



MPHO MHLONGO

# **A discussion about the current Social Security System in South Africa**

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# Introduction

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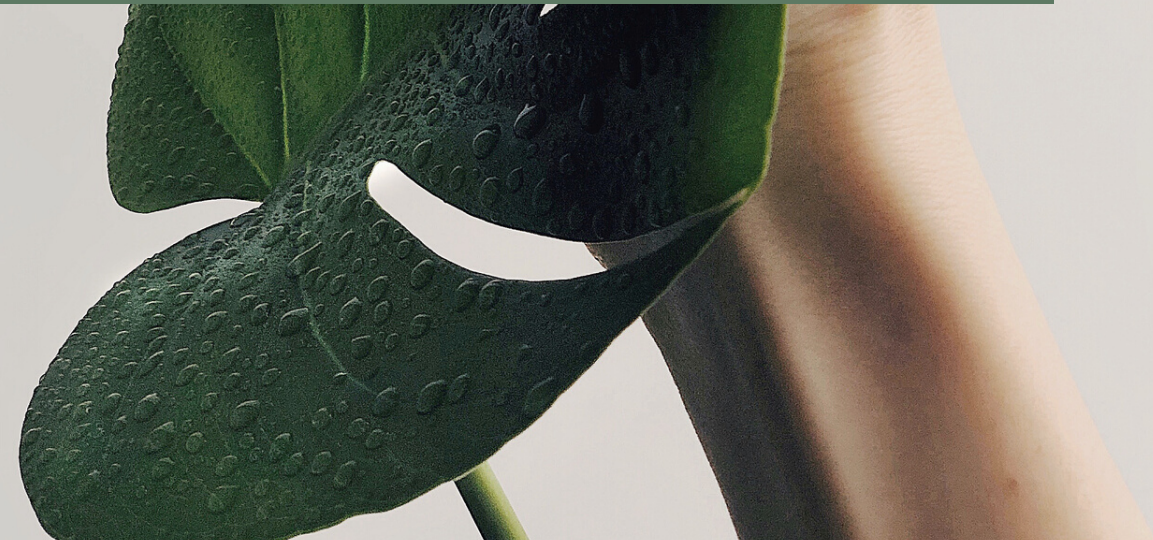
Company Secretary Intern at SPII  
& Lobbyist



END OF APARTHEID IN 1994

# OVERVIEW OF THE SOCIAL SECURITY SYSTEM IN SOUTH AFRICA

THE RIGHT TO SOCIAL SECURITY





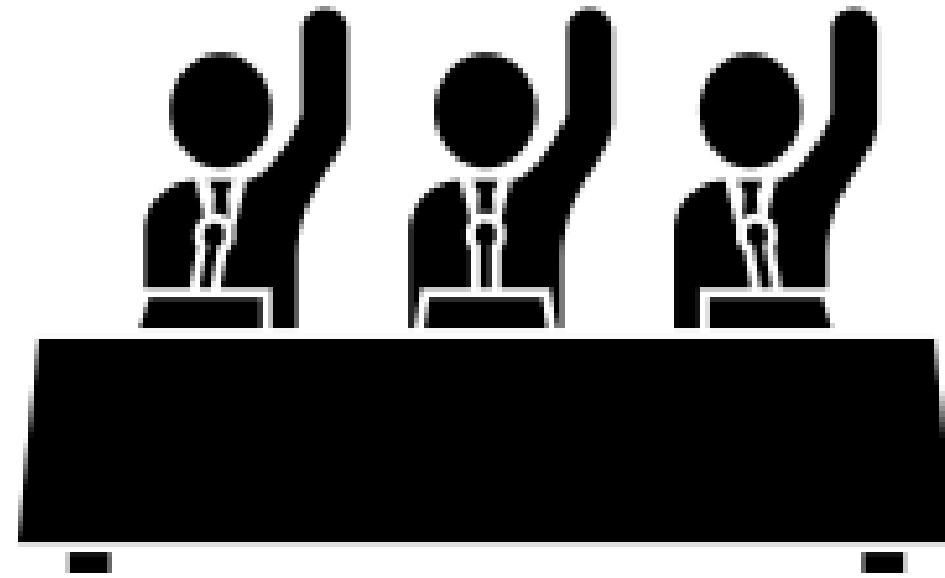
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SOUTH AFRICAN SOCIAL SECURITY AGENCY

Social assistance is by far, one of the most effective pro-poor programmes that has and continues to keep even more vulnerable South Africans from falling deeper into poverty .

# Current grants

Older persons  
War Veteran's Grant  
Grants In Aid  
Disability Grant  
Child Support Grant  
Care Dependency Grant  
Foster Child Grant  
Social Relief in Distress



- There is widespread consensus that grants have contributed to a reduction in poverty.



- Despite this, a huge gap existing gap exists within the system in relation to coverage of unemployed able-bodied adults aged between the ages of 18-59 .

# Social Relief of Distress

- SRD Grant of R350 was widely welcomed
- Qualifying criteria was quite strict:
  - Currently residing within the borders of the Republic of South Africa;
  - Above the age of 18 and below the age of 60;
  - Unemployed;
  - Not receiving any social grant in respect of himself or herself;
  - Not receiving an unemployment insurance benefit and does not qualify to receive an unemployment insurance benefit;
  - Not receiving a stipend from the National Student Financial Aid Scheme (NSFAS) and other financial aid;
  - Not receiving any other government COVID-19 response support; and
  - Not a resident in a government funded or subsidised institution.

AS A MEANS FOR ACHIEVING  
POVERTY REDUCTION AND  
FIGHTING INEQUALITY.

# UNIVERSAL BASIC INCOME GRANT

NOT A SILVER BULLET SOLUTION  
TO ALL PROBLEMS

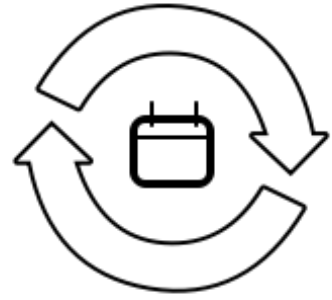


# What is a Basic Income Grant?



It is a periodic cash transfer that is unconditional and permanent, and paid to all individuals in society.





## PERIODIC

It is paid at regular intervals (for example every month), not as a once-off grant.



## CASH PAYMENT

It is paid in an appropriate medium of exchange, allowing those who receive it to decide what they spend it on.



## UNIVERSAL


It is paid to all, without means test



## INDIVIDUAL

It is paid on an individual basis

# CHARACTERISTICS OF A BIG



## What is the call?

- R1268
- Based on the upper bound poverty line\*
- Affordable through a blend of financing

Food poverty Line (R585)  
Lower-bound poverty line (R840)  
Upperbound poverty line (R1 268)



1. Monetary Financing – umbrella term that encompasses many proposals such as QE for the people, helicopter money, sovereign money creation. Money creation for public purpose
2. Central Bank Lending
3. Quantitative Easing
4. Excess Foreign Exchange Reserves
5. UIF surpluses
6. Restructuring SA Inc Balance Sheet – reduce PIC funding by 50%. Release R1.1 trillion into economy
7. PIC Lending
8. GEPP payment holiday
9. Increased borrowing
10. Higher taxes
11. Prescribed Assets

# FINANCING OPTIONS



- UNAFFORDABLE



- DEPENDENCY



- LAZINESS

AGAINST

FOR



• ENTREPRENEURIAL/SELF-EMPLOYMENT



• INVESTING MORE IN EDUCATION



• WOMAN EMPOWERMENT

REDUCE POVERTY



INCREASE GDP



INCREASED BUYING POWER



# What do we do now?

IT IS TIME THE SOUTH AFRICAN  
GOVERNMENT SHOWED BOLD LEADERSHIP  
AND TAKE SERIOUSLY CIVIL SOCIETY'S CALLS  
FOR THE IMMEDIATE IMPLEMENTATION OF A  
BIG IN SOUTH AFRICA.



**THANK YOU**

**QUESTIONS**

