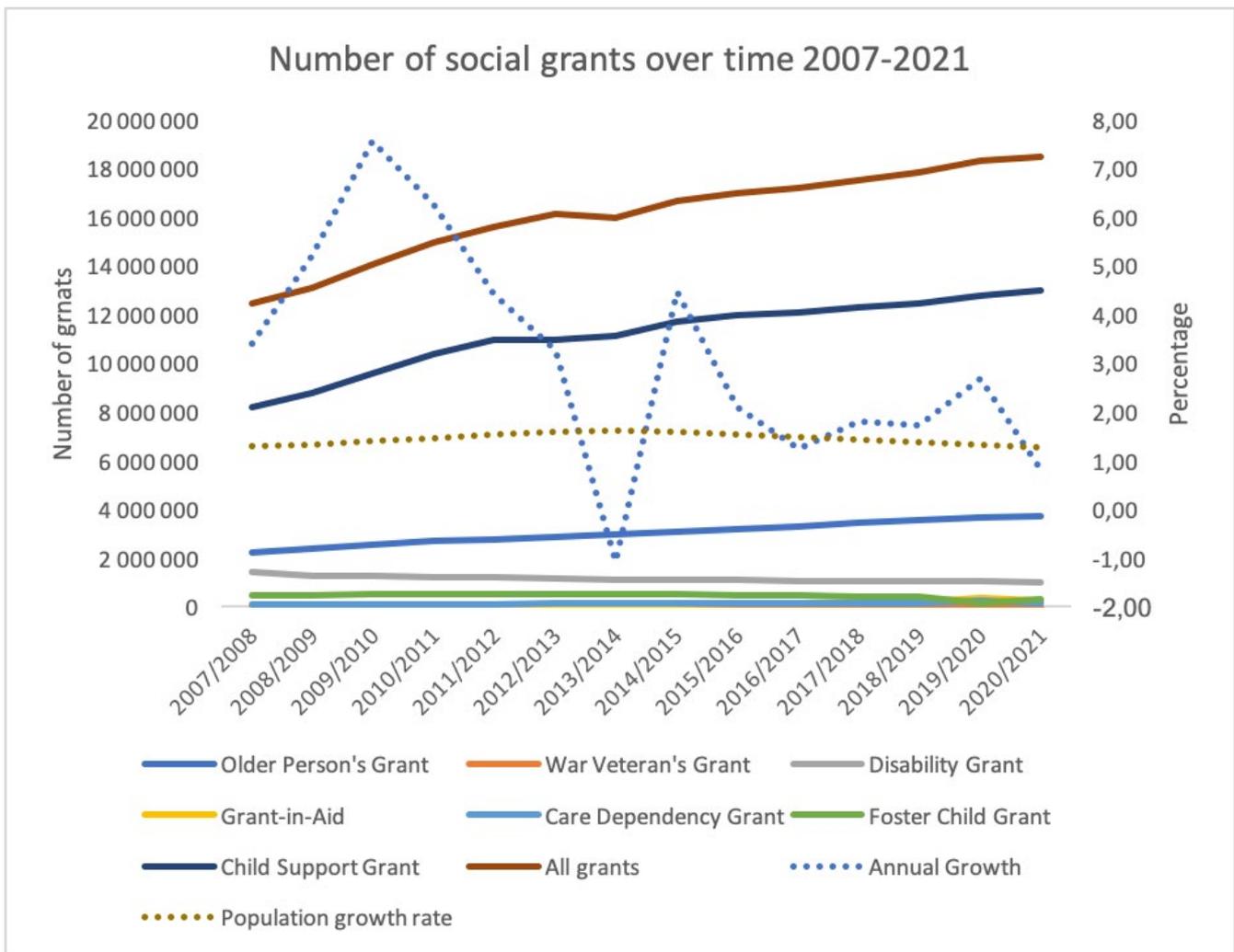
INDICATOR 3: PROPORTION OF THE POPULATION RECEIVING SOCIAL GRANTS

Description: This indicator measures the number of men and women receiving social grants in each of the nine provinces, and the increase in the number of social grants paid over time versus the South Africa's population growth rate.

Sources: South African Social Security Agency (on request), South African Social Security Agency annual reports and World Bank country data.



¹⁰ See Goldman, M. et al. 2021. *Simulation of options to replace the special COVID-19 Social Relief of Distress grant and close the poverty gap at the food poverty line*. WIDER Working Paper 2021/165. Helsinki: UNU-WIDER.



As the Policy Review sets out in greater detail, the South African social security system is highly exclusionary. Everyone has the right of access to social security in South Africa, but there is no legislated permanent categorical grants available for working age able-bodied people. That is the headcount cover of social security. Incremental increases to the categories of cover – children, older people and people living with disabilities, can be seen in the above table. In terms of adequacy of grants as income replacement, as we look at in Indicator 10 below, the system’s largest grant – the child support grant – remains well below the rand value required to keep beneficiaries out of extreme poverty, so the redistributive impact is greatly dampened. The value of the Child Support Grant in 2021 was R460, which was 56% below the Food Poverty Line of R624 per person per month.

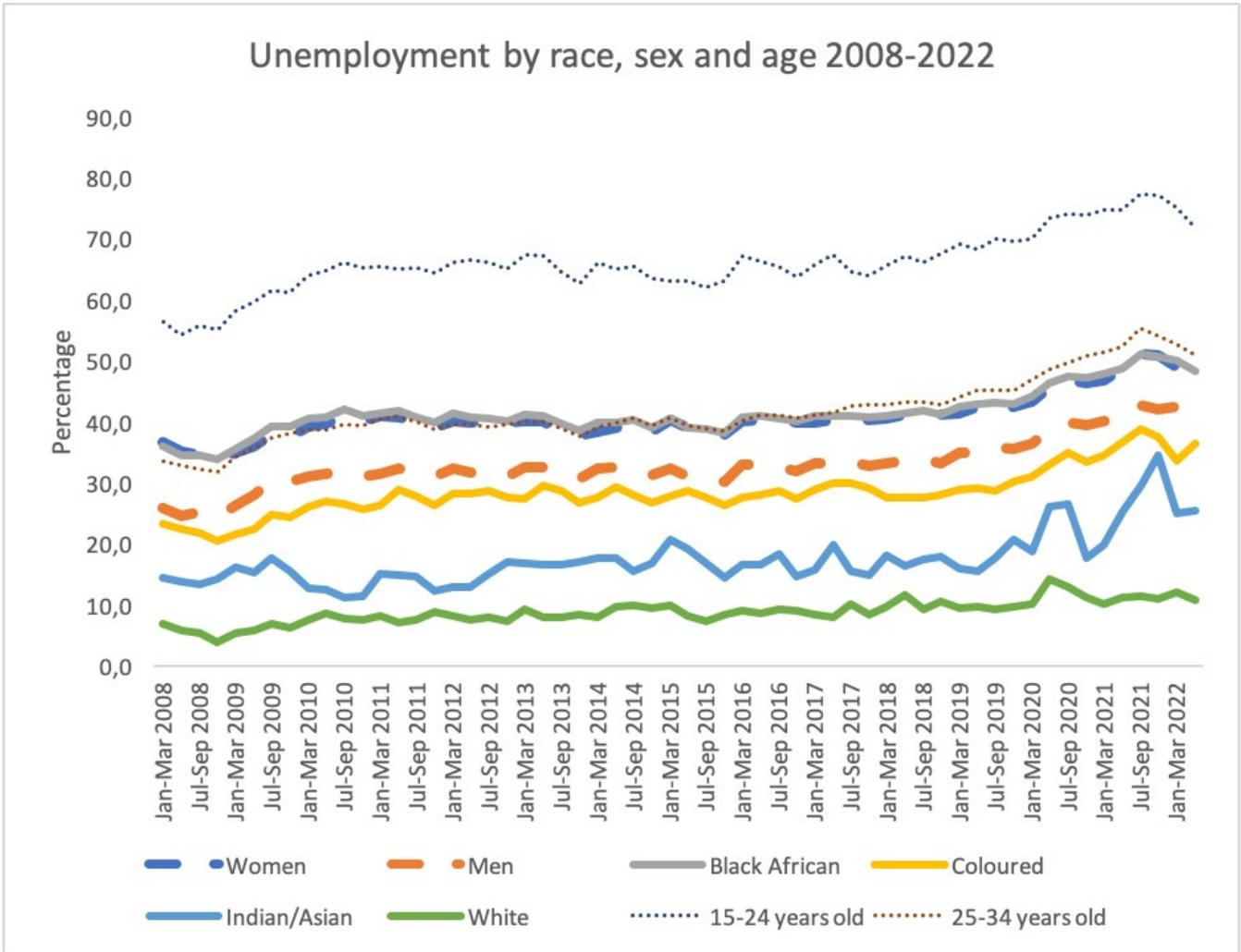
The geographical location of grant beneficiaries highlights the persistence of apartheid’s cruel homeland system, with the majority of beneficiaries collecting grants in KwaZulu-Natal, the Eastern Cape and Limpopo – a clear sign of the chronic levels of poverty and joblessness in these rural regions. The country’s most populous and wealthy province, Gauteng, however is also home to a considerable number of beneficiaries. It is worth remembering this geography of grant beneficiaries when considering why the social unrest in July 2021 found such fertile ground in Gauteng and KwaZulu-Natal, two of the country’s most desperate provinces.

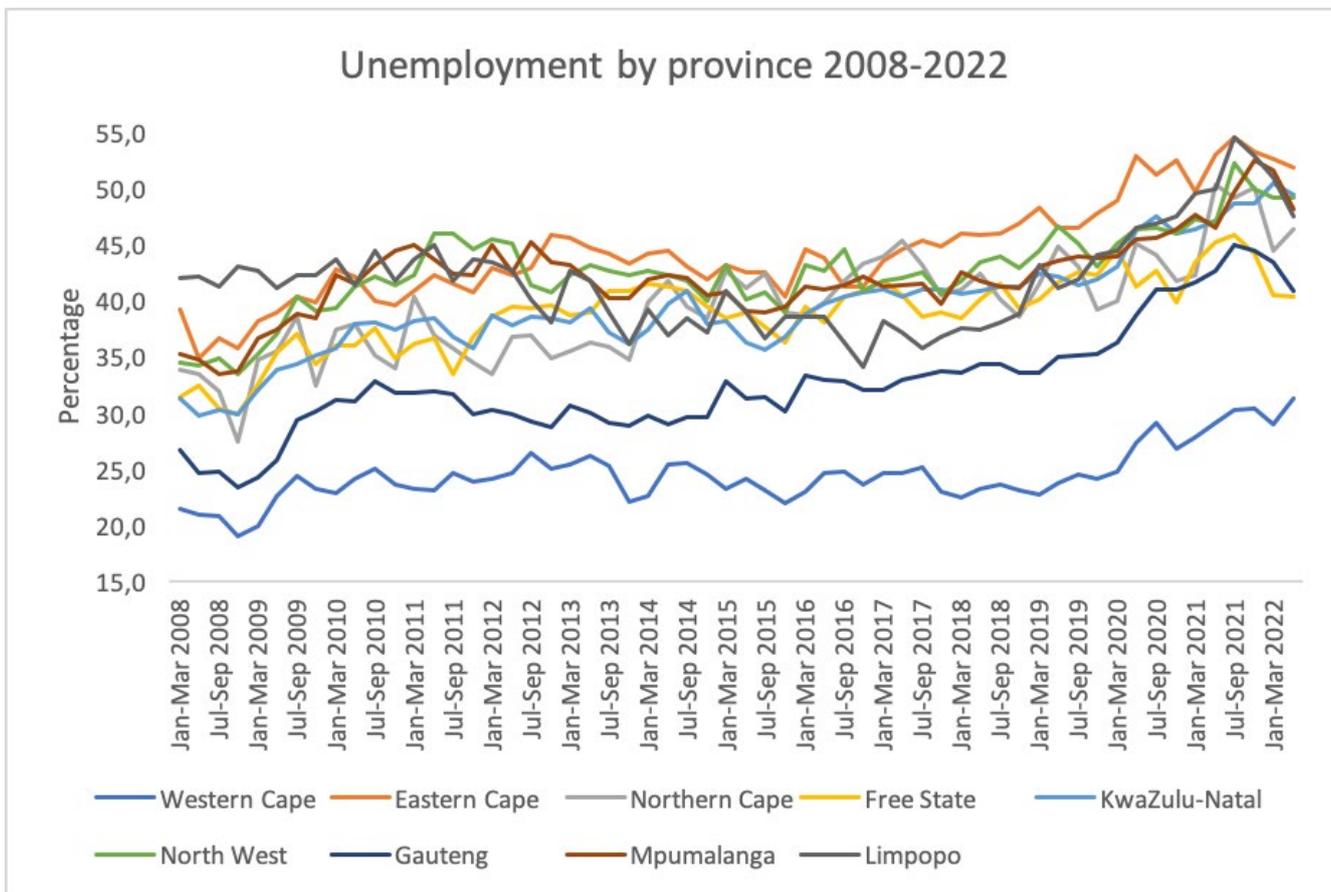
It is both encouraging and worrying to note that the rate of increase in the number of social grants paid over time has exceeded South Africa’s population growth. While this reveals both deepening poverty and economic desperation, it also suggests some measurable effort by the state to try and keep pace with it as its stated commitment to eradicating poverty and a main driver, unemployment, appear to come to naught.

INDICATOR 4: PROPORTION OF THE POPULATION WITHOUT A JOB 2008-2022

Description: This indicator measures the proportion of the population who are unemployed, including discouraged job seeker, and the composition of household incomes.

Sources: Quarterly Labour Force Survey 2008-2022 and General Household Survey (Statistics South Africa)





The South African labour market teeters on an unsustainable edge. Historically, societies suffering from levels of joblessness even approaching those now chronic in South Africa – particularly amongst the youth – have descended into food riots and revolution. More than 12 million people eligible to work cannot find a job in South Africa. But if South Africa’s job market was anaemic before the onset of Covid-19, these indicators suggest that the degree of destitution the pandemic has inaugurated will make the country’s pre-pandemic employment look positively upbeat.

There are around 1.5 million fewer workers employed when compared to the already desperate labour market that South Africa took into the pandemic. With the exception of White people, there have been dramatic increases in unemployment across the population, with young people, women and Black African people experiencing particularly dire levels of joblessness. The crisis seems to have no geographic limits, with even Gauteng and the Western Cape – two provinces with traditionally high levels of employment – experiencing dramatic increases in unemployment.

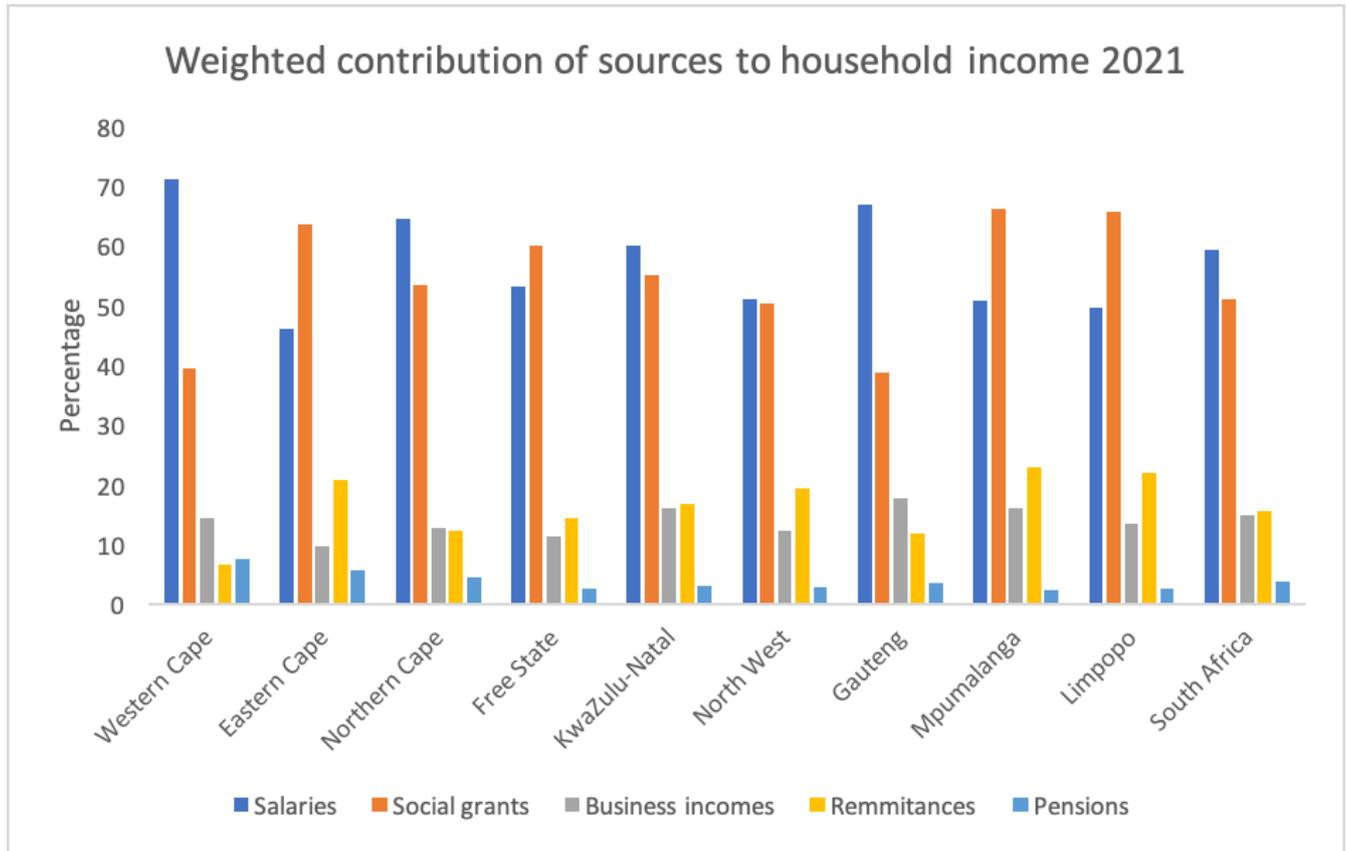
The unemployment crisis in South Africa speaks to two pressing challenges. The first will be a fight for sustained growth and an economy that creates enough decent jobs. This will be a long fight, however, that will require the kinds of fundamental changes to state capacity, industrial policy and the structure of the economy that can only be realised with time. But in an economy that fails to make space for workers now, the other is the more pressing challenge of how to arrest the immediate danger of poverty. So, while the state plans to cut funding to the Department of Social Development in the coming years (see Indicator 2), there is no clearer evidence of the importance of the sustained expansion of income through social security grants than the alarming and growing number of people newly in need of it.



INDICATOR 5: DISTRIBUTION OF SOURCES OF HOUSEHOLD INCOME

Description: This indicator measures the composition of household incomes.

Sources: General Household Survey (Statistics South Africa)



There is perhaps no clearer sign of the importance of grants in South Africa’s failing labour market than their contribution to the country’s household incomes. In 2021, grants were the main source of income in no fewer than four of the country’s nine provinces, while they contributed nearly as much as salaries did to household incomes in both KwaZulu-Natal and North West.

3.3 ACCESS INDICATORS

Access indicators aim to assess whether people receiving grants are able to collect their grants in a dignified, accessible, and affordable manner. This includes whether the physical infrastructure is available nationwide to allow beneficiaries to access their grants. It includes the accessibility of pay points and banks. It also requires an examination of the impact of upfront and ongoing costs that erode the value of social grants for beneficiaries, including the cost of travel, transactional charges of withdrawing the grants as well as the implication digitalisation has had on the accessibility of grants. Unfortunately, there is a dearth of publicly available data sets that reveal these trends over the long term. It is a gap that requires urgent attention by South Africa’s statistical institutions and the Department of Social Development.

Currently there are 1289 paypoints across South Africa, as set out below. In August 2022, only 1,6% of beneficiaries received payment through a pay point. (SASSA, emailed response to questions 3 November 2022).



TABLE: NUMBER OF PAYPOINTS IN SOUTH AFRICA PER PROVINCE.

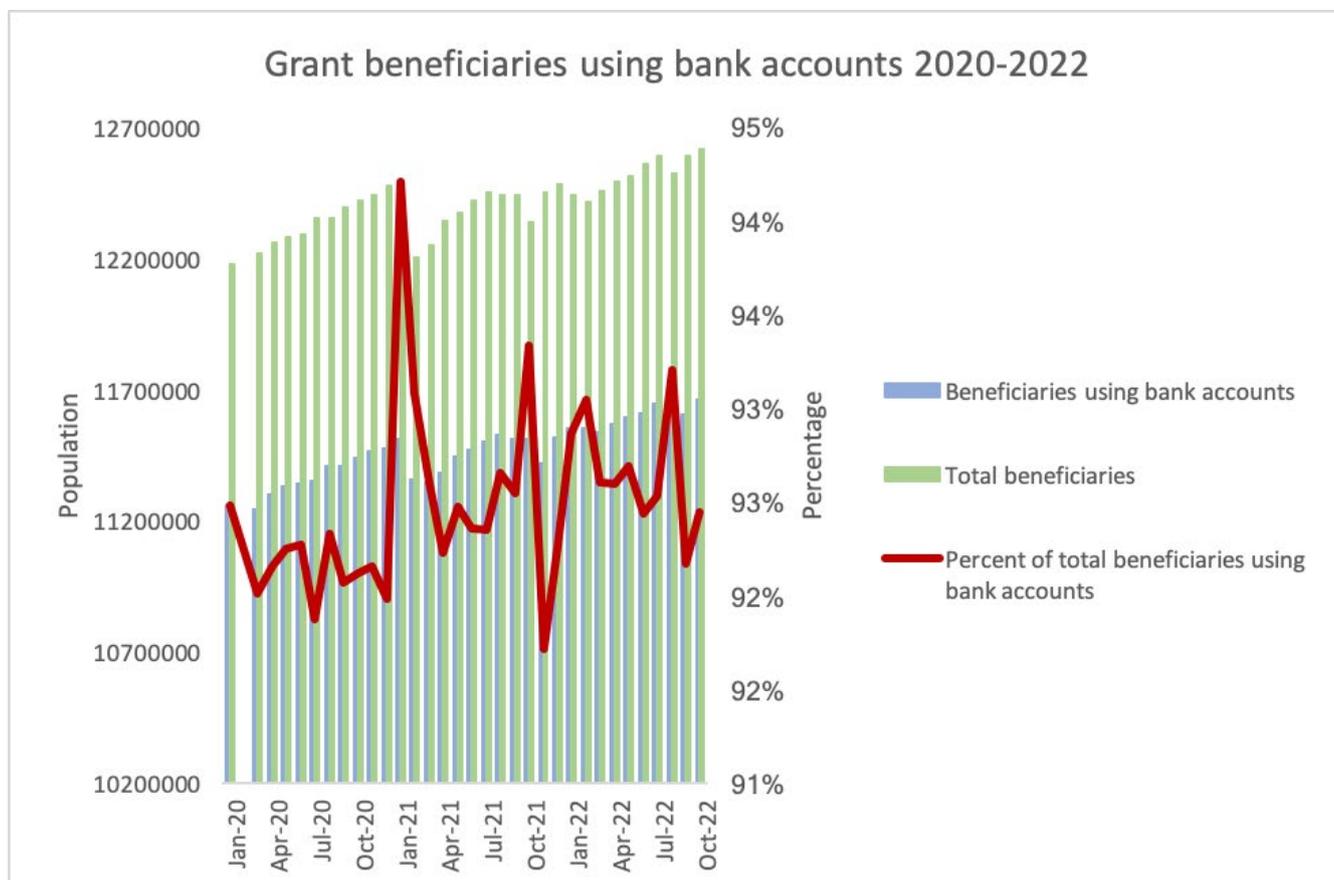
Region	Number of Pay Points
EC	413
FS	37
GA	6
KZN	274
LP	343
MP	58
NC	22
NW	124
WC	12
Total	1289

Source: Data supplied by SASSA on 3 November 2022.

INDICATOR 6: PROPORTION OF BENEFICIARIES USING BANK ACCOUNTS 2020-2022

Description: This indicator measures the proportion of social grant beneficiaries making use of bank accounts.

Sources: South African Social Security Agency (on request).



The data suggests that the vast majority of grant beneficiaries make use of bank accounts, although access is pretty volatile over time. This means that their grants are more accessible, but also more vulnerable to private sector practices of unseen charges and advertising. Further research is required to determine whether greater access to the banking system is strengthening beneficiaries' rights to social assistance or diminishing them.

In July 2022, 111 451 paypoints were still being used to disburse cash across the country. Limpopo had the highest number of SPO cash pay points, at 33,3 000, followed by KZN at 31 000 and eastern Cape at 25 000. The cost of each transaction for SASSA was R188,81 per beneficiary. According to SASSA, the costs of withdrawal of funds paid into a bank account are for the beneficiaries' own pocket.

SAPO distributed the largest number of grants at just over 6,7 million, followed by Capitec that distributed just under 2 million grants. That represents an increase of 20,2% between April and October 2022, which is significant, but not as significant as the 91,2% increase in distributions by retail bank ThymeBank, although ThymeBank still only distributed 31 000 grants in numerical value in October 2022¹¹.

3.4 ADEQUACY INDICATORS

Adequate social assistance examines whether the amount of the grant is adequate to meet beneficiaries' basic needs. Monitoring progress on the adequacy of social assistance includes examining the value of South Africa's social grants over time against the consumer price index (CPI). The adequacy indicator needs to examine the relative size of social protection transfers compared to household income or consumption to effectively paint a picture of how the state's made progress over time towards providing social assistance that is adequate for people living in South Africa to live a decent life. At the time of writing, the Food Poverty Line was R624 and the Upper bound poverty line R1 335. The Older Person's Grant, the Disability Grant and the Care-Dependency Grant were R1 990 per month. The Older Person's Grant for people older than 75 and the War Veteran's Grant were R2 010 per month. The Child Support Grant and the Grant In Aid were R480.

The Constitutional mandate of Progressive Realisation requires the state to increase value as well as headcount over time. With partners SASPRI and LRS and with the support of Department of Social Development and UNICEF SA, SPI has developed a democratically derived aspirational goal for a Decent Standard of Living. In September 2021 this standard was valued at R7 911 per person per month. The Child Support Grant is 6,07% of the Decent Standard of Living. This needs to increase annually or else the state must justify why it is not increasing it.

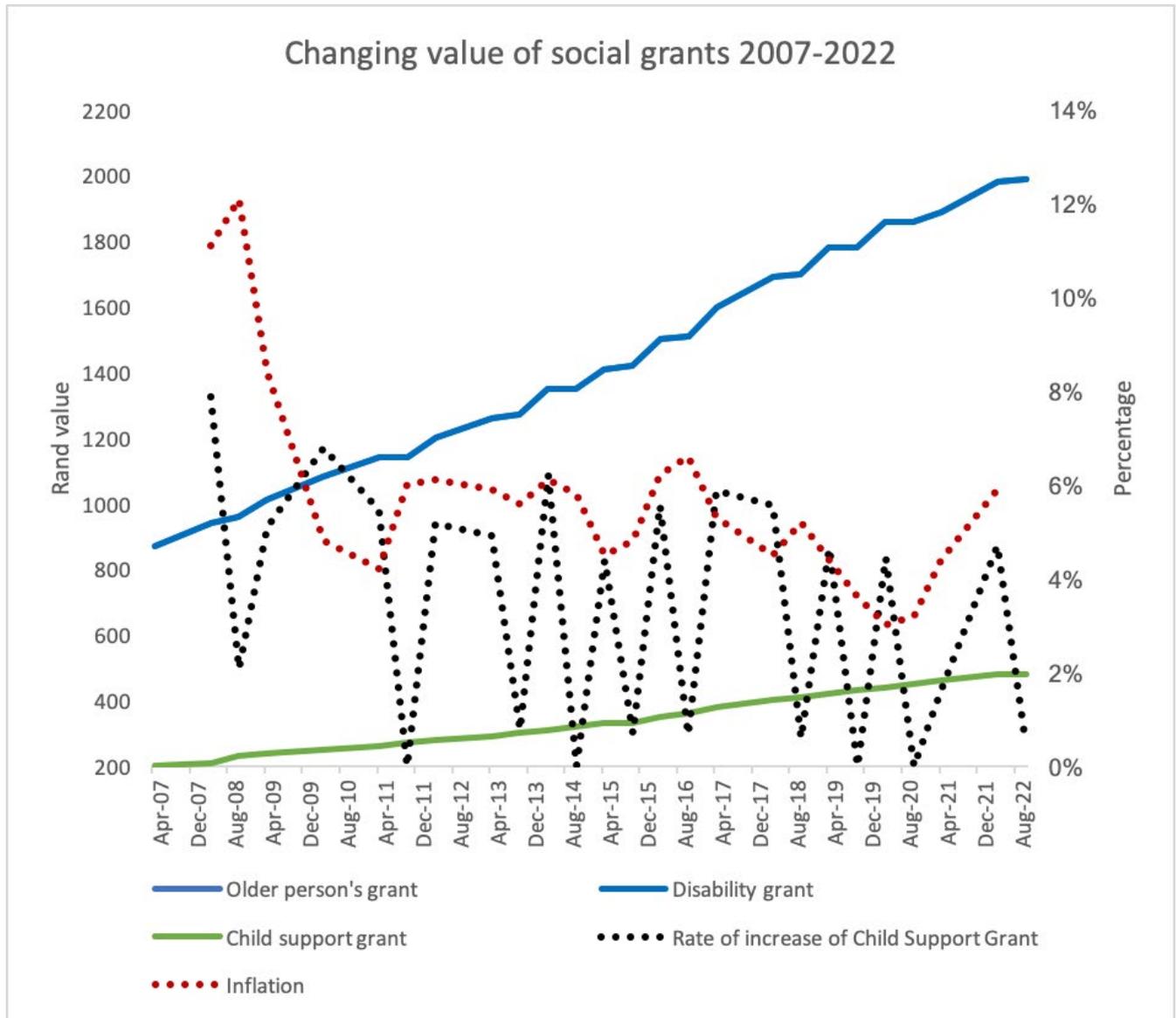


11 South African Social Assistance Agency, *Sixth Statistical Report: Social Assistance Period: September 2022*. www.sassa.gov.za.

INDICATOR 11: CHANGING RAND VALUE OF THE OLD AGE GRANT, THE DISABILITY GRANT AND THE CHILD SUPPORT GRANT BETWEEN 2007 AND 2022

Description: This indicator measures the rand value of social grants over time and their rate of increase against inflation.

Sources: South African Social Security Agency (on request) and Statistics South Africa.



The above indicator tracks increases in the three permanent social grants with the most beneficiaries – the Older Person’s Grant, the Disability Grant and the Child Support Grant. The special Covid-19 Social Relief of Distress Grant is not included as its value hasn’t increased since its introduction. In real terms, the R350 grant has lost 14%, or R50, due to its failure to keep track with inflation.

Even when that data aberrations are included, the rand value amounts of social grants have grown at an average of 4% every year since 2008, far below the average inflation rate of 6%. This suggests that despite steady increases in the nominal value of social grants, their real value is decreasing over time. As shown in earlier indicators, the decreases in social grants’ buying power are happening in a context of steady increases in both poverty and unemployment. The Constitution binds the state to ensure that rights to social assistance are progressively realised. Social grants that cannot keep pace with inflation, however, are, at a minimum, regressive.

3.5 QUALITY INDICATORS

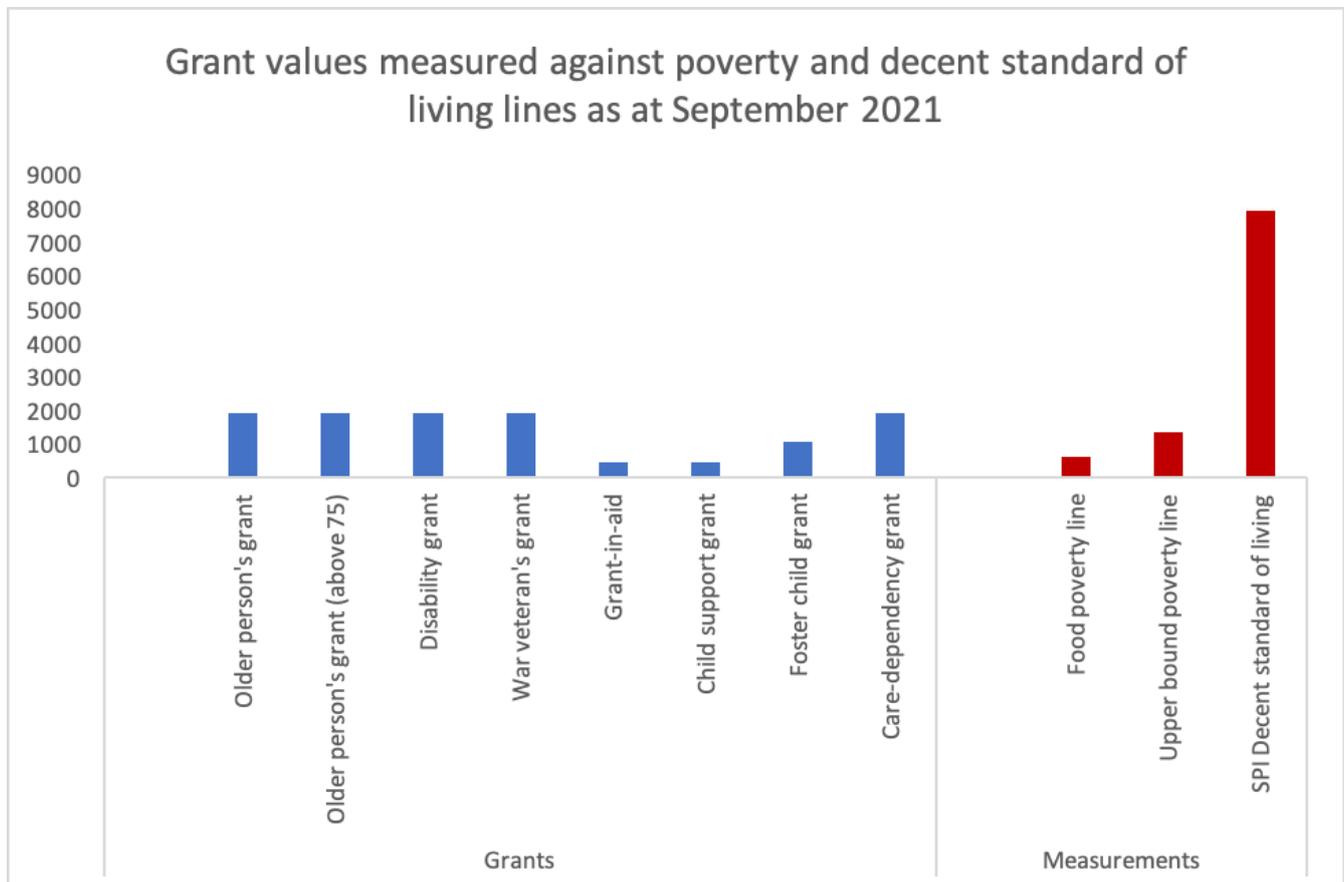
Quality indicators measure the impact that social assistance has on a person’s quality of life and can be described as broader well-being indicators. Monitoring the quality of the impact of social assistance grants is closely linked to the transformative impact the grant has on a person life. This indicator looks at the value and opportunity cost that grants have on the quality of a grant recipients life. As it stands, the wealth and income gap in South Africa are widening the gap between the rich and the poor, with 10% of the population owning more than 80% of the aggregate wealth. Such economic inequalities prohibit people from escaping the poverty trap.

This is the area where publicly-available data is scarcest, however. Establishing whether or not rights to social assistance are being progressively realised depends on an understanding of whether or not social grants alleviate poverty, to what extent and in what sections of the population. The critical work that some researchers have done in this regard¹² remains in the realm of policy makers and inaccessible to the public. If the state is to be held responsible for its constitutional obligations, South Africa’s statistical bodies, academic researchers, the Department of Social Development and the South African Social Security Agency must put meaningful measures in place to publish this data accessibly.

INDICATOR 17: GRANTS MEASURED AGAINST POVERTY AND DECENT STANDARD OF LIVING LINES AS AT SEPTEMBER 2021

Description: This indicator measures the rand value of social grants in September 2021 against the relevant Food Poverty Line, Upper Bound Poverty Line, and a Decent Standard of Living.

Sources: South African Social Security Agency (on request), Statistics South Africa Poverty Lines 2021, and SPI [Decent Standard of Living Index](#).



12 See, for example, Bassier, I. et al. 2021. 'Locked down and locked out: Repurposing social assistance as emergency relief to informal workers', *World Development*, Volume 139, or Goldman, M. et al. 2021. *Simulation of options to replace the special COVID-19 Social Relief of Distress grant and close the poverty gap at the food poverty line*. WIDER Working Paper 2021/165. Helsinki: UNU-WIDER.

The above indicator shows that the social grants available to people in South Africa are barely enough to keep them out of poverty – indeed, the Child Support Grant is even below the meagre measurement of food poverty – much less allow them to live a decent life.

DATA SOURCE AND ANALYSING INFORMATION

While this paper establishes important trends with regard to social security in South Africa, we were unable to include a number of important indicators remain due to unreliable, incomplete or lack of data. What portion of beneficiaries' grants go towards bank charges, for instance, or what the direct impact of those grants are on the alleviation of poverty. We continue to work with StatsSA and other stakeholders with the aim of increasing the availability and quality of data in these areas in the hope that these indicators can be used in future reports on the status of the right to social assistance.

There are 18 indicators outlined in Table 1 developed to assess the progressive realisation of the right to access to adequate social assistance which would enable people in South Africa to live a life of decency. They have been populated with data from 2008 to date wherever possible, though some indicators have smaller date ranges. The indicators present trends, both in the past, and presently emerging, which can help us determine the progress, setbacks, and concerns in the process of ensuring everyone has adequate social assistance. This evidence will greatly benefit stakeholders, scholars, civil society, government entities who seek to promote the advancement of this right to social assistance. This information, along with the conclusions of the budget analysis, informs the recommendations at the conclusion of the paper, which are meant to ensure that any gaps or retrogressions are filled in as well as that the right to access adequate social assistance is better protected and fulfilled.





4. KEY FINDINGS

- South Africa's socio-economic crisis is real and unsustainable. Already chronic and deepening levels of extreme poverty – more than one in four people were unable to keep food on the table at last count – were worsened by hard lockdowns during the pandemic. Joblessness now haunts every corner of the country. The only mystery is how this state of misery has not resulted in greater social unrest. Access to social security grants as defined by the Social Assistance Act categories has not increased progressively. The R350 grant is a discretionary award. The uncertain nature of extension goes against the very principles of Human Rights based policy making.
- The value of the country's social grants remains inadequate. Government seems unable or unwilling to meet the mandate of progressive realisation of the right to social security to all, and instead treats grant allocations as a cost-cutting exercise under its austerity budgeting. There have been steady nominal increases in their rand values. But in real terms, grants continue to decrease. South Africa's most important grant given its numeric reach, the child support grant, remains well below the survivalist food poverty line. And in reality, the CSG income invariably supports a household of people, not just the intended child, diluting the value of the grant even further.
- Notwithstanding these inadequacies, social grants have been the country's surest bulwark against an even deeper poverty crisis. The political success of winning the transformative social relief of distress grant in the face of the economic devastation wrought by the pandemic provides the ground on which this bulwark must be strengthened. In the face of a deepening poverty crisis, and an economy gripped by a chronic failure to provide decent jobs at scale, strengthening South Africa's social assistance is not only necessary, it is vital. For the social security system to improve in terms of the transformative nature of the Value dimension, it would need to meet basic needs, and act to stimulate the economy to prevent recession and stagflation. Economies need money to flow to stimulate demand and so grow GDP and jobs.





5. RECOMMENDATIONS

ADEQUACY:

The Constitutional mandate on the state to progressively realise the right of access to social security. This includes extending headcount cover to reach universal enjoyment, and increasing the value to a decent level.

1. Recommend: the state produce a policy road map setting out the time frames and costing for universal access to the right to social security consistent with the standard of dignity as guaranteed in the Constitution.
2. Recommend: that all grants are indexed to the Food Poverty Line, the Lower and Upper Bound Poverty Line, and GDP growth, and that the annual increases are set above inflation to progressively reach these limits.
3. Recommend: the adoption of a universal decent Basic Income Grant as the most expeditious manner for the state to reach universal coverage of social security.

ACCESS:

Improving accessibility is critical as vulnerable people are the least able to navigate onerous application and appeal mechanisms. System reforms such as the use of banks should not externalise payment costs to beneficiaries.

4. Recommendation: Improve the accessibility to pay points.
5. Recommendation: Remove bank charges on grants.
6. Recommendation: Ensure the review and appeal mechanism for all grants is optimally staffed and people's rights to administrative justice are duly met.

QUALITY:

Social Security has a deeply transformative potential to springboard people into more sustainable lives and livelihoods, but this takes careful research and planning. R and D is essential to ensure most up to date interface with global technology and also inter- government complementarity.

7. Recommendation: undertake a review of how social grant access can link up the poor and vulnerable to all government programmes for indigency, fee free schools and school feeding, health care, access to skills and employment, training and capital for SMME development and related linked up government functioning.
8. Support the establishment of independent institutes of social security theory and policy innovation to maintain and excellent standard of innovation and knowledge in the field.





6. CONCLUSION

States have a constitutional obligation to progressively realise the right to social assistance. However, efforts are continuously undermined due to the lack of clarity on the content of the right and how far states need to go to fulfil their obligation. This paper aims to build on previous work done by SPI using its three-step methodology as well as provide a comprehensive analysis and overview of the status of the right of social assistance from 2008 to 2022.

The report also provides data for the state on how well their policies and programmes are working, and lays the groundwork for a public discussion on the importance of the critical choices that policy makers need to make regarding trade-offs and priorities in the realisation of socio- economic rights (SERs).

The recommendations put forth in this report require urgent attention from policy makers. The current triple threat challenge of unemployment, poverty, and inequality continues to grow at an alarming rate. South Africa suffers from both an unemployment and working poverty crises. One compelling and simple way currently to alleviate the plight of vulnerable groups is to roll out a basic income grant (BIG) of R1 335, this report has shown that even inadequate social grants play a significant role in the reduction of working poverty.

There needs to be continuous efforts from civil society, government, and stakeholders to monitor and evaluate the progressive realisation of social economic rights. Through monitoring and evaluation one can ensure that the state is meeting its obligation to fulfil provide adequate right to social assistance and that the State further upholds its obligation to take reasonable legislative and other measures, within its available resources to achieve the progressive realisation of the right to appropriate social assistance.



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