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**NATIONAL ASSEMBLY QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 1021**

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**1021. Mr H A Shembeni (EFF) to ask the Minister of Social Development:**

To date, what (a) total number of persons have benefited from the R350 social relief grant, (b) impact has she found that the specified grant had on the lives of those to whom it was paid and (c) has she found would the social and livelihood implications of stopping the grant be on those who have been recipients of the grant? NW1204E

**REPLY:**

1. To date a total of 9 998 879 applications have been received for the relief grant. The numbers approved per month varied as validation of every application was done monthly. The number approved per month for the duration of this grant is indicated below:

May 4 424 449

June 5 061 088

July 5 570 962

August 5 963 465

September 6 037 809

October 6 135 121

November 6 088 879

December 5 930 154

January 5 934 216

February 5 924 709

March 5 780 422

April 5 917 068

1. The department has conducted a Rapid Assessment of the Covid-19 R350 grant and has also reviewed other independent studies conducted on relief measures. All studies confirm that the relief measures have made significant impact on the livelihoods of not only those receiving the grant, but also those in a household of a grant recipient. From our rapid assessment study we found that around 88% of recipients of the COVID SRD grant pooled the grant with their other household incomes to take care of the needs of everyone in the household; thereby confirming that the reach of the grant to reduce poverty, thus goes far beyond just the recipient. It is estimated that between the CSG Caregivers allowance and the COVID SRD grant of R350, approximately 36 million individuals benefited from these both directly and indirectly.

Our utilisation surveys also confirms that the grant was mainly used for the purchase of food. This triangulates well with other research indicating that hunger declined during the period May to October 2020 when the relief package was at its maximum level and then increased from November onwards when part of the relief package, and notably the care givers allowance, was withdrawn. It is expected that with the withdrawal of the last portion of the relief package, whilst in 3rd wave of the pandemic, more households and individuals will become vulnerable to hunger.

The research findings by The National Income Dynamics Study - Corona Virus Mobile Survey, 2020 (NIDS CRAM) confirms that the special COVID-19 grant has brought millions of previously unreached individuals into the system, and application for and receipt of the grant has been relatively pro-poor. This is further confirmed by the department’s rapid assessment study:

* Over 6 million new applicants accessed this grant, the majority being youth.
* Most found the application process relatively easy to navigate.
* Of those who received the grant, the majority are in low-income households.
* 30% of those who were retrenched between February and April report no household-level grant protection at all; and hence the new COVID SRD grant was able to provide them with some form income support.

In terms of poverty and inequality, microsimulation work done by Southern Africa – Towards Inclusive Economic development (SATIED), a collaboration between National Treasury, UNIWIDER, SARS, TIPS and others; found that poverty measured at the Food Poverty line would have increased from 20.6% of the population living below the food poverty line to 32.1% if there were no COVID social relief interventions. However with these interventions, not only were we able to prevent further deepening of food poverty, but also decrease this from 20.6% to 18.8%. Similar results were found at the lower and upper bound poverty lines.

Similarly with inequality, as measured by the Gini coefficient, without the relief measures, inequality would have increased from 0.64 to 0.67, however with the relief measures our Gini coefficient has declined to 0.61.

The policy brief on the distributional impact of COVID-19 and the state emergency packages in South Africa by SA-TIED provide recommendations that is important to note that comprehensive social security helps protect people from economic shocks by operating as an automatic stabiliser that is built into the tax-benefit system and that there is an urgent need to establish social assistance for poor people of working age, as a permanent rather than temporary feature of the system

1. The evidence provided by the various research, and analysis, confirms the assumption that ending relief programmes will reduce household demand as well as increase hunger and social alienation. These factors will add to social and political stress, which in turn will slow down the economic recovery over the coming year or two at least.