



SPII talk

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OF COVID-19

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DIRECTOR'S NOTE

ISOBEL FRYE

To say that 2020 is a year unlike anything I have ever lived through is as trite as it is profound in my view. As a research institute located in the Social Justice Sector, SPII has had to reflect deeply on the interface between our ongoing work and the contribution that we can make to achieve the nation's constitutional imperatives of substantive equality and structural transformation.

We acclaim the speed with which the state reacted to the threat of COVID- 19. The immediacy and presence of both the Minister of Health and the President in guiding the nation through the initial dramatic understanding of COVID- 19 was exemplary and set a new standard for transparent state communication in South Africa. Knowledge is critical to people's well-being. The absence of knowledge leads to greater anxiety as people are not able to make informed decisions, their agency reduced. Research and verifiable information become even more critical in such times.

It is not yet clear how the history of this pandemic will be written. As we navigate its impact in South Africa however certain stark markers are already evident. The first and most profound is that the class interests of this state are not pro-poor, and the second is that our state is not a capable state.

These dire views are substantiated by the incredibly poor performance of the state in delivering the social assistance aspects of the general recovery and stimulus package of R500 billion announced by President Ramaphosa on 21 April 2020. The initial understanding of that assistance

was that each current grant recipient apart from the Child Support Grant would receive an additional R250 for three months. Each Child Support Grant (CSG) recipient would receive an additional R300 for the month of May and would receive R500 per month top up for the next six months, and that every adult not in regular income or a social grant in their own right (Old Age Grant or Disability Grant) would be eligible for a R350 Social Relief of Distress grant for six months from May 2020. We also understood that notwithstanding the staggered return to school dates, all school feeding schemes would be re-implemented from 1 June 2020.

The actual social security response was a mockery of this widely understood promise. Instead of receipt of a CSG top up per child, each care giver received one top up payment per month irrespective of the number of children they looked after. Perhaps the greatest travesty however is that caregivers who received the top up towards the children they look after were as a result rendered ineligible for receipt of a Social Relief of Distress grant in their own right. Given that the overwhelming number of caregivers are women, this single policy heralds an unbelievable step backwards for gender equality in a country riddled with patriarchal power relations and gender-based violence.

In addition to the apparent retreat in scale of the initial promise of relief, the extent of incompetence of the SASSA delivery of grants saw non- payments and double payments of existing grants in May, and the complete inability of the system to process the massive demand for the Social Relief of Distress grant. In addition, the SRoD application system threw out many eligible poor people due to the fact that it could not distinguish between current and past recipients of payments

of the Unemployment Insurance Fund. The broad definition of unemployment in the first quarter of 2020, before the impact of COVID-19 hit, was 39,7%. In the face of the resultant household poverty, it would be imagined that a caring and capable state would rather err on the side of errors of inclusion than errors of exclusion.

Of the school feeding schemes we can report no clear policy.

The political head of the ministry of social development Lindiwe Zulu is reported as saying that she did not expect that COVID- 19 would have such an impact on the poor. The behaviour of the state in addressing the immediate needs of the vulnerable – poor children, informal workers denied the right to trade and the millions of unemployed sends a very clear message of disregard for the plight of poor South Africans. Calls for the introduction of a universal Basic Income Grant, for the use of Quantitative Easing to address immediate economic crisis – all these tools that have been used by many other developing and developed countries- do not seem to entertain our decision makers one iota, entrenched as they are in their failing orthodoxies.

It is startling to reflect that the majority of voters in this democracy live below the poverty line, and yet our policies seem to entirely disregard their needs and their rights to dignity. In the face of this crisis, decision makers have stuck their necks firmly in the sand.

Never before have we seen such a wealth of new, heterodox thinking being shared in the media as in the last three months, and never before have we seen such a lacklustre performance of government.

Highlight of the Community Statement of the Chiawelo Budgeting for Change group

The Chiawelo Budgeting for Change (CBC) group is made up of invested stakeholders at the Chiawelo Healthcare Centre in Soweto. These include the Traditional Healers Organisation, Give n Take NPO, CCP clinic workers, Community Health Workers, Ward Based Outreach Teams (WBOT), Clinic Committee members, Local government officials and committee members and a variety of community Walking Clubs. The purpose of our group is to put the community's concerns about health at the forefront and to learn about how government budgeting processes affect healthcare delivery. Overall, we promote the importance of public participation in the budget process to bring about meaningful change.

The COVID-19 pandemic is likely to exacerbate health inequalities in South Africa and weaken our already fragmented and inadequately

resourced health system. Moreover, the pandemic has led to the worst economic disaster we have witnessed in our lifetime. When the pandemic arrived in South Africa, we had a glimmer of hope that it would at least provide an opportunity for local voices to finally matter in government decisions. Unfortunately, the government yet again failed to redress our needs during this socio-economic crisis.

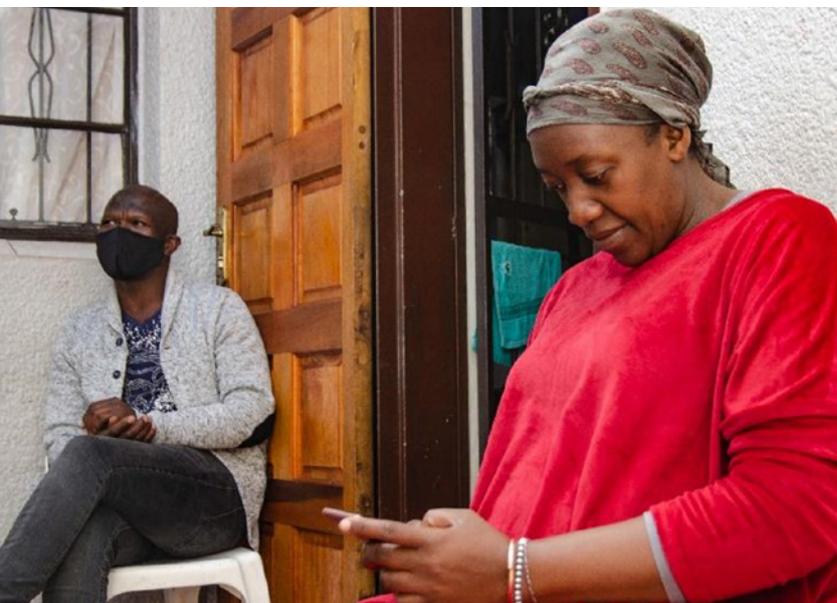
We seek responses from the government that consider and respond to the realities of people like us, as well as the urgent transformation and development of Chiawelo! We have the right to health! We have the right to dignity! It is time that the people are heard and acknowledged in order for us to see better realities where our constitutional rights are realised! In this Community Statement, we highlight the realities we face and

the problems we experience such as lack of access to adequate health services; poor community-led response to COVID-19; high youth unemployment; and no support to small businesses that are vital to the survival of our township's economy.

We hope that this statement can form a record of experiences on the ground, from those most severely impacted by COVID-19, in order to positively influence the creation and implementation of effective actions! While we do everything we can to proactively better our own reality as a community, we need recognition, assistance, support and resources to further enable us. In the end, our demand is simple; a people-centred response to the COVID-19 pandemic and access to the rights we are entitled to!

[Click here to access the statement.](#)





Dumisani Nkosi (29)

The entrepreneur with many hats

Dumisani aptly describes himself as 'a man who wears many hats'. He is an entrepreneur, a philanthropist, and a community activist. He is the founder of the non-profit organisation 'Give n Take'- they cook and deliver nutritious meals to chronically ill patients at Chiawelo clinic. He also works as a freelance distributor for Ro Water System South Africa in the Soweto region. He assembles the machines for a water purification system for home usage and provides bottled water to hotels, businesses and for various events. Many clients have withdrawn their contracts as no events are taking place and there is no tourism either. Dumisani feels that government's attempt to introduce social relief is not effective, as he has witnessed widespread corruption and dishonesty in the distribution of food

parcels and vouchers in Soweto. As a result of this, he regarded it as pointless to apply for any form of financial support from government for his company.

"People higher up are thinking of their pockets and are benefitting out of this whole pandemic instead of coming up with solutions for us to pull through."

Dumisani's resilience and adaptability to change has led him to start a new business venture during the lockdown. He has created an 'online marketplace' called 0360 where different traders can market their products / services on his site and provide details on how they can deliver the products to customers. Young graduates

from Davis & Dean's learnership programme have been deployed as field agents to advertise the platform to prospective traders.

"I started a new venture during this pandemic, yes I have lost some money, but I adapted in a positive way. Good things have to be mentioned despite what has transpired".

"we are living and surviving"



THE ECONOMIC IMPACT OF LOCKDOWN

DUMA GQUBULE

Four months after South Africa recorded its first case of the coronavirus, it has become clear that the devastating economic impact of the lockdown that was introduced to delay the spread of the pandemic will result in the country's deepest depression in a century. Most economists expect the economy to contract by about 10% during 2020.



Duma Gqubule is an economist and a writer for New Frame - a not-for-profit, social justice media publication based in Johannesburg.

Business for South Africa, a business lobby group, has modelled two scenarios based on the length and severity of the lockdown. Under the severe scenario, GDP, the value of all goods and services produced in the economy, could contract by 17%. The medium scenario would result in a contraction of 11.3%.

By comparison, the South African economy contracted by 1.5% in 2009 in the wake of the global financial crisis (GFC). As a result, one million people lost their jobs. This pandemic-induced depression will be at least six times worse than the recession a decade ago. It is too frightening to even try to project the jobs that will be lost this time.

National Treasury conservatively estimates that the economy could shed 1.8 million jobs. This will exacerbate an unfolding

humanitarian disaster. According to a survey by the Human Sciences Research Council and the University of Johannesburg, 38% of South Africans had gone to bed hungry between 13 April and 11 March.

The lockdown has crippled an economy that already had severe maladies of chronic unemployment, poverty and inequality after a lost decade in terms of economic development when GDP per capita, the international benchmark, of average living standards, did not grow. Between 2015 and 2019, GDP per capita declined for five consecutive years. There were two recessions in two years in 2018 and 2019. By the end of March 2020, there had been three consecutive quarters of declining GDP.

According to Statistics South Africa's Labour Force Survey for the

first quarter of 2020, the number of unemployed people has increased to 10.8 million, an increase of 4.9 million since December 2008. The unemployment rate for black Africans, using the expanded definition that includes discouraged work seekers, is 44%. For black African females it is 48%. In the Eastern Cape, 49% of people of all races are unemployed.

With the economy on life support and requiring a ventilator, National Treasury has withdrawn the oxygen. It has affectively cancelled a R500 billion stimulus announced by President Cyril Ramaphosa during April and announced austerity measures worth R600 billion since the beginning of 2020. This largest dose of austerity – tax increases and budget cuts – in post-apartheid history will prolong the depression and result in an unprecedented three years of declining GDP and soaring levels of unemployment.

Despite the fearmongering by finance minister Tito Mboweni and his Treasury officials, South Africa's debt burden was not high by international standards before the start of the lockdown. The International Monetary Fund says the world will experience an

increase in public debt ratios of 19 percentage points after financing stimulus packages worth \$11 trillion to counter the impact of lockdowns. South Africa's debt ratio will increase by a similar amount this year. In relative terms, the country's debt burden will be exactly the same as it was before the crisis.

Owen Willcox, an economist who previously worked for Treasury, says South Africa needs a R1 trillion stimulus package to fill the output gap – the difference between what GDP will be and what it would have been without the lockdown.

A recent Trade and Policy Strategies Policy Brief, says the Reserve Bank

can provide the financing for such a large stimulus through a process called quantitative easing (QE). Willcox says there are two main mechanisms for implementing QE. "The United States is a proponent of the central bank buying government bonds in the secondary market. The United Kingdom has used a different approach. Her Majesty's Treasury has instructed the Bank of England to make deposits into the government account at the Bank of England. Both approaches are feasible in South Africa. The Reserve Bank could deposit funds into government's account, the Corporation for Public Deposits. QE is the cheapest way of financing a deficit as it is free."

Also, South Africa has a vast balance sheet, which includes assets worth R1.9 trillion in the Public Investment Corporation (PIC) and state cash balances of about R260 billion. The Reserve Bank has foreign exchange reserves worth R922 billion, equivalent to eight months of imports compared with an international benchmark of three months. The level of funding in the PIC is obscene in a country with such high levels of poverty. It can significantly reduce its level of funding without affecting the pensions of public servants. The Reserve Bank could also release a portion of reserves into the economy as many other countries have done in the past.



COALITION WORK TOWARDS THE CREATION OF MORE MEANINGFUL PUBLIC PARTICIPATION IN BUDGET ADVOCACY

#PayTheGrants



SACHA KNOX

Part of SPIL's work in relation to the COVID-19 pandemic is our coalition work in the C19 People's Coalition (C19). This coalition is an emerging collective which includes community structures, trade unions, informal workers' organisations, civics, social movements, rural groups, national and provincial NGOs across all social sectors, frontline responders such as community health workers and shelters, migrants' and refugees' organisations, public interest law firms and faith based organisations. Over 310 organisations have endorsed the Coalition's **Programme of Action**, which commits us to ensuring that South Africa meets the coronavirus crisis in ways that prioritise those who are most vulnerable, who face the pandemic

with hunger, weakened immune systems and poor access to housing, health care and social safety nets. Within C19, SPIL currently participates in the Health Working Group, the Community Action Working Group, the Workers' Rights Working Group, the Economist Working Group and the Cash Transfers subgroup under the Economist Working Group.

This article will highlight the budget advocacy work that SPIL are participating in, through the Cash Transfers subgroup, by outlining important submissions and statements (highlighting excerpts from those), as well as the **#PayTheGrants** Campaign.

On **19 May 2020**, a joint statement was released by the C19 People's Coalition Cash Transfers subgroup with the West Coast Food Sovereignty and Solidarity Forum, South African Domestic Service and Allied Workers Union, Assembly of Unemployed, Westside Park Community Crisis Committee, Black Sash and Organizing for Work. In this statement, demands were made to the government on the slow and troubling implementation of the

COVID-19 Social Relief of Distress (SRoD) grant.

COVID-19 RELIEF GRANT FALLS SHORT OF PROMISED REPRIEVE

Below are excerpts from this statement:

The Covid-19 Social Relief of Distress (SRoD) grant amounting to R350 has been rolled out as an important mechanism to address immediate hunger and impoverishment which has worsened under the lockdown. This new grant was promised to all unemployed South Africans without income between the ages of 18 and 59 years. While the speed of the rollout has been recognised, it currently falls far short of the relief that was promised.

We demand the urgent ramping up of assistance to all potential applicants, including addressing the inadequacy of the R350, the opening up of SASSA offices to full capacity, providing safe alternative distribution of grants for applicants with no bank account, dropping the often arbitrary exclusion criteria for accessing grants, and improved communication of all grant-related information.

At least one in four adults under 60 years old will be eligible for this grant. It is the first time many will be included in state systems of money transfer. The novelty of this grant, and the urgency of the need for the grant, require a large commitment of resources to its rollout. Although SASSA claims over 3 million applications have been received, many of these will be rejected as duplicates or ineligible; it is also far below what survey evidence suggests should be at least 8 million eligible applicants, up to 15 million people. We emphasise that excluding eligible applicants is not a money saving technique, as perhaps some in government see it, but a failure of a promise to help basic survival in this time of crisis.

On **June 11 2020**, the Cash Transfers subgroup, in consultation with a number of relevant community formations drafted the following statement: **Guaranteed Income Security for All.**

The following are excerpts from that: We see this as a 'living document', providing a series of important observations and demands. We hope that this serves as a conversation-starter, an accessible reference, and a compelling distillation of the convergence of past and ongoing struggles in relation to income security in South Africa. While some of the details of the various calls for guaranteed income security in South Africa might differ, what all unequivocally agree on is that this can and should be implemented without any further delay. It is in this context that we hope for this Call to Action to galvanise the reformulation of a revitalised BIG Coalition in South Africa.

We demand the immediate implementation of a basic income guarantee! The need is so strikingly clear, and the practical options for implementation are so varied, its non-

implementation is now unacceptable. The people of South Africa are hungry for change, and we have long had the tools to create it!

In the context of massive unemployment- further worsened by precarious employment at poverty wages- an exclusive reliance on market activation for the upliftment of the people reproduces inequality and deprivation. The trend for formal labour to define hierarchies of citizenship and rights needs to be challenged in a context where only a shrinking minority have access to stable wage jobs of a decent standard.

A basic income guarantee is necessary to fulfil every person's right to food security, and to help them access other rights such as healthcare, housing, and schooling. South Africa requires a permanent solution to poverty for as long as full employment remains unachievable.

The statement outlines various plausible options to provide guaranteed income security, including via: a basic income guarantee, meaning a regular payment to every resident, with no conditions or

targeting; a social assistance grant given to all adults aged 18-59 who need it (an extension of the current SRoD grant); or a job guarantee, that offers anyone willing and able to work a community job at a minimum wage. For more on these options and their impact on the percentage of people living in food poverty, please see the full statement.

On **26 June 2020**, the following statement was released: **Adjusted Budget Confirms Government's Failure to Implement the New Social Grant**

Below are highlights from that:

The South African government has reneged on its promise to assist those who have been further pushed into hunger and destitution due to the lockdown. The state's announcement that they would provide a caregiver grant and create a new Covid-19 Social Relief of Distress (SRoD) grant of R350 provided some relief. However, our worst fears around failure to implement have been realised. President Ramaphosa's stimulus package promised R50 billion for grants but according to the Adjusted Budget, announced on Wednesday 24 June 2020, it has been decreased

**What happened to the
R9 billion?**

#PayTheGrants

to R41 billion. To put this into context: the adjusted amount is only R26 billion more than what the state would already spend on grants. In a once-in-a-lifetime humanitarian crisis, a time when the whole world has been encouraged to commit to social relief efforts, these cuts prove the state's failure to coordinate basic and urgent provisions to the most marginalised.

The budget indicates no movement towards inclusive growth or progressive taxation needed to reduce our high levels of inequality and what raises alarm bells is that health, the primary concern in a pandemic, has only R2.9 billion of net additional funding for the entire health sector. This is less than half of the new funding allocated to the SANDF and SAPS, while police brutality has been put on the spotlight globally through the #BlackLivesMatter movement. With increased unrest expected, as people struggle to survive, this choice to repress rather than to serve is extremely calculated. Furthermore, the budget was centred on debt reduction, but this moment requires increased spending on life and livelihood saving measures. It is callous – at the least – to obsess about balancing budgets when people are starving to death.

There is an increase in unemployment and in the number of people who would qualify for the grant and yet the government has now cut the budget allocation by R9 billion: how will this see us through the promised 6-month timeframe? The cuts have been justified by a 'low Covid-19 SRD grant uptake', implying that there is less of a need than the government initially anticipated. This is clearly not the case, the slow uptake has been engineered as such, it is a result of: application criteria that exclude some of the most precarious, poor communication, reliance on technologies to which many do not have access, exclusionary

verification conditions, and slow payment systems on the part of SASSA. It is prudent to note that 90% of those who were promised the grant have instead had no income for a second month running.

The Cash Transfers subgroup have also initiated a campaign called **#PayTheGrants**.

The **#PayTheGrants** campaign, is focused on the just implementation of the promised COVID-19 Social Relief of Distress (SRoD) grant and the building of a broad alliance towards a Basic Income Guarantee for all. You can connect with this campaign on [Twitter](#), [Facebook](#) and [Instagram](#). Importantly, the campaign strategy for expanding access to grants on the way to guaranteed income for all, stems from the recognition that we all have a social and moral right to the economy and its benefits.

The expansion of the system of social cash transfers has been actively promoted by the C19 People's Coalition from its founding. The Programme of Action's first plank called for "Income security for all", which included "the direct transfer of cash to households during this precarious time." Early studies of the economic impact of the lockdown predicted a humanitarian crisis if these transfers were not expanded. In particular, informal workers and the unemployed would be prevented by the lockdown from seeking income. They were not protected by unemployment insurance or sufficiently by other social grants and programmes. So, the economists forecasted, the number of households in extreme poverty in South Africa would increase by 50%, to 21% of all households. Other analysts, some tied to the Food Working Group, feared the emergence of mass starvation, due

also to the disruption of informal food traders.

The failure to pay the grants threatens tens of millions of people with extreme poverty and malnutrition. It violates basic rights and is an avoidable, government-made humanitarian disaster. The [first wave of the NIDS-CRAM survey](#), which measures the socio-economic impact of the coronavirus crisis, shows that employment in South Africa declined by 18% between February and April. Three to five million people were pushed into poverty due to job loss and poor implementation of government relief. 47% of respondents ran out of money to buy food in April. These conditions likely persist while government fails to pay the new social grants.

The **#PayTheGrants** campaign seeks to hold government accountable, to mobilise to extend access to the expanded social grants system, to defend that from any attempts to roll it back after October, and ultimately, to realise the goal of a guaranteed income for all!

As part of the **#PayTheGrants** campaign, the Cash Transfers subgroup made submissions to the Finance and Appropriations Committees on 30 June 2020 and 8 July 2020 respectively. The submission was titled [Analysis of the 2020 Revised Fiscal Framework and Revenue Proposals, tabled on 24 June 2020, with a Focus on the Impact on People's Lives](#).

Below are excerpts from this submission:

Initially we welcomed the South African government's wide-ranging reprioritisation of expenditure to meet the socio-economic effects of the crisis. However our worst fears around the details of the stimulus package,

R350

= below poverty line

#PayTheGrants

the adjustment of the budget and failure to implement changes have become a reality. A fiscal stimulus consists of an increase in spending or a reduction in taxation. Government's actual, combined fiscal stimulus of R62 billion makes a mockery of its announced R500 billion "fiscal stimulus package", which consists largely in reprioritisation, off-budget expenditure, and loan guarantees.

President Ramaphosa's stimulus package promised R50 billion for grants but according to the Adjusted Budget the amount has been decreased to R41 billion. To put this into context: the adjusted amount is only R26 billion more than what the state would already spend on grants. In a once-in-a-lifetime humanitarian crisis, a time when the whole world has been encouraged to commit to social relief efforts, these cuts prove the state's failure to coordinate basic and urgent provisions to the most marginalised.

The current social grant system completely excludes all South Africans between the ages of 18 and 59. The Child Support Grant covers those below 18, and the Old Age Pension covers those above 60. While these grants are important in directly and

indirectly enabling many to survive, they leave out about 10 million people who have no formal job due to South Africa's extraordinarily high levels of unemployment. This system is founded on a misleading judgement that social grants should go only to the 'the deserving poor', with unemployed people of working age being seen as undeserving. People of working age in South Africa are not unemployed because they do not want to work, but because of deep, structural socio-economic problems. To treat these working aged adults as 'undeserving' is a massive injustice! The myth of a 'deserving poor' must be dismantled. Nobody should have to prove that they deserve a basic income! No one is disposable to the whims of economic models that do not serve the people.

The amounts of the current grants are also incredibly insufficient, for example; the child support is only R445 – despite it being the most effective grant available to reduce food poverty. With severe levels of nutritional stunting in South African children, the child support grant should, at the very least, be raised to the food poverty line of R580.

The current amount of R350 for the COVID-19 Social Relief of Distress

(SRD) Grant is also far too low and ensured for a much too limited period of only 6 months (this is especially true in the context of how long we will still have to navigate the difficulties of COVID-19).

Both in South Africa and globally, this moment is being taken up as an important opportunity for the realisation of a basic income guarantee. The COVID-19 Grant should be the first step towards a permanent basic income guarantee for those previously ignored by the grant system.

SPII believes that creating meaningful participation means engaging with structural exclusion and pushing for the ways in which systems operate to become more just. This involves working with the structures of participatory democracy to actively contribute to the creation of more equitable realities. Through its ongoing coalition work, SPII hopes to deepen learnings with beneficiaries directly affected by government social spending and create more radical public participation in budget advocacy work in South Africa.

Daubrey Tshabalala (40)

Grant me access to a job

Daubrey wants to see development in his community, he is advocating for better support structures such as soup kitchens for the elderly, libraries for the public and good quality service delivery. He is a recipient of the disability grant and since the president introduced the economic stimulus package at the end of April, his grant has gone up to R2080 from R1800. He expresses that the grants, including the COVID-19 Social Relief of Distress grant, are not enough for people to survive on.

"Food prices are high- we can't afford things! People are crying that this R350 is too small and other people didn't even get it. People are suffering."

Daubrey desires a job the most as he has skills and wants to put them to use to enhance his quality of life.

"I still have dreams for my life, and this money is too small. I can be a pick and packer- I know how to do that because I have the experience. In 2003, I was working at a warehouse."



COVID-19 IS TESTING SOUTH AFRICA'S NHI READINESS

PROF SHABIR MOOSA

Discussions around National Health Insurance (NHI) have been going on in South Africa for more than ten years, with little progress. COVID-19 is suddenly upon us all, exposing all the fault lines of the South African health system. It is important to explore how COVID-19 has impacted on our readiness to implement NHI. How is COVID-19 setting up good groundwork for NHI implementation and/or is COVID-19 frustrating NHI implementation?



Prof Shabir Moosa is a family physician with an MBA and PhD. He has extensive experience in rural general practice and the development of family medicine and primary care services in both rural and urban district health services in South Africa and Africa. Shabir is deeply involved in development and research around family medicine and community-oriented primary health care (COPC) in Africa.

The National Department of Health formally issued a Green Paper in 2011 setting out a plan to implement NHI by 2025. It was punted as building social solidarity with the NHI Fund a single pool of funds with most public health funds transferred to it and additional taxes to complement this. It was to involve strategic purchasing, a shift from provincially-centralised budget-based financing of health to contracting decentralised facilities management, including private providers. It was to be managed in 3 stages with the initial phase 2011-2015 including registration of the population, establishing the NHI Fund, creating NHI district management and governance structures, accrediting and contracting private providers and re-building large hospitals in public-

private partnerships. The period 2016-2020 involved more of the same, with NHI cards and capitation contracting of all PHC providers.

Unfortunately, little of this has transpired. It has been mostly tinkering with current public service with dubious benefit. The long delay has been mostly characterised by mistrust and jockeying between public and private sector for the locus of control in NHI implementation. The National Health Insurance Bill was tabled in July 2019 with considerable fanfare and public consultations up to March 2020. There was lots of the contention, with needless detail and needed detail. It was expected to pass through Parliament by August 2020. Unfortunately, COVID-19 stopped everything in its tracks

and apparently the pieces are being picked up now. How do we do that?

COVID-19 is still unfolding across the country, but the impact is being felt very much with public and private hospital capacity being stretched considerably and possibly being overwhelmed. It is quite evident that primary health care (PHC) facilities are already overwhelmed with poorly capacitated managers unable to respond to the crisis on the ground, with proper screening of patients, maintenance of normal services and managing forced closures of facilities when staff are tested positive. It is amazing that lone clinicians and community organisations have come to the fore in helping PHC facilities to cope. (See ProfMoosa.com > COVID-19 for more.) These efforts have been by way of sewing masks, donating paint and other equipment, and volunteering to support clinics to improve testing of high-risk patients. The private sector has also had a fallout of sorts, with many private providers, including general practitioners and specialists closing shop and trying out telehealth to cope with the lockdown. Private hospitals have seen their patient numbers drop affecting their bottom line. The fact that a health problem like COVID-19 can have such a

high economic cost economic cost combined with consequences of a poorly functioning health system have made more people more amenable to social solidarity in health, the core idea of the NHI. How that translates will depend on how the conversation is managed by stakeholders. The Ministry of Health seems completely distracted by COVID-19.

There has been some groundwork laid over the last few weeks. The President has raised the NHI, social solidarity and public-private partnerships as important. Public-private relations have improved with the urgency of COVID-19 making for more communication amongst stakeholders, including sharing information and exploring contracting. The COVID-19 response has involved a high-level all-of-government approach, starting the presidentially-led National Disaster Command Centre, that cascades to provincial level. The President and Minister of Health have been consulting with academics on the best way forward. There has been a strong embrace of community health workers in screening communities. These all lay some strong ground for us to take NHI implementation forward.

Unfortunately, in my opinion, the mostly knee-jerk COVID-19 response is frustrating implementation of NHI. Interventions have been incoherent, fragmented and translating poorly on the ground. The provincial command centres appear bureaucratic and unresponsive to managers on the ground. The community effort appears largely an academic and vote-buying exercise, with poor value. All the focus has

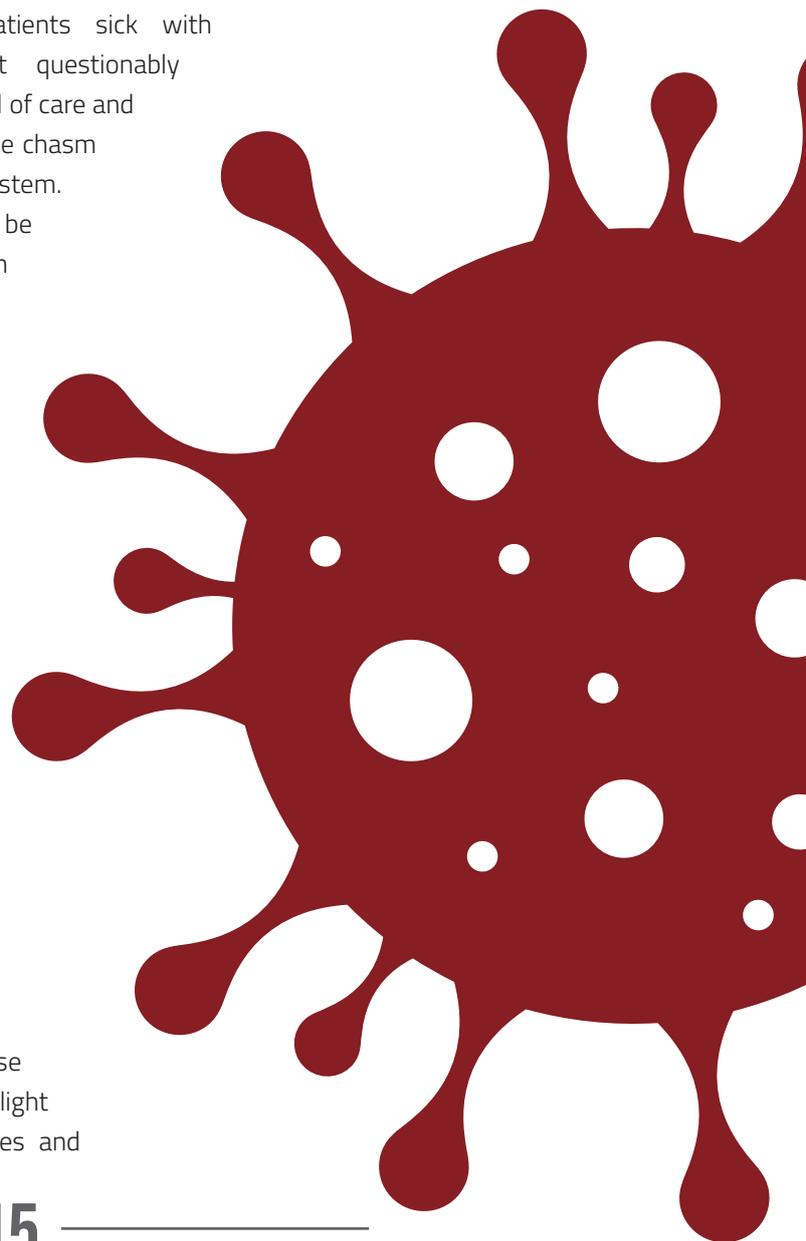
been on dedicated COVID-19 centres, ICU's and isolation/quarantine sites. General hospitals have not bothered to create spare capacity or strengthen referral links up and down. There has been little re-organisation of PHC to screen symptomatic patients to protect staff and improve testing. Efforts to respond are hamstrung for months by the challenge of bureaucratic and perverse procurement and human resource practices of the public service. Managers at all levels look helpless. This is the situation in Johannesburg as it grows to become the country's epicentre for COVID-19. Government has engaged in costly contracts for ICU beds in private hospitals but they seem full already with private patients sick with COVID-19 albeit questionably needing that level of care and demonstrating the chasm in our health system. There appears to be no collaboration between public and private for PHC, except for hoping doctors do some sessions at public clinics.

Stakeholders need to lift the conversation on NHI up, and use COVID-19 to highlight the key challenges and

solutions to achieving universal health care in South Africa. We should be interrogating the Bill for needless and needed detail, as part of managing the COVID-19 crisis. There is useful work done e.g. contracting for private general practitioners that could easily and cheaply be implemented.

Read *"Summary of proposed NHI capitation contract design"* [here](#).

It will take some strong heads to achieve this.



Traditional Healers Organisation (THO)

Nomazulu, Ma Alice, Nkayiseni & Nomadlozi

A calling that should be valued

Nomazulu, Ma Alice, Nkayiseni and Nomadlozi (members from THO) resoundingly agree that being a traditional healer is a calling. One is called to heal people using natural herbs and substances from nature. Many believe that traditional healers operate in contrast to modern medicine, but in actual fact *siyasebenzisana nabo*. Some traditional healers are nurses by profession, and they have seen first-hand how indigenous and western methods have infused well together.

Traditional healers are respected in their communities as health practitioners. Professor Moosa from the Chiawelo Community Healthcare Centre is actually in the process of allocating a Traditional Healing

section in the clinic because they recognize that sometimes modern medicine only treats symptoms that appear on the surface and does not address *ukulapha kwesiNtu*.

The spread of the COVID-19 pandemic has affected the way in which traditional healers conduct business because they primarily work with people in very close proximity. THO has taken the necessary protective measures against the spread of the virus, by sterilizing their quarters, having hand sanitizers at every entrance and making sure that both healer and patient wear facemasks at all times.

In the past few months, patients have been asking traditional healers

for *imithi* that will help strengthen their immune systems and fight the virus. Just like the scientists are busy working on a possible vaccine, the traditional healers too have been putting together *ichiza* that they think might be able to assist in eradicating the Coronavirus. These members from the THO believe that if government allows healers to perform their own experimental treatments and recognize their efforts, the country will have a higher chance of winning the fight against the pandemic.

“We just wish that the government would give us a chance to treat COVID-19 patients and include us in the trial vaccination processes”



GENDER-SENSITIVE BUDGETING FOR COVID-19 RESPONSE



DANITA HINGSTON

South Africa boasts an upper-middle income status. However, this carries no significance for the womxn whose child makes up the 27.4% of children under 5 years old that have stunted growth in South Africa. It has no benefit either to the womxn who depends on a paltry Child Support Grant (CSG) and precarious earnings in the informal sector to support her household. The income status certainly makes no difference to the life of the womxn who works as a Community Health Worker (CHW) - a key backbone to the country's primary healthcare system - but earning a meagre R3500 per month to live on. Additionally, the womxn who is a victim of gender-based violence but feels let down by the court system, as justice was not served, did not gain anything from this upper-middle income status.

Womxn continue to be on the periphery of society irrespective of South Africa's economic performance. The lockdown measures to fight the COVID-19

pandemic have paved the way to economic and social stresses and it is womxn that must bear the brunt of this. The closure of schools has shifted more care work responsibility to households, which has been mainly assumed by womxn. Furthermore, CHWs have been deployed as frontline workers to contain the pandemic without recognition and adequate remuneration. In addition, GBV cases are rising alarmingly. The budget response to COVID-19 sadly missed the mark in redressing the plight of womxn. This moment would have given the government the opportunity to show that it is committed to reducing their burdens of poverty and inequality. We urgently need a budget that is gender-sensitive, and parliament can stand in solidarity with the country's womxn by rejecting the budget in favour of measures that will protect their human rights.

South Africa has an unusually large proportion of womxn who solely bear the responsibility of financially providing for their children and meeting their other care needs. Therefore, a sufficient Child Support Grant is imperative to ensure womxn can carry out their caregiving roles without feeling stressed about potentially falling into poverty. Government should not see grants as hand-outs, as they were created to restore the dignity of millions

of South Africans who are still experiencing the legacy of Apartheid. Basic amenities are lacking or barely met in many communities and people still battle to access adequate health care. The CSG is only R445 per month which is smaller than the food poverty line of R561 - 25% of the population live below this line (Statistics South Africa et al., 2018)!

Government's attempt to remedy caregivers' concerns during this pandemic and subsequent economic crisis has been shoddy to say the least. The additional R500 from June to October will not be allocated per child. Moreover, unemployed beneficiaries of CSG are not eligible for the COVID-19 Social Relief of Distress grant of R350. This is despite the high likelihood that a large number of caregivers are either out of a job or earning substantially less now as many rely on earnings from informal work. They should receive the R350 SRoD grant to make up for the lost income in the household and undoubtedly the top-ups to the CSGs should be made permanent and allocated per child.

An important mainstay to the public health system is Community Health Workers, majority of whom are black African womxn, who subsidise the gaps in primary health care, especially in rural and peri-urban communities. They deliver health promotion and

home-based care and are often the individual's first point-of-contact with the health system. To contain the COVID-19 pandemic, more than 28 000 CHWs have been deployed to screen and trace people (OXFAM SA et al., 2020). The stipend CHWs earn, not only falls below a decent living wage but does not compensate for the work they do, as they are trained to carry out lifesaving tasks such as health assessments and patient rehabilitation (OXFAM SA et al., 2020). Greater funding to the health system is needed to promote decent work and gender equality. CHWs should be recognised for their contribution to the primary health care system by being integrated into the Department

of Health as permanent employees and paid liveable wages.

The long-existing pandemic South Africa has been facing is the horrific rate of gender-based violence and during the lockdown period, this has intensified. There has been a blatant disregard of the lives of womxn and people who are part of the LGBTQI+ community, as cases become more harrowing and grimmer. Government needs to invest in programmes that will help bring an end to GBV, these include educating the public and young children about gender and cultural norms that perpetuate GBV incidences. In addition, gender-based violence legislation needs to be

strengthened to achieve justice for victims and to discourage additional crimes. Law enforcement such as the police and the court, need to be more easily accessible and they should willingly assist victims. Finally, more resources need to be directed to organisations that provide shelters, trauma counselling and legal counsel to womxn.

In conclusion, the lives of womxn in South Africa do not reflect the country's upper-middle income status. Based on the situation highlighted above, gender-sensitive budgeting should be South Africa's response.



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Hellen Mthimkhulu (33)

Bringing the health system to the community is a valuable job

Hellen is a Community Health Worker (CHW) and she acts as an intermediary between healthcare facilities and the community by bringing quality access to the people's doorsteps. Part of the job is to screen patients and make medical referrals to health facilities- all to promote healthy living and better access to health services.

Hellen receives a stipend of R3500 a month because the position of a CHW is considered as informal and temporary. However, her work is vital to the proper functioning of the health system. Some of her responsibilities as a CHW include the registration of patients to health programmes nearest to them, and to make regular check-ups on chronic patients who are heavily reliant on medication. Hellen also host health talks throughout the community to help identify specific health issues that need to be addressed with more targeted health campaigns.

This work has since been frustrated in the context of COVID-19. People are no longer receptive to CHW's in their homes and this makes it extremely difficult to perform screenings and check-ups. Hellen also

pointed out that patients who need chronic medication are not willing to go to the clinic and receive the care they need because of fear of contracting the virus.

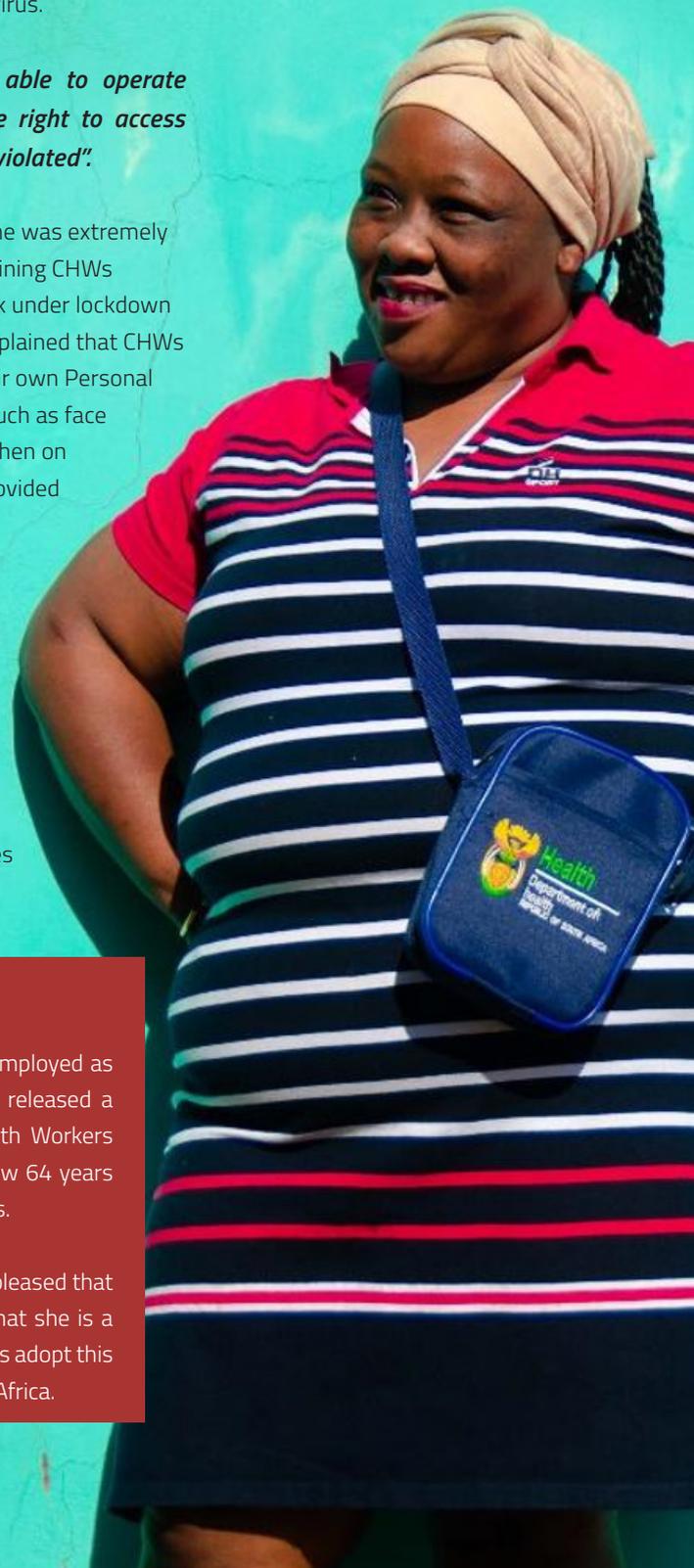
"If CHW's are not able to operate effectively, then the right to access healthcare is being violated".

Hellen expressed that she was extremely dissatisfied with the training CHWs received on how to work under lockdown restrictions. She also explained that CHWs are expected to buy their own Personal Protective Equipment such as face guards and sanitizers when on duty. They were only provided with a 5-litre bottle of hand sanitizer from the Ward Based Outreach Team that they were expected to share among themselves. Eventually, they had to petition and threatened strike action to get plastic aprons and gloves for basic operation.

FOLLOW UP COMMENT FROM HELLEN:

At the time of the initial interview with Hellen, CHWs in Gauteng were employed as contract workers. On 20 July 2020, the province's Health Department released a statement titled 'Changing Nature of appointment of Community Health Workers from Contract to Permanent.' According to the statement, all CHWs below 64 years will be appointed permanently and will receive an increase to their salaries.

Hellen welcomes this new development for CHWs in Gauteng and she is pleased that her new salary will compensate the work she does. Additionally, now that she is a permanent worker, she has access to PPEs. She hopes that other provinces adopt this initiative as this will improve the working conditions of all CHWs in South Africa.



Nonceba Hlophe (23)

Passionate about caring

Nonceba is an aspiring healthcare worker, she volunteered as a Community Healthcare Worker at Chiawelo Healthcare Centre in 2018. She has not been in employment for the past one and a half years. This pandemic has enhanced Nonceba's frustrations around her employment status. She was hoping that she would be hired during the lockdown to help in the fight against COVID-19.

"I became very angry when lockdown started. We used to go house-to-house to see the elderly people. Elderly people have the virus and they don't know what to do or not do. So, we can go house-to-house to motivate the elderly as a community health worker!"

She gained experience in physiotherapy while volunteering and she can perform other vital tasks such as health assessments and treatments. She has a passion

for caring- especially for the elderly population as she wants them to be well cared for and comfortable as they spend all their time at home. Nonceba wants to see transformation in the healthcare workforce. She is requesting that the government hires more young people with nursing qualifications as she has noticed that the nursing workforce is ageing.

Nonceba is urging the youth to play a part in fighting this pandemic.

"In Soweto, many youth are not working. They have told us we must not sell cigarettes. But they still sell because we are not employed, and when they smoke, they pass it to another person."

"We have to teach each other to fight this virus."



IMPACT OF COVID-19 ON THE INFORMAL ECONOMY

The announcement of the nationwide shutdown was met with a lot of trepidation and anxiety, mainly because we were about to enter into uncharted ground. We have all had to find and adapt to new rules of engagement. Many have adjusted by converting living rooms into meeting rooms- although it's business unusual, it is still business nonetheless.

This process of adapting has been more drastic for some than others. Living amongst us, are people who have continuously been marginalised from the formal economy and have had to create alternative ways of surviving.

This article is about the often neglected informal labourers who are being forced to choose between putting food on the table, and keeping safe from a deadly pandemic.

The informal sector has operated as the proverbial safety net against unemployment in this country. According to the latest Quarterly Labour Force Survey [Q1:2020], there are 2.9 million people earning a living in the informal sector. In percentages, the informal sector accounts for almost 26% of total employment in South Africa [this



LELONA MXESIBE

figure is made up of traders at 17.8% and household/ domestic workers at 8%].

Despite these eye-opening figures, the informal sector is still overlooked by formal economic structures. 26% of total employment is significant – 2.9 million households are significant. As such, workers in the informal sector should be hailed and acknowledged as contributors to the GDP and economy, instead of being forced to operate in the peripheries.

Becoming an informal worker is not always a matter of choice, but sometimes as a result of necessity or circumstance. For decades, formal employment structures have been unsuccessful at keeping up with the growing number of South Africans who become eligible to exchange their labour for income. This means that millions of people actually want to work, but they cannot, arguably due to this state oversight. And once

the doors of formal employment have closed, those who are shut out find themselves at the mercy of innovation and finding alternative ways to generate their coins.

And let's not forget the role played by the ever-growing unemployment rate in our country. Those that find themselves structurally unemployed are more likely to seek economic refuge in the informal sector. As more and more people are facing job losses and retrenchments during this time, it is becoming harder to compete for survival and this will naturally result in an upsurge in the informal industry.

Like the saying goes: necessity is the mother of all innovation. No one knows this to ring true more than traders in the informal sector in this country. The sooner we do away with the mentality that precarious workers are out for government handouts, then the sooner we can recognise the finesse involved in this sector.

This next story is from a worker who is no stranger to the hustle of making ends meet. Debra Modise shares the experience of having her livelihood interrupted with no alternative means of supporting her family during lockdown.

Debra Modise is a 40-year-old waste-picker originally from Bushbuckridge, in Mpumalanga. She currently lives in Mamelodi with her partner, who is unemployed, and two children.

Before the lockdown, Debra's income was whatever she was able to collect at the dump yard and sell to local recycling plants, as well as the child support grant for her youngest child. Now because of the lockdown restrictions, she can no longer depend on her recycling income. Which leaves her entire household of four to survive on the money from the child support grant.

When the government tells traders to fold their tables and stay at home, there is an obligation to then provide some form of relief and support for this kind of change. When I asked if Debra had received any food parcels in her region since the lockdown started, she said that she had received but one, at the end of March, "but it was so insufficient, that it felt like we didn't get anything. There was only one tin of beans and a small bag of rice and some other things that were finished in no time. How can we survive like that"?

Debra also confessed to me that

when the president announced the lockdown, she felt very scared for her children and how they were going to survive as a family. "If conditions do not ease up soon, then I don't know how we can continue living like this... at least if they allowed the factory plants to open, then we can go back to collecting and the materials can be sold to give us money", she said. Other than more substantive food parcels, Debra would also like to see more government intervention on some of the dumping yards in the heart of the townships. She told me a gruesome tale of lawlessness being left to run unchecked in the waste-picking arena.

Metro councils have lost control of a number of dump yards in the townships to a group of vigilante rebels who refer to themselves as the 'Boko Haram'. This group terrorises waste-pickers into paying "an operational fee" to be allowed access to the yard.

Nobody has been able to stand up to this mob group for two reasons: the first being the sheer willpower to live and see another day- the mob is infamous for inflicting ruthless violence; and the second reason is because people really do not have an alternative choice- without access to

these dump yards, they can't collect material to trade for money. Because the mobs have 'captured' these landfills, according to waste-pickers in the community, Metro police have long since stopped responding to emergency calls in these areas, which further legitimises the control that Boko Haram has established in their areas.

The coronavirus has caused a lot of precariousness for the economy and the future of South Africa- but the one thing that remains resoundingly clear is we cannot go back to 'normal' after this pandemic.

For one thing, what we have normalised is a structure that is not conducive to poverty alleviation and all-inclusive social development. The state has turned its back on a sector that not only has a significant contribution to the country's GDP but has paved the way of life for millions of South Africans. Without this sector, many households would not have been able to avoid destitution in the worst of times.

There is life after COVID-19, and now would be the perfect time to shape and mould what this budding morrow should potentially look like- for everyone.

Community Policing Forum:

Siyabonga Vilakazi - Chairman (39)

and Dumisani Ngcobo (30)

Safety first!

Siyabonga and Dumisani are members of the CPF in Chiawelo. According to them, the CPF's mandate is very clear: to proactively fight against criminal activity and uphold social cohesion in the community. They patrol the neighbourhoods and when they detect illegal activities, it is followed by swift action such as making citizen arrests and reporting these incidents to the Police Service.

Each neighbourhood is sectioned off in Blocks and every Block is assigned CPF representatives. The CPF members have a WhatsApp group where they keep each other informed about crime reports in the community.

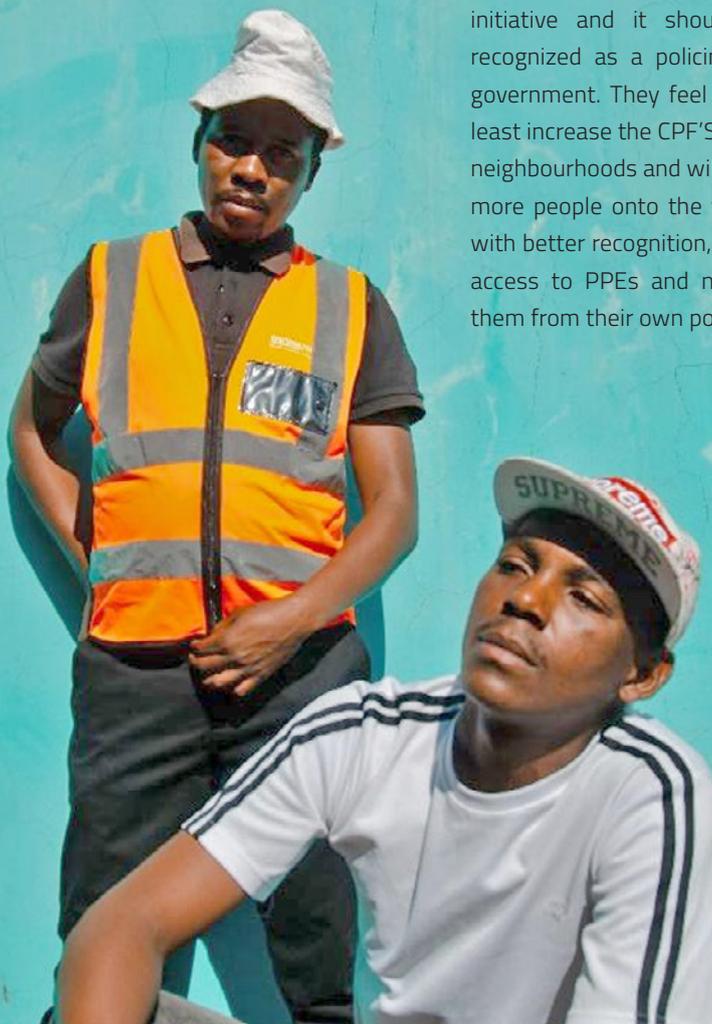
Some of the challenges they often face is that when they have arrested criminals and have alerted the police, they fail to arrive. Or they would arrive two hours later, and even when they seem to have arrested the perpetrators, the

same offenders would be walking free the very next day.

Siyabonga and Dumisani express that this is frustrating because it undermines the work they do in fighting crime in Chiawelo. It is also disappointing because it further highlights the level of corruption within the police service. They say that it is common for officers to receive bribes from criminals and this just helps to continue the cycle that they are working hard to break.

"When our youth see that criminals are not accountable to authorities, they start to romanticize criminal activity as being above the reach of the law and something to aspire to"

Crime-fighting in Chiawelo has been compromised in the context of COVID-19. Since the lockdown restrictions, CPF members cannot patrol outside after certain hours and it is difficult to apprehend a perpetrator due to social distancing measures. Siyabonga and Dumisani believe that CPF is an important community driven initiative and it should be formally recognized as a policing body by the government. They feel that this will at least increase the CPF'S authority in the neighbourhoods and will hopefully draw more people onto the force. Moreover, with better recognition, they could have access to PPEs and not have to buy them from their own pockets.

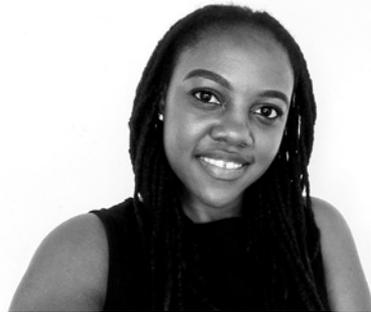


SOCIAL INEQUALITIES ARE EXACERBATING EDUCATION INEQUALITIES

While trying to combat the spread of the coronavirus, it has undoubtedly exposed the persistent economic and social inequalities in South Africa. With more than two decades into democracy, South Africa still remains one of the most unequal countries in the world according to the [World Bank](#). The virus has had a profound impact on several spheres and one of those being education.

The ongoing effects of the COVID-19 pandemic should be a call to address the underlying inequalities in the education system. However, the measures taken to prevent the spread of the coronavirus have unleashed a wide range of systematic problems which are characterized by overcrowded classrooms, shortage of water and bad sanitation.

On 19th May 2020, the Minister of Basic Education Angie Motshekga



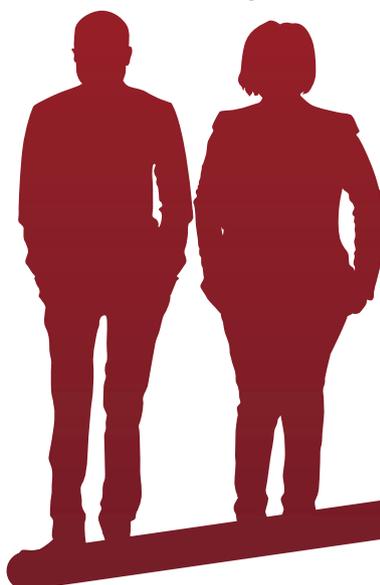
KGOMOTSANG THOBEJANE

highlighted that grade 7 and 12 learners would be returning to school on the 1st June 2020. This follows the Minister calling for the necessary closure of schools which have now been closed for almost three months due to the coronavirus pandemic.

The announcement has since shaken a lot of parents, teachers and teachers' unions. It has stirred conversations centred on the health and safety of the pupils – it has everyone on edge questioning

whether or not there are enough resources available to ensure that classes can be conducted while taking into consideration social distancing and the required hygiene protocols to prevent the spread of the virus. These concerns have already become a reality for many learners and teachers with 168,061 cases having been reported since schools reopened.

The effects of the virus are now exposing a divide that has existed in South Africa for decades. The insufficiencies have been made prominent from time to time but since the reopening of schools, challenges regarding lack of infrastructures have resurfaced. A great number of schools still do not have access to basic things such as clean water and proper sanitation and this will see them having much more difficulties in ensuring that the



pupils are healthy and safe.

Amnesty International published a report which accentuates government's (National Education Infrastructure Management System) statistics for 2018, out of 23,471 public schools 19% of those had illegal pit latrines, 37 schools had no sanitation facilities and 72% had no library (Amnesty International, 2020).

Amidst the ongoing issues pertaining to water shortages and sanitation, the Minister of Basic Education has put in place a phased approach to ensure the safety of learners and educators. The **measures** included the provision of water supply, cleaning and disinfection materials as well as personal protective equipment. The global pandemic had to be the catalyst that exposes the repeated failures of the government – both at national and provincial level.

Research conducted by Amnesty International in Gauteng and Eastern Cape, found that numerous schools had poor infrastructure and lacked basic facilities – with some schools only having one pit latrines, overcrowded classrooms without basic materials such as furniture and textbooks (Amnesty International, 2020).

Water shortages, sanitation and overcrowding are just a tip of the iceberg that the education system is battling with. Public schools in poor areas will continue to face challenges in delivering high quality education as well as maintaining social distancing in overcrowded classrooms with too few teachers. Meanwhile, the affluent schools that have better facilities and more manageable class sizes are able to maintain social distancing.

Social inequalities are exacerbating education inequalities. While some schools are able to provide learners with learning material and virtual lessons, others are without learning resources and can thus not support learners to get them through the syllabus. Even though the government has attempted to make educational programs accessible on TV and radio, this attempt is not enough to bridge the gap of South Africa's unequal access to educational resources. Accessing the material is one aspect of learning, but the concern lies on whether or not the learners are able to engage with the content.

The coronavirus may be seen as a catalyst that pushes the government to address the inequalities that exist in our societies and for the government to ensure that the needs of the most vulnerable learners are prioritized.



Sanele Nkosi (18) and Simphiwe Nkosi (19)

Finishing the semester stronger

Sanele and Simphiwe are siblings who are both currently first year students at tertiary institutions. Sanele is pursuing an entry-level Association of Chartered Certified Accountants (ACCA) qualification at the Institute of Management Accounting and Strategy. Simphiwe is studying for a Bachelor of Business Administration at Rosebank College. These siblings are trying to navigate a new life journey as first year students in varsity in the midst of a global pandemic. Simphiwe's institution facilitated students' access to online learning by providing them with 10GB of data. However, Sanele experienced stress as his institution did not communicate with its students for several weeks except for informing them that they will postpone exams to September.

They also expressed their apprehension about government easing lockdown measures and their return to their respective institutions.

"Students will be sharing bottles of beers - there are lots of accidents and crime is increasing"- Simphiwe

Amidst these challenging times, Simphiwe and Sanele are also welcoming the positive effects of lockdown in their lives. They have learnt to become more self-

sufficient in their studies, take on new skills and overall, just having appreciation to be healthy and alive.

"While I am indoors there are lots of skills that I see I can do by myself by using resources to make a good product that will help someone out there"- Simphiwe

"It was a period where I motivated myself and to become bold and firm in everything I do. It also helped me to study on my own so now it's a revision for me which makes me exceptionally ready for my exams". - Sanele



REFLECTING ON SPII'S SUBMISSION ON THE DIVISION OF REVENUE BILL

SACHA KNOX, LELONA MXESIBE & DANITA HINGSTON

The Studies in Poverty and Inequality Institute (SPII) recently produced a submission on the 2020 Division of Revenue Amendment Bill which guides the equitable division of revenue raised nationally among the national, provincial and local spheres of government. The Bill further determines other allocations to provinces and municipalities which are conditional allocations, otherwise known as conditional grants as they must be spent on specific programmes.

The engagement of SPII's submission clearly connects to the mandate of our 'Budgeting for Change' Project. The purpose of this project is to empower people's agency and ability to contribute towards building a truly participatory pro-poor health budget policy environment in South Africa.

South Africa's health system is currently undergoing transformation through the National Health Insurance (NHI) which is supposed to counteract the current fragmented and inadequately resourced health system. It is envisaged that the NHI will improve health financing through pooling resources into a single fund to purchase healthcare services, on

behalf of the entire population. Most importantly, this will achieve the goal of universal health coverage.

Given the context of the reforms envisaged by the NHI, engagement at all three spheres of government is important. While the NHI is a national policy, oversight and participation at the provincial and local levels is necessitated by important changes to aspects such as the Provincial and Municipal Equitable Shares. It is therefore essential that popular participation with the changes occurring for the NHI, is inclusive of the lower levels. Most importantly, those changes have a high potential to impact service delivery.

This article will highlight some of the main points from our submission on the Division of Revenue Amendment Bill and the public presentation to the Gauteng Provincial Legislature. We will be elaborating specifically on some of our findings from the perspective of the NHI. In addition, we will address the equitable shares and conditional grants to provinces and municipalities and how this will impact their capacity to implement the NHI.

NHI DISINVESTMENT

By 2030, everyone living in South Africa should have access to affordable and quality healthcare through the successful establishment of the National Health Insurance. As the response to the international mandate of universal health coverage, the success of the NHI is capable of bringing large-scale reforms in the Health sector of this country. We are concerned that reprioritisations away from important health care provision and infrastructure services will lead to disinvestments in pertinent developmental projects and have a disproportionate impact on the poor and most vulnerable in our society.

The Division of Revenue Amendment Bill tells us that **R200 million** has been reallocated away from the National Health Insurance direct grant towards piloting field hospitals and other emerging COVID-19 needs. This is a cause for concern because these emergency measures will not provide long term health benefits. Additionally, they place further delays on creating an equitable health system in South Africa.

What we see happening here is that the envisaged NHI pilot projects and their funding is being told to take an indefinite backseat.

Every measure the government takes to combat COVID-19 should be a measure to protect the fundamental human right to health, which is an essential right for the realisation of many other rights.

Following the latest national address from the President, the government has continuously committed to laying the foundations for the implementation of the NHI, but heavy investment on temporary, emergency responses will not have long lasting benefits for the health system. Investing in health infrastructure and medical personnel and medications is sure to yield economic multiplier effects, with better sustainability.

THE EQUITABLE SHARES-IMPLICATION FOR NHI

We are concerned that the Division of Revenue Amendment Bill will have detrimental implications for provinces and municipalities and significantly reduce their ability to deliver frontline health services. In the Division of Revenue Amendment Bill, provinces did not receive an increase to their equitable share which is their main source of funding. The allocation to provincial governments therefore remains the same amount as the February allocation which is

R538.5 billion. The Equitable Share to Municipalities has increased from R74.7 billion to R85.7 billion – and its percentage share of budget expenditure has gone up by 0.3% (Table 2.9 Division of revenue framework- [Special Adjusted Budget p.17](#)).

While these adjustments may, at first, not seem too disheartening, they need to be considered in relation to the massive cuts made to Provinces and Municipalities in the February Budget Review, which properly contextualises our rising concern. In February, the Provincial sphere of government had already experienced a R7 billion slash to its 2020/21 budget.

The premise of the NHI is to bring healthcare closer to people through decentralising the health system and bolstering primary health care service delivery. Health services are rendered by Districts but managed by Provincial Departments of Health. In essence, provinces will be the drivers of NHI. Provinces have been mandated to reprioritise R20 billion, in total, to fund the COVID-19 response. This is concerning in the current context where Provincial Treasuries face a decline in their own revenue generations by approximately R4 billion, or 18.7%, as, for example, tax receipts from casinos and horse racing have dropped ([Special Adjusted Budget p.19](#)). Additionally, fees paid for public health services have also fallen, due

to fewer patients currently accessing non-COVID-19-related health services. COVID-19 has put further strains on the respective health systems of provinces. To recover from this, it is going to take more than just reprioritisation of existing provincial budgets to successfully implement NHI.

The Municipal Equitable Share allocations, considered in conjunction with the February Budget Review, are also a cause for concern when Municipalities are responsible for delivering a number of essential frontline health services such as water and sanitation. Municipalities faced a R 5.6 billion cut to their budget in February, the majority of which came from cuts to local conditional grants, which will be detailed slightly later, when looking specifically at Conditional Grants.

The economic impact of COVID-19 on Municipalities is still unclear, however, preliminary reports indicate metros alone reported an aggregate 30% drop in revenue in April 2020, while other Municipalities have seen a drop in revenue as high as 60% in the same month ([COVID19 Response DoR Amendment Bill 2020 p.5](#)). As the economy plummets due to job losses and income reductions, payments of Municipal bills are also likely to substantially reduce and further decline Municipal revenues.

All of this forms a stark picture of the urgent and immediate need for

increased allocations and resources for improved capacity at this level, which we do not feel the current allocations properly address. Provinces will be the drivers of NHI programmes that promote better access to Health care but their main source of funding, the equitable share, is not being raised.

CUTS TO HEALTH CONDITIONAL GRANTS TO PROVINCES AND MUNICIPALITIES

In the Budget speech in February, the government affirmed that it is a caring state and we should see it [the state] as our municipality. Yet all we have seen are massive reductions in the conditional grants transfers:

- Conditional grants to provinces were cut by a total of **R4.89 billion** and conditional grants to municipalities were cut by **R4.6 billion**.
- Health conditional grants were cut by **R446 million** (Table 5.3 Largest Baseline Reductions over the MTEF Period- [Budget Review 2020 p.50](#)).
- A **R2.8 billion** reduction to the Municipal Infrastructure Grant over the Medium-Term Economic Framework.

The Division of Revenue Amendment Bill tells us that allocations to the National Health Insurance indirect grant have been reprioritised. **R80 million** was supposed to be used for contracting private health professionals to help implement the NHI, but has now gone towards the COVID-19 response. Not only is this concerning in relation to the NHI, but it also turns a blind eye to the issues that are currently crippling the health system: understaffing, medicine stockouts, as well as the freezing of doctor posts.

When revisions were made to the amounts allocated to provinces through conditional grants, the cuts were made to the funds that were less likely to be utilised due to the lockdown restrictions and COVID-19 related delays. This is despite the state's confession that this will result in "slowing the provision of infrastructure such as water and electricity connections to poor households".

CONCLUSION

SPII's submission on the DoR Amendment Bill is towards the goal of *creating more meaningful participation in the health budget policy environment*.

The concept of meaningful participation is central to the project's Theory of Change, as

working directly with community and civil society perspectives creates a better understanding of the health budgeting needs of the poor in South Africa. Moreover, this contributes towards building a truly participatory pro-poor health budget policy environment. Participation means that these needs can be properly factored into budget decision-making processes, aligning allocations to actual needs, as well as achieving effective delivery systems.

This work on the DoR Amendment Bill is one example, among many others, of how SPII participates in public budgeting processes for the realisation of health rights and entitlements. SPII will continue to engage with participatory processes at all levels of the inter-governmental budgeting process. This is to ensure that vitally important community and civil society perspectives are directly connected to policy makers, for more inclusive processes and the better realisation of Socio-Economic Rights.

Through contributing to the creation of participatory budgeting mechanisms, SPII seeks to ensure that maximum available resources are applied to the progressive realisation of national healthcare for all in South Africa.

Winnie Khonkhobe (50)

The community's champion

Winnie has been a community board member for the Child Health and Mortality Prevention Surveillances (CHAMPS) for a year. She plays an important role to act as an intermediary between CHAMPS and the community members.

"Our main role is to educate the research team on the culture and the community, especially around the entry point into the community. We are in between the community and the CHAMPS members. The community relies on us- when they see us with the CHAMPS members, they have that belief

that we can't put their lives in danger".

The CHAMPS team do research on the cause of child mortality and poor health outcomes among children in marginalised communities around South Africa. With the aid of community board members, like Winnie, they also share educational public health information to communities. Winnie revealed that the CHAMPS research found that malnutrition and mortality due to diarrhoea were the common disease burden affecting children under 5 years.

CHAMPS has deployed their team to do free COVID-19 testing in the communities they work with. Some children have also been screened but none of them are infected with the virus. They have visited around 24 000 households in Soweto alone.

"We inform the community that their staff will be doing free door-to-door scanning of COVID-19. When they enter, we introduce them to the households and let households know these are people from CHAMPS. From there I go outside because it has to be private and confidential".



SPII *Matters*

STUDIES IN POVERTY AND INEQUALITY INSTITUTE (SPII) COVID-19 POLICY

SPII is interested in ensuring that all staff and stakeholders receive objective, verified information on the pandemic and will endeavour to circulate such information from reliable sources.

SPII is committed to implementing policies which mitigate against the transmission of COVID-19, both

within the workplace and beyond. We have therefore implemented the following measures:

- All staff will work from home.
- Where staff do need to go in to the office due to unavoidable reasons, they will be supported in order not to have to take public transportation in and out.

A repository of COVID-19 resources that we have recently developed and continually update, see here: <https://spii.org.za/covid-19-resources/>

For further information on SPII's recent work in relation to a Basic Income Grant (BIG), see here: <https://spii.org.za/big/>

To see statements that SPII has recently endorsed and support, see here: <https://spii.org.za/submissions-and-endorsements/>

KEEP IN TOUCH

To stay up to date with the latest news from SPII, please visit Facebook and Twitter:



Please contact Isobel Frye at SPII should you wish to have any information about any of the pieces - Email: isobel@spii.org.za



www.spii.org.za

*Building up knowledge
to break down Poverty*

SPII Services:

SPII provides the following services:

Bringing people together, "honest broker" at roundtables and seminars

Conference host, bringing together a verity of stakeholders to share new information

Policy support and analysis

Training in research methodologies – on request

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