

Thursday, 7 May 2020

President Cyril Ramaphosa

**His Excellency, President Cyril Ramaphosa,
President of the Republic of South Africa**

Copied to:

MINISTER OF SOCIAL DEVELOPMENT

Ms Lindiwe Zulu

c/o Ms Zama Kumalo; Ms Monica Zabo; Ms Lumka Olifant

MINISTER OF WOMEN, YOUTH AND PERSONS WITH DISABILITIES

Minister Maite Nkoana-Mashabane

Private Secretary: Ms Mantikwe Ramokgopa

Ms Millie Ramoraswi Chief of Staff

Acting Director General (ADG): MS. W.R. (Shoki) Tshabalala

MINISTER OF EMPLOYMENT AND LABOUR

Minister Thembelani Thulas Nxesi

DEPUTY MINISTER BOITUMELO ELIZABETH MOLOI

UIF Chief Operations Officer: Ms Judith Kumbi

MINISTER OF FINANCE

Minister Tito Mboweni

Office of the Director General Dondo Mogajane

DDG: Public Finance

Acting DDG: Budget Office

DDG: Public Finance Mampho Modise

Dear President Ramaphosa,

RE: COVID-19 SOCIAL RELIEF OF DISTRESS GRANT

Introduction

We note government's emergency economic and social relief measures to alleviate the impact of the COVID-19 pandemic and the resulting nationwide lockdown on individuals and households. While the relief measures are a small step in the right direction, they are insufficient to meet the current humanitarian crisis under lockdown conditions. Many poor families are going hungry. The situation remains desperate with many queueing for food parcels. The threat of starvation or even the possibility of death from hunger, rather than from the coronavirus, for many people is real.¹ It is within this context that we argue that the social grant relief measures remain inadequate.

COVID-19 has underscored the critical role of adequate investments in public health, comprehensive social protection programmes, dignified and decent work, and access to food, water, sanitation systems and housing. The coronavirus has also intensified the intersecting forms of inequality including income and wealth within our country, and gender inequality, for which measures have to be put in place.

We note the recommendations of United Nations (UN) Committee on Economic, Social and Cultural Rights in its statement on the coronavirus disease (COVID-19) pandemic and economic, social and cultural rights. The COVID-19 pandemic has inflicted "devastating impacts across the world on all spheres of life – health, the economy, social security, education and food production". The lockdowns to curb transmissions of the virus have caused jobs losses, endangered livelihoods and heightened exposure to violence. States are under an obligation to take measures to prevent or mitigate negative impacts. However, these must be implemented within a human rights framework to mitigate against violations of economic, social and cultural rights and to reduce the suffering of the most marginalised groups. Social relief and income-support programmes must be provided to ensure food and income security to all those in need.

¹ As reported by Human Sciences Research Council, 66% of the people living in informal settlements are on the verge of going hungry or simply unable to afford buying food. A further 55% of the informal settlement residents do not have money to buy food.

The global COVID-19 pandemic has encouraged innovative economic and social relief programme interventions by many countries, including Brazil and Namibia, and has accelerated the implementation of such programmes in South Africa.

New COVID-19 Social Relief of Distress grant

The roll out of a temporary COVID-19 Social Relief of Distress grant, to those who have no income and do not benefit from other social assistance programmes or the Unemployment Insurance Fund (UIF), is a significant new intervention. Furthermore, the South African government is beginning to address a recommendation by the United Nations (UN) Committee on the International Covenant for Economic and Social and Cultural Rights (ICESCR) to “ensure that those between the ages of 18 to 59 with little and no income have access to social assistance”² by 31 October 2020.

Many South Africans are structurally unemployed. STATSSA estimates that 10.4 million people were unemployed by the end of 2019, prior to COVID-19. This number has grown considerably as it is estimated that a further 1.6 million jobs from the formal economy will be shed during the pandemic. The South African Reserve Bank is projecting a negative economic growth of approximately -6%. The formal economy is unable to absorb all those unemployed for the foreseeable future. Those with “jobs” in the informal economy often do not benefit from the Unemployment Insurance Fund (UIF), as they do not qualify, or benefits were deducted but never paid over to the UIF. A further 5.5 million people were employed in the informal economy, which has effectively been shut down by the lockdown. We therefore welcome the roll out of the temporary COVID-19 Social Relief of Distress grant as the first step towards permanent Social Assistance for those between 18 to 59 years with no or little income. Our government is slowly moving towards the progressive realisation of social security.

Increase the COVID-19 Social Relief of Distress grant

The COVID-19 pandemic has placed all poor households under severe strain. Many are on the brink of starvation and in desperate need of Social Relief of Distress. We urge government to increase the amount of the COVID-19 Social Relief of Distress grant from R350 per month per person to at least R1,227.

² Concluding observations on the initial report of South Africa by the United Nations Economic and Social Council E/C.12/ZAF/CO/1 12 October 2018 p.

R350 is highly inadequate to cover food, energy sources (electricity, gas or paraffin, wood), transport as well as the additional cost of complying with hygiene protocols during the pandemic. The monthly basket of staple food has increased by R253, from R3,221 on 2 March to before the onset of the COVID-19 crisis, to R3,474 on 23 April, at a time of reduced income, increased needs for home meals and restricted ability to shop around. Individuals and households are feeling the squeeze.

The COVID-19 Social Relief of Distress grant is considerably lower than the food poverty line of R581 per person per month and cannot provide even basic nutrition for one person. The amount of R350 is also significantly less than the value of the Social Relief of Distress food parcel of R1,200 per month distributed by the South African Social Security Agency (SASSA). We recommend that government use the upper-bound poverty line of R1,227 as the baseline for determining the value of the grant.

Both the “Caregiver” Grant of R500 (from June) per month and the COVID-19 Social Relief of Distress Grant of R350 per month target adult women and men with no or little income between the ages of 18 to 59 years. Why are these grants of different monetary value?

Individuals, male or female, who earn below the SASSA-determined means test and are between the ages of 18 and 59 should receive a grant of the same value, irrespective of whether they are a caregiver or not. On the surface it would seem unfair that approximately 7 million unemployed adults (caregivers) receive R500 while a similar number receive R350, unless government is transparent about the criteria used to justify the additional R150 for the CSG Caregiver grant.

Clear criteria and minimum paperwork

We understand that government is developing Regulations and procedures to implement the new COVID-19 grant application and means testing process for applicants. While we understand the need to move quickly in the face of a humanitarian disaster, we request that the public and people directly affected be afforded their constitutional right to participate and comment on the Regulation.³

This application process must not be an administrative burden for potential beneficiaries. The required documentation must be limited to an Identity Number (ID), the required documents for refugees and

³ We note that businesses and the general public were afforded the opportunity to submit written comment on the draft Level 4 lockdown regulations prior to these being finalised.

permanent residents, name and surname, and contact details including mobile and/or bank account details. Provision must be made for applications without Identity Documents for people who do not have IDs or who have lost their IDs.

SASSA must make use of the databases of other government entities including the Department of Home Affairs, the Unemployment Insurance Fund (UIF), the South African Revenue Service, and the National Student Financial Aid Scheme (NSFAS) rather than place an onerous burden on beneficiaries to obtain and produce volumes of supporting paperwork at their own cost, or be sent from pillar to post to register for the grant.

SASSA must have clear criteria in place and also communicate the recourse mechanisms to those whose applications are denied. The bank account into which money is transferred must not allow banks or credit providers to seize the grant to pay off any prescribed debt.

Open SASSA offices

It is public knowledge that the SASSA Call Centre has not been coping with the high volumes of traffic. The Black Sash and many of the organisations who support this submission have fielded many complaints from the general public who have tried without success to contact the Call Centre. Furthermore, existing grant beneficiaries whose grants have been suspended for one reason or another have no recourse to having their grants reinstated.⁴ SASSA and government departments, such as Home Affairs, delivering social security services must urgently open up their offices with a full staff complement to respond to the social and economic relief measures as announced by President Ramaphosa, as well as to new applications for existing grants.

No banking fees

Commercial banks must be encouraged to permanently waive all withdrawal and SASWITCH fees for social grant beneficiaries. Even with the increase in grant allocations, the cash value of these grants is significantly reduced when subjected to withdrawal and SASWITCH fees. Further, SASSA needs to factor in the impact of the COVID-19 Social Relief of Distress grant when it comes to the staggering of payment dates. As SASSA acknowledged after April's grant payment run, congestion at payment channels must be limited to lower the

⁴ Approximately 100 000 babies were born during lockdown, yet were not able to obtain birth certificates or CSGs. At least 60% of these babies will be in need of CSGs and their caregivers therefore need access to SASSA offices to apply.

risk of exposure to COVID-19. For this reason, careful consideration must be given to the date on which the COVID-19 Social Relief of Distress Grant will be paid to beneficiaries. We support the idea that COVID-19 Social Relief of Distress Grant be staggered, for example, paid monthly on the date of approval of the application. This type of staggering will spread grant payments throughout the month and avoid bottlenecks and congestion at payment channels which is currently the case.

Assistance to people with no ICT access

We welcome the news that SASSA will soon be implementing a voucher and cash transfer technology-based system for accessing the grant. Applications for the COVID -19 Social Relief of Distress grant will be able to be lodged electronically including via WhatsApp and email. In rural and peri-urban areas with limited Information and Communications Technology (ICT) access, other methods need to be in place to ensure that people benefit from the COVID-19 Social Relief of Distress grant and voucher system. These methods need to be designed and communicated as quickly as possible so that the very poor are not left behind.

Dealing decisively with corruption

Corruption is most often a burden left to the poor to carry. We cannot allow this to be the case during this global health emergency. The economic and social measures put in place to help society's most vulnerable must be protected against those who would steal from our people. We urge government to appoint a temporary Social Assistance Ombudsman to ensure that those most in need receive food parcels, that people obtain the full cash value of their grant, are protected against unfair banking or lending practices and that there is an accessible and effective way to report corruption, favouritism and patronage within the food distribution network. We believe that with the suspension of ordinary procurement policies, the continued closure of SASSA offices and the extra powers given to the Executive during this time, this appointment is essential to guard against corruption and to ensure accountability and transparency.

Government therefore must ensure that it implements anti-corruption measures to prevent diversion of resources and guarantee that distribution of resources is undertaken and managed equitably, especially to the poor and socially vulnerable communities.

Increase the Social Grant Relief budget

On 24 April 2020, Mr. Tito Mboweni, the Minister of Finance, provided clarity on social assistance net spending. He stated in a media briefing that R50 billion of the R500 billion economic support package has

been allocated to relieving the plight of those who are most desperately affected by the coronavirus. However, this represents only 10% of the total R500bn relief package. We urge government to redirect finance from the military, the UIF reserves, the extended public works programme and other non-essential service sources to substantially augment the Social Assistance budget.

In summary, we recommend as follows:

- 1) Increase the COVID-19 Social Relief of Distress Grant to at least R1,227.
- 2) Create a single COVID-19 Social Relief of Distress Grant, where all unemployed adults with no access to UIF are eligible for the same amount, irrespective of whether or not they care for children
- 3) Expand the coverage of the Unemployment Insurance Fund (UIF) benefit to all workers including those in the informal economy, seasonal workers and the self-employed.
- 4) Convert the COVID-19 Social Relief of Distress grant into an adult grant for those between the ages of 18 to 59 years with no or little income and ensure that it becomes a permanent part of the social assistance programme.
- 5) Publish the draft regulations that define the eligibility and application process of the COVID 19 Social Relief of Distress Grant, and allow for written public comment within a defined period.
- 6) Ensure that the criteria for the new grant is well communicated and that the systems and processes are in place to access the grant is administered efficiently and with limited administrative burdens on the applicants. Ensure that those who are eligible without ICT are given access.
- 7) Appoint a temporary Ombudsman to deal speedily with complaints, recourse and corruption.
- 8) SASSA and government departments delivering social security services must urgently open their offices to respond to the social and economic relief measures as announced by President Ramaphosa.
- 9) Government must increase the package of R50 billion for social grants and ensure that the entire amount is spent on the social assistance net for the poor and the unemployed.

Yours sincerely

Black Sash National Director

Lynette Maart

For queries:

Black Sash National Advocacy Manager

Hoodah Abrahams-Fayker

ENDORSED BY:

1. Alternative Information and Development Centre (AIDC)

Director: Brian Ashley

Dominic Brown

2. Botshabelo Unemployment Movement

Motsi Khokhoma

3. Cancer Alliance

Salomé Meyer

4. Children in Distress Network (CINDI)

CEO: Rekha Nathoo

Suzanne Clulow

5. Children's Institute

Director: Shanaaz Mathews

Paula Proudlock

6. Centre for Applied Legal Studies (CALs)

Director: Tshepo Madlingozi

7. Community Advice Offices South Africa (CAOSA)

Chief Executive Officer: Tshenolo Tshoedi

8. Congress of South African Trade Unions (COSATU)

Tony Ehrenreich

9. Dullah Omar Institute

Director: Professor Jaap de Visser
Ebenezer Durojaye

10. Equal Education (EE)

Ms Rone McFarlane

11. Environmental Monitoring Group (EMG)

Director: Mandy Moussouris

12. Institute for Economic Justice

Co-Director: Gilad Isaacs

13. Institute for Poverty, Land and Agrarian Studies (PLAAS)

Director: Andries du Toit

14. Oxfam South Africa

Basani Baloyi

15. Peoples' Health Movement South Africa

Chair: Michelle Mazamo

16. Public Service Accountability Monitor (PSAM)

Director: Jay Kruuse

17. Right2Know

Ghalib Galant

18. Section 27

Executive Director: Umutyana Rugege
Sasha Stevenson

19. Sexual and Reproductive Justice Coalition

Director: Marion Stevens

20. Shayisfuba Feminist Collective

Rukia Cornelius - Rukia.Cornelius@oxfam.org.za

21. South African Domestic Services and Allied Workers Union (SADSAWU)

President: Myrtle Witbooi

22. Southern African Faith Communities' Environment Institute (SAFCEI)

Executive Director: Francesca de Gasparis

23. South African Informal Traders Alliance (SAITA)

President: Rosheda Muller

24. South African NGO Coalition -SANGOCO Eastern Cape

General Secretary: Monga Peter

Awonke Nikelo

25. Southern African Social Policy Research Institute NPC (SASPRI)

Research Director: Gemma Wright

26. Studies in Poverty and Inequality Institute (SPII)

Director: Isobel Frye

27. Triangle Project

Sharon Cox

28. Women on Farms Project

Director: Colette Solomon

Cooperatives Roseline Engelbrecht