Social Protection in the COVID-19 Pandemic: Lessons from South Africa

Lena Gronbach, Jeremy Seekings, and Vayda Megannon

Abstract

South Africa responded to the stresses of the COVID-19 pandemic and lockdown using a combination of existing social protection programmes, unemployment insurance, and additional measures to support those most affected. This paper reviews policies and implementation with the objective of highlighting lessons for the global community, including on the use of digital mechanisms.

The government adopted a two-pronged and largely cash-based approach: unemployment benefits for formal sector workers and cash transfers to vulnerable individuals, informal workers, and beneficiaries of existing grants. Top-up payments for existing grants were rolled out efficiently; the new Special Relief of Distress (SRD) grant posed challenges but ultimately succeeded in reaching over six million previously uncovered beneficiaries. It may even become a permanent feature of South Africa's social protection system.

Overall, the government reached over 30 million South Africans with cash-based relief measures. A distinctive feature of cash-based emergency relief was the use of digital technologies, especially in the application and verification process for the new SRD grant. The payment system, however, relied heavily on manual cash disbursements, thus failing to reflect the adoption of innovative digital technologies observed in many other African countries.

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Abbreviations

ATM	Automated Teller Machine
CCMA	Commission for Conciliation, Mediation and Arbitration
CNDC	Community Nutrition Development Centres
CPS	Cash Paymaster Services
CSG	Child Support Grant
DSAC	Department of Sports, Arts and Culture
DSD	Department of Social Development
ECDC	Early Childhood Development Centre
EPWP	Expanded Public Works Programme
FNB	First National Bank
GDP	Gross Domestic Product
NDA	National Development Agency
NIDS-CRAM	National Income Dynamics Study—Coronavirus Rapid Mobile Survey
NPR	National Population Register
NSFAS	National Student Financial Aid Scheme
NSNP	National School Nutrition Programme
OPG	Older Person's Grant
PASA	Payments Association of South Africa
PAYE	Pay-As-You-Earn
POPIA	Protection of Personal Information Act
QLFS	Quarterly Labour Force Survey
RICA	Regulation of Interception of Communication Act
SAPO	South African Post Office
SARS	South African Revenue Service
SASSA	South African Social Security Agency
SETA	Sector Education and Training Authority
SMS	Short Message Service
SRD	Social Relief of Distress
TERS	Temporary Employee/Employer Relief Scheme
UIF	Unemployment Insurance Fund
USSD	Unstructured Supplementary Service Data

Preface

Many countries, including South Africa, dramatically expanded social protection in response to the stresses of the COVID-19 pandemic and lockdown. Often, this involved the development and deployment of a range of digital mechanisms, to enrol new applicants, to screen them for eligibility, and to make payments. Even as many programs revert to spending levels closer to the pre-Covid-19 situation, the policy and technology innovations remain, potentially re-shaping aspects of social protection and payments for the future.

This case study analyses the experience of South Africa, reviewing policies and implementation with the objective of highlighting lessons for the global community, including on the use of digital mechanisms; it also reports on the experience of poor and vulnerable groups seeking to access them. Overall, the government reached over 30 million people with cash-based assistance. At the same time there were challenges in rolling out the new systems, and limited progress in modernizing the payments process.

The study, by Lena Gronbach, Jeremy Seekings, and Vayda Megannon is one component of CGD research on the use of technology in social programs and payment systems.

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Executive summary

Like many other countries, South Africa responded to the economic and social stresses of the Covid-19 pandemic and lockdown measures using a combination of existing social protection programmes, unemployment insurance, and additional measures to support those most affected by the pandemic. This report reviews policies and implementation performance in this area, with the objective of highlighting lessons for the global community, including on the use of digital mechanisms along the social protection delivery chain.

Building on a long-standing and well-developed social protection framework, the South African government adopted a two-pronged and largely cash-based approach to its pandemic response. Support was offered in the form of unemployment benefits for formal sector workers and through social cash transfers to vulnerable individuals, informal workers and beneficiaries of existing social grant programmes. While top-up payments for existing social grants were rolled out quickly and efficiently, the introduction of the new Covid-19 Special Relief of Distress (SRD) grant posed numerous challenges but ultimately succeeded in reaching over six million previously uncovered beneficiaries. With an initial duration of one year, followed by an 8-month extension, the grant may even become a permanent feature of South Africa's social protection system. Further, the grant accelerated the adoption of digital application and payment technologies, although its rushed implementation led to various delays and shortcomings, particularly with regard to cash pay-outs through the South African Post Office.

Overall, the government reached over 30 million South Africans with cash-based Covid-19 relief measures, many of which were extended beyond the initial emergency phase. Other forms of social assistance, such as financial relief through credit repayment moratoria and additional loans, relief funds for specific economic sectors, as well as food aid, only played a relatively minor role in South Africa's social protection response to the pandemic. Nevertheless, the measures largely succeeded in reaching the country's most vulnerable households and individuals and, despite numerous implementation challenges, South Africa's social protection response to Covid-19 has been more extensive and durable than in the rest of Africa. A distinctive feature of the implementation of cash-based emergency relief was the use of digital technologies, especially in the application and verification process for the new SRD grant. The payment system, however, relied heavily on manual cash disbursements via the national Post Office (and later large retailers), thus failing to reflect the adoption of innovative digital technologies observed in many other African countries.

1. South Africa's pre-Covid-19 social protection system

South Africa has a much longer tradition of social assistance as the core of its social protection system than most other developing countries. Social assistance programmes replaced poor relief in South Africa in the early twentieth century, initially for 'white' and 'coloured' people only. Provision was partially deracialised in the 1940s but not fully deracialised until the 1990s (Seekings, 2002). Social security was enshrined as a basic right in section 27(2) of South Africa's new constitution which states that all South Africans "have the right […] to social security, including, if they are unable to support themselves and their dependants, appropriate social assistance" (Republic of South Africa, 1996). This right was later formalized in the Social Assistance Act of 2004, thus making it possible for ordinary citizens to enforce their right to social security through the country's legal system.

South Africa's social protection system prior to the Covid-19 pandemic consisted of a social assistance component (cash and food transfers) and a social or semi-social insurance element covering many but not all workers in formal employment. The social assistance component consisted primarily of tax-financed, unconditional, and (mostly) means-tested cash transfers that support 'deserving' groups such as children, the elderly, and the disabled (Moore & Seekings, 2019). The onset of democracy under the post-apartheid government expanded the coverage of social grants, primarily through deracialising access to child grants, resulting in an rapid increase in the number of grants paid monthly from 2.5 million in 1998 to over 18 million in 2020, reaching around a third of the country's total population (South African Social Security Agency, 2020a). In addition, the National School Nutrition Programme (NSNP) provided social assistance in the form of free meals to as many as 10 million pupils at primary and high schools classified as falling into the poorest three quintiles (Devereux et al., 2017), whilst a smaller programme provided meals for pre-school children in Early Childhood Development Centres.

Contributory programmes comprised a limited social insurance system (limited to unemployment insurance) and a more extensive 'semi-social' insurance system covering old-age pensions and insurance against health care expenses. The Unemployment Insurance Fund (UIF) provided benefits to most formally-employed workers who become unemployed, or are unable to work due to illness, maternity or adoption leave, can access financial relief for up to 238 days (International Labour Organization, 2010). In addition, the Expanded Public Works Program (EPWP), introduced in 2004, provided temporary employment to unemployed working-age adults (Department of Public Works and Infrastructure, 2021b). Many formally-employed workers in the public sector or unionised private sectors are covered by contributory old-age pension and medical aid schemes organised along sectoral lines. Whilst these are not part of a national social insurance system, they are 'semi-social' in that membership is required under law in affected sectors (Seekings, 2002).

The "social safety net" was supplemented by free and/or subsidised basic services, including housing, water and sanitation, electricity, health and education, as well as limited land reform. The total value of redistribution from rich taxpayers to the poor amounted to about 10 percent of GDP per annum (Seekings & Nattrass, 2015).

1.1. Social grants

Seven major social assistance programmes are administered by SASSA. The benefits per month were, as of April 2021 (with USD equivalents[1]):

- Child Support Grant (R460/USD30)
- Older Person's Grant (R1,890/USD122, or R1,910/USD123 for beneficiaries over 75 years)
- Disability Grant (R1,890/USD122)
- Foster Care Grant (R1,050/USD68)
- Care Dependency Grant (R1,890/USD122)
- War Veterans Grant (R1,910/USD123)
- Grant-in-Aid (R460/USD30)

Grant values are adjusted for inflation on an annual basis and are paid in cash or via electronic payment channels to the beneficiary or nominated recipient (South African Social Security Agency, 2021a). In addition, the temporary Social Relief of Distress grant, which provides support to people in immediate distress for a period of up to three months, can be provided in the form of vouchers or food parcels.

Applicants for social grants must be South African citizens, permanent residents or refugees, currently living in South Africa. Except for the Foster Care Grant, all social grants are means-tested and applicants are required to declare the value of their income and assets when they apply. At the end of the 2019/20 fiscal year, a total of 18.3 million grants were paid out to approximately 11 million recipients (some receiving multiple grants) on a monthly basis. According to estimates by the National Treasury, the number of grant beneficiaries is set to increase to 19.3 million by 2023/24 (National Treasury, 2021b). In terms of the number of grants paid out in the 2019/20 financial year, the Child Support Grant accounted for over 70% (close to 13 million) of all grants paid. As of June 2020, close to two thirds of all children in South Africa had a caregiver receive a grant on their behalf (Bassier, Budlender, Zizzamia, Leibbrandt, & Ranchhod, 2021).

For the first decade of democratic government, provincial governments were responsible for the administration and payment of social grants. Most provinces contracted external service providers to disburse grants to beneficiaries, resulting in a highly fragmented payment system. With the purpose of 'providing efficiency in the administration and distribution of social grants as well as working closely with law enforcement agencies in uprooting fraud and corruption within the social security system' (South African Government, 2007), the South African Social Security Agency (SASSA) was created as an independent government agency in 2005. Overseen by the national Department of Social Development (DSD), SASSA's mandate consists in "paying the right social grant, to the right person, at the right time and place" (South African Social Security Agency, 2014). SASSA consolidated the payment function at the national level in 2012 and awarded a five-year contract for administering

[1] USD values were calculated using the ZAR/USD exchange rate as of 15 November 2021.

grant payments to Cash Paymaster Services (CPS), a subsidiary of FinTech corporation Net1 UEPS Technologies, Ltd. (Net1).[2] The company had won its first provincial grant payment contract in South Africa in 1992 and had started to engage in microlending and the sale of additional financial services to grant beneficiaries in several provinces in the early 2000s (Breckenridge, 2005). Under the new national grant payment system, each beneficiary received a free bank account with CPS' banking partner Grindrod Bank, a SASSA-branded biometric smart card, and access to a suite of free basic banking services.

Soon after the appointment of CPS, the existence and rapid increase irregular, unauthorised and undocumented third party debit deductions from social grants beneficiaries' bank accounts was revealed by the Black Sash Trust, a veteran human rights organization (The Black Sash, 2014). Most of these deductions could be traced back to companies in Net1's network of subsidiaries, which were selling loans, prepaid airtime and electricity, as well as funeral and life insurance to grant beneficiaries. Fees and interest for these services were then deducted directly from beneficiaries' new bank accounts, in many cases without their explicit consent or knowledge. The Black Sash estimated that approximately 2.3 million out of the 10 million grant accounts were affected by the deductions (Vally, 2016). A report by the parliamentary Standing Committee on Community Development (2016) stated that the total value of unlawful deduction to date was close to R800 million, of which only R1.5 million had been recovered.

In response to the deduction scandal, as well as a series of legal issues surrounding the contract with CPS, SASSA formally terminated its relationship with the company in 2018. The original contract had already been declared invalid by the Constitutional Court in 2014 (Constitutional Court of South Africa, 2014) but was allowed to run its course as no other payment provider was deemed capable of taking over the grant payment system. The DSD and SASSA delayed in establishing an alternative payment mechanism by 2017, following which the—already invalid—contract was extended by another year, followed by another 6-month extension in 2018 (Constitutional Court of South Africa, 2018).

Following calls for stronger state supervision, as well as SASSA's refusal to engage with South Africa's private banks, the agency appointed the state-owned South African Post Office (SAPO) as the country's new countrywide grant paymaster in September 2018. The transition to SAPO's new payment system was marred by technical glitches, payment delays, confusion over the new payment arrangements and rising concerns over the cost of the new system (Gronbach, 2020a). As part of its cost-cutting drive, SAPO gradually closed down most of the 8,086 pay points that had previously been used to pay out grants. By February 2020, only 1,740 pay points were still operating (Seekings, Gronbach, & Nattrass, 2020). Beneficiaries who had previously used pay points now had to collect their grants from ATMs, retailers, SAPO branches, or one of the few remaining pay points. Especially elderly and

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[2] Net1, a financial services and payment technology provider founded in 1989, offers payment solutions for institutions and individuals who lack easy access to banking services. The company is listed on the NASDAQ stock exchange in the United States, as well as on the Johannesburg Stock Exchange, and operates mostly in developing and emerging economies.

disabled beneficiaries suffered from the physical and financial burdens of this new system, as illustrated by a joint study conducted by the Black Sash and the University of the Western Cape (Yauger, 2019).

Further, a security breach at SAPO and its banking branch Postbank in 2019 exposed the personal details of millions of beneficiaries, once again opening the doors to potential misuse of beneficiary data and fraudulent deductions from grant accounts (Masondo, 2020). Moreover, a closer look at SAPO's business model suggests that the Postbank might be pursuing a similar strategy as its predecessor CPS in the sense that it plans to use the social grant payment contract as a stepping stone for the provision of other financial services. In early 2020, the Postbank expressed its commitment to offering credit and life insurance to its clients—including grant beneficiaries—calling it "a critical element of Postbank's mandate and strategy" (Department of Telecommunications and Postal Services, 2020). More recently, SAPO/Postbank have come under harsh criticism regarding the disbursement of the special Covid-19 grant (see section 3), and a 2021 report by South Africa's Auditor-General declared SAPO commercially insolvent, although the entity continues to operate and pay social grants (Mosia, 2021).

1.2. Feeding schemes

South Africa's National School Nutrition Programme (NSNP) is the largest in Africa (World Food Programme, 2020), providing (prior to Covid-19) one and sometimes two meals to almost ten million children on school days. The NSNP grew out of a programme established after the transition to democracy in the early 1990s. Initially administered by the national Department of Health, it was taken over by the national Department of Basic Education in 2004. The operation of the programme has been both praised (South Africa, 2017) and criticised (Devereux et al., 2017). National and provincial Departments of Social Development together with civil society organisations also funded feeding schemes for pre-school children through Early Childhood Development (ECD) centres, reaching in total less than one million children.

The government also provided (prior to Covid-19) food parcels and food vouchers through its Social Relief of Distress scheme, administered through the DSD and SASSA. The food parcel scheme was 'meant to assist the poorest of the poor and the most vulnerable households', for a short period of time and under specific circumstances (such as the death of the breadwinner or awaiting another social grant). The application process requires applicants to go in person to a SASSA office and present a battery of documents, including a supporting statement from a social worker, councillor, chief or minister of religion. Sehlabane (2014) found that in practice it is social workers who identify deserving individuals, then SASSA approves the recommendation. Extensions beyond three months are also dependent on a letter of motivation written by a social worker. In the 2018-19 year, SASSA made almost 444,000 Social Relief of Distress 'awards' at a cost of R 485 million. Of these, 288,000 'awards' were in the form of food parcels and 102,000 were in the form of food vouchers; most of the remainder involved the provision of school uniforms. Many of the beneficiaries were destitute and needed assistance whilst they were applying for one or other social grant (South African Social Security Agency, 2019). Food parcels provide food for (notionally) one month that would cost between R700 and R1000 in shops. The Department of Social Development also oversaw a countrywide network of Community Nutrition and Development Centres (CNDCs) that provided cooked meals for a small number of poor people.

Whilst both state and civil society provided targeted support for some poor households, these efforts were dwarfed by the scale of the NSNP. Prior to the lockdown, the NSNP provided a daily meal for 9.6 million children on 195 school days per year, with an annual budget of R7 billion. This amounted to a total of close to 2 billion meals per year (i.e. the equivalent of more than 100 million food parcels).

1.3. The Unemployment Insurance Fund

South Africa's unemployment insurance scheme is administered by the Unemployment Insurance Fund (UIF) and governed by the Unemployment Insurance Act of 2001 and the Unemployment Insurance Contributions Act of 2002. The provisions of the Acts apply to all formal sector employers and workers, including domestic workers (since 2003), but excluding:

- those working less than 24 hours a month for an employer;
- learners, public servants, traditional leaders, and foreigners working on contract;
- workers who receive a government old age pension; and
- workers who only earn commission (South African Revenue Service, 2021).

All employers registered for tax with the South African Revenue Service are required to register for and pay UIF contributions for their employees. The monthly contribution consists of 2% of the worker's monthly salary, half of which is payable by the employee and thus deducted from their monthly salary. Regular unemployment benefits can be claimed if a worker is dismissed, retrenched, or if their contract has expired. If a worker is unable to work for more than two weeks due to an illness, benefits can be claimed for the period exceeding the first two weeks of the illness. Maternity benefits are paid for a maximum period of 17 weeks, and parents who adopt a child under the age of two years are eligible for adoption benefits if one of them leaves work to look after the child. Finally, the spouse or (minor) child of a deceased UIF contributor can claim a death benefit consisting of the regular UIF benefit the worker would have received if they had lost their job (Western Cape Government, 2021).

As of March 2020, 1,863,815 employers were registered with the Fund and a total of 1,006,873 claims were received in the 2019/20 financial year. Compared to the 817,873 claims received in the previous year this represents an increase of 23%. Overall, 93% of all claims received were approved, resulting in pay-outs of approximately R16.3 billion (Unemployment Insurance Fund, 2020). Because disbursements amount to a small proportion of contribution payments, the UIF amassed sizeable reserves.

In practice, the UIF provides support to a small minority of relatively privileged workers and no support for the mass of poor workers who have failed to contribute at all or to contribute sufficiently to the Fund to become eligible for benefits. During the global recession of 2008–09, only 2 percent of unemployed South Africans received any benefits from the UIF and the total value of benefits paid out came to only 0.2 percent of GDP—compared to more than 3 percent of GDP paid out in social assistance (Seekings and Nattrass, 2015: 141–2).

1.4. Public works programme

South Africa has a long history of public employment programmes. Its current Expanded Public Works Programme was initiated in 2004. The EPWP sets modest targets but consistently fails to achieve even these. The fourth five-year 'phase' of the EPWP began in 2019, implemented by the then Department of Public Works (subsequently renamed the Department of Public Works and Infrastructure). The programme aimed to create 'work opportunities' for one million unemployed people per annum. Given that work opportunities are temporary, the target was the equivalent of only half-a-million full-time jobs per annum. If the target was achieved, one in ten unemployed people might benefit from the programme each year, but the programmes would reduce unemployment by only about 5 percent. The EPWP is exempted from South Africa's National Minimum Wage. The hourly pay in 2019 was just over R11 (i.e. less than US$1) (Department of Public Works and Infrastructure, 2019) while the National Minimum Wage was set at R20 per hour.

2. Challenges posed by Covid-19 and the lockdowns

Covid-19 lockdowns from March 2020 resulted in a sharp increase in unemployment, hunger and suffering. The data on employment trends remains somewhat chaotic as different sources suggest contradictory trends. A variety of sources suggest that employment dropped rapidly under the severe lockdown, effectively in the second quarter of 2020. Both the Quarterly Labour Force Survey (of individuals) and the Quarterly Employment Survey (of formal sector employers) suggest that employment dropped by as much as 2 million, i.e. about 15 percent. What is unclear is whether this includes or excludes workers who were paid through the emergency 'unemployment insurance' scheme discussed below (Statistics South Africa, 2021a). A telephonic panel survey (NIDS-CRAM) also found that employment dropped by 15 percent, with most of this decrease comprising furloughed workers (Spaull et al., 2021).

The economy did begin to recover in late 2020 and early 2021. The effects on employment are not clear. NIDS-CRAM shows that employment in its (unrepresentative) panel had almost returned to its pre-Covid level by October 2020, in part because furloughed workers returned to work. NIDS-CRAM found that the (broad or expanded) unemployment rate dropped dramatically (by more then 7 percentage points) over this period (Spaull et al., 2021). The Quarterly Labour Force Survey suggests a *partial* recovery, with about 1 million more people were employed in the first quarter of 2021 than in the second quarter of 2020, whilst the unemployment rate remains very high. But the Quarterly Employment Survey shows a more modest recovery and the QLFS found that almost one in ten 'employed' workers were not being paid fully (if at all), often because they were not working even if they had jobs (Statistics South Africa, 2021b).

What is clear is that the initial, severe lockdown in early 2020 resulted in a large increase in hunger. NIDS-CRAM suggests that hunger had decreased by the third quarter of 2020, although it remained at a disturbingly high level (van der Berg, Patel, & Bridgman, 2021). The role of employment trends compared to emergency social grants in reducing hunger rates remains unclear.

3. South Africa's social protection response to Covid-19

Social protection has been an integral component of South Africa's response to the crisis and aims to fulfil four interrelated roles: (i) protecting critically threatened livelihoods; (ii) complementing non-pharmaceutical interventions; (iii) preserving and strengthening capacity for recovery; and (iv) building future resilience. Building on the country's long-standing and well-developed social protection framework, the government adopted a two-pronged and largely cash-based approach consisting of both social security and social assistance elements.

The government appears to have announced its initial lockdown (in March 2020) prior to formulating any kind of a plan as to how to address the economic distress that would inevitably ensue. Business and labour quickly combined to push the government to provide support for workers facing retrenchment or furlough (through an emergency 'unemployment insurance' programme). Some government officials, working with academics and other civil society organisations, quickly formulated plans to expand social grants 'vertically' (through supplements to existing grants) and 'horizontally' (through introducing new, or de facto new, emergency programmes). Whilst the 'unemployment insurance' was rolled out rapidly—thanks to the involvement of business and labour—the social grant supplements were delayed and the emergency social grant scheme was delayed even further. The government's performance with respect to feeding schemes was especially poor. Whilst the final reach of the responses was impressive, most of the rollout was slow (Seekings, 2020a, 2020c).

Table 1 provides an overview of the cash-based elements of South Africa's social protection response to Covid-19 which will be discussed in more detail in the following sections.

Table 1. Overview of South Africa's cash-based social protection response to Covid-19

Programme	Amount Per Month	Beneficiaries	Duration
Special Covid-19 Social Relief of Distress (SRD) Grant	R350	Unemployed adults (18–59 years old) not supported by any other social security scheme and not cared for in a state institution. *First round: 6 million beneficiaries. Second round: 13 million applications received and 8.3 million approved (as of October 2021).*	First round: 1 year (May 2020–April 2021) Second round: 8 months (August 2021–March 2022)
Top-up of Old Age Pension, Disability Grant, Foster Care Grant, Care Dependency Grant and War Veteran's Grant	R250	Recipients of South Africa's regular social grant programme (excluding the CSG and the Grant In-Aid). *Approx. 5.2 million beneficiaries.*	6 months (May–October 2020)
Top-up of Child Support Grant	R300	Beneficiaries of the Child Support Grant (i.e. the child, but paid to the caregiver). *12.78 million beneficiaries, 7.2 million recipients (caregivers).*	1 month (May 2020)
Child Support Grant 'Caregiver Allowance'	R500	Caregivers receiving the Child Support Grant for one or several eligible children. *7.2 million beneficiaries.*	5 months (June–October 2020)
Relief Fund for Artists and Athletes	First cycle: R20,000–R75,000 (once-off) Second cycle: R2,200 Third cycle: R10,000	Individuals and projects in the sports and arts sector who had been affected by the lockdown, e.g. through cancelled events and restrictions on gatherings. *Approx. 20,000 beneficiaries.*	First cycle: 1 month to apply, pay-outs over several months (April–August 2020). Second cycle: 3 months (September to November 2020, paid once-off). Third cycle: 1 month (February 2021, once-off)
Relief Fund for Registered Tourist Guides	R1,500	Freelance tourist guides registered with the Provincial Registrars of Tourist Guides and unable to work due to the lockdown. *Approx. 6,000 beneficiaries.*	3 months (announced in May, first payments in August, no specified period)
Covid-19 Temporary Employer/Employee Relief Scheme (TERS)	Sectoral minimum wage, up to R17,712	Employees registered with the UIF and who have been laid off or were being paid less following the implementation of lockdown measures. *5.4 million beneficiaries.*	16 months (April 2020–July 2021)
Presidential Employment Stimulus	Varied, e.g. R3,500 for school assistants	Mostly young people. Some jobs saved through a wage subsidy; some small farmers through vouchers for farm inputs. *0.5 million beneficiaries under Phase 1.*	Varied: school assistants were employed for 5 months under Phase 1 (Dec 2020 to April 2021) and for 5 months under Phase 2 (from Nov 2021).

3.1. Vertical expansion of existing social grants

The President unveiled the government's response in a speech on 21 April 2020. He announced that a total budget of R50 billion would be made available for social assistance relief measures to support the poorest and most vulnerable. This figure represented 10% of the total budget allocation for Covid-19 relief measures, amounting to 1% of South Africa's GDP (Broth, 2020). As a first measure, people receiving one of South Africa's regular social grants—except for the Grant In-Aid—would receive monthly top-up payments for a period of six months, i.e. from May to October 2020 (South African Government, 2020e). No special application process was required and all registered grant recipients automatically received the additional amount via their chosen payment channel. The policy package, valued R30 billion for the six-month period, included an increase in the CSG by R300 per child in May and R500 per caregiver from June to October 2020, as well as an increase in R250 for all other grants. The R250 top-ups for recipients of the Old Age Pension, the Disability Grant, the Foster Care Grant, the Care Dependency Grant, and the War Veteran's Grant were a relatively simple straightforward measure. Using existing beneficiary lists and payment channels, the top-up payments were rolled out quickly and effectively. After six months the supplements were discontinued, despite calls for a further extension.

The CSG top-up, however, attracted significant controversy due to the change in value and allocation after the first month. The reason for changing the top-up value from R300 (USD20) per eligible child to R500 (USD34) per caregiver was the limited budget, as explained by the Minister of Social Development in a press conference on 29 April 2020. According to her, increasing the CSG by R500, as called for by numerous civil society organizations and other stakeholders, would have cost the fiscus R38 billion over the six-month period. With only R30 billion allocated to topping up all social grants, this would not have been feasible (South African Government, 2020a). A monthly increase of R300 for the 12.78 million CSG beneficiaries (as of March 2020) would have cost R23 billion over the six-month period. Together with monthly top-ups of R250 for the remaining 5.23 million grant beneficiaries (not counting recipients of the Grant In-Aid), amounting to R7.84 billion, this would have exceeded the allocated budget of R30 billion by R840 million, not taking into account administrative and other costs. The compromise that was ultimately implemented cost the government approximately R21.8 billion, i.e. R1.2 billion less than keeping the per-child top-up at R300 per month.

Changing the allocation of the CSG top-up from the child (i.e. the beneficiary) to the caregiver (i.e. the recipient) was controversial, depending on how one interprets the reform. Formally, the CSG had been intended for the child only. The reform formally extended the grant system to the caregiver, expanding the number of beneficiaries from 12.8 million children to about 20 million children and caregiving adults. In practice, of course, the CSG had generally been used to support the caregiver as well as the children. The reform therefore meant that caregivers with multiple children received a lower amount per child (or per person) than caregivers with only one eligible child. A single mother with three children and no other source of income thus had to live on R1,820 per month (consisting of the R440 CSG for each of her children and the R500 top-up), amounting to R455 per person. In comparison, a caregiver with only one eligible child received R940 per month, i.e. R470 per person. Further, caregivers (and their children) were excluded from applying for the special SRD grant and therefore ineligible for additional support beyond October 2020. Many caregivers felt that this was unfair, considering both the low value of the CSG compared to most other grants, and the fact that—unlike the special SRD grant—the caregiver allowance was not extended beyond the initial six-month period. Women were the primary beneficiaries of the emergency social grant payments for the first six months, so the termination of the supplements affected women disproportionately. In addition, some caregivers were unable to access the allowance, especially those who had given birth during lockdown and struggled to obtain a birth certificate due to frequent temporary closures of Home Affairs offices (Senona, Torkelson, & Zembe-Mkabile, 2021). Overall, however, the CSG top-up successfully supported the 7.2 million caregivers and the 12.78 million children in their care in the first six months of the pandemic.

In addition to the top-ups, SASSA introduced staggered payment dates for the recipients of different types of grants to avoid over-crowding at pay points, post offices and ATMs (South African Social Security Agency, 2020c). Since May 2020, beneficiaries of the Old Age Grant are paid first, followed by Disability Grant recipients on the following day, and all other grant recipients on the next day. SASSA has announced that this arrangement will remain in place until at least early 2022 (South African Social Security Agency, 2021b).

3.2. Horizontal expansion of social grants

The government expanded horizontally the social grant system through two reforms. First, as discussed above, it shifted the CSG supplement from a per-child supplement to a per-caregiver payment. This meant, in effect, that an additional seven million people—almost all women—received a grant. Secondly, the government introduced a new temporary cash transfer for working-age individuals without any other source of income. The Covid-19 Social Relief of Distress (SRD) Grant paid R350 (USD23) per month to South African citizens, permanent residents, and registered refugees over the age of 18. In order to qualify for the grant, applicants had to be unemployed, not in receipt of (or qualifying for) unemployment benefits, social grants, or any other form of government support, and not be residing in a government-funded or subsidised institution (South African Social Security Agency, 2020d). Announced on the 21st of April 2020 and set to run for six months from May through November, the programme was extended several times and finally came to a (preliminary) end on 30 April 2021. The programme reached about six million individuals during this first cycle. Close to 70% of them were men as many women already received the CSG top-up and were therefore not eligible for the SRD grant (Senona et al., 2021). On 25 July 2021, the President announced that the grant would be re-instated in response to the 'third wave' of Covid-19 infections and the corresponding lockdown measures. This second cycle of the scheme was set to run until March 2022. The grant would further be extended to unemployed caregivers receiving the CSG on behalf of eligible children who were ineligible for the SRD grant in its first cycle (Edlmann, Senona, Torkelson, & Zembe, 2021).

These two reforms expanded the reach of the social grant system from 12.78 million children and just under six million adults to an additional 13 million adults, i.e. a total of 32 million individuals out of a total population of less than 60 million people. This was the first time that social grants were paid to working-age adults *for their own benefit*, without any work requirement. They thus represented a massive step in the direction of a Basic Income Grant.

3.3. Feeding programmes

In the face of the national lockdown imposed in late March 2020, civil society experts estimated that as much as half of the South African population needed food (Nicolson, 2020). A number of telephonic surveys found that hunger rose sharply under lockdown—as the government itself acknowledged. In an appalling misjudgement, the Department of Basic Education suspended the NSNP without making any alternative arrangements to feed poor children. The national Department of Social Development's closure of pre-school (ECD) facilities meant that pre-school children were similarly denied access to food. At the same time, the closure of SASSA offices and CNDCs meant that very few food parcels or meals were distributed through its existing Social Relief of Distress or CNDC programmes. Neither the Department of Basic Education nor the Department of Social Development appear to have had any plan to ensure that food reached the poor.

Fortunately, civil society—with support from some provincial and local governments—stepped into the breach. Most of the food parcels provided for the poor and most of the meals served through feeding centres were financed and organised by civil society, including charitable organisations such as Gift of the Givers, business-driven interventions (including the dedicated Solidarity Fund) and community initiatives (many calling themselves Community Action Networks).

But civil society was unable to fill the gap left by the suspension of school and preschool feeding schemes. The total quantity of food distributed during the first two months of the lockdown was less than one half of the quantity that would have been distributed under the NSNP, had it not been suspended. Moreover, the total quantity of food distributed was probably between one-fifth and one-tenth of what was needed to feed households with what the government called 'severely inadequate access to food' (Seekings, 2020c).

Civil society organisations took the government to court, demanding the full reopening of both the NSNP and the preschool feeding programme. The Gauteng High Court returned two judgements (in July and October 2020) that eviscerated the national government for its failures to provide. Despite court orders to resume the NSNP and preschool feeding schemes, the state faltered repeatedly, prompting civil society organisations to return to court in mid-2021.

3.4. Covid-19 TERS: Scaling up support through the UIF

The lockdown left many employers unable or unwilling to pay their workers. It was clear that the UIF would be unable to process quickly, considering the flood of claims that would be made by retrenched workers, and the government hoped that actual retrenchments might be decreased if a wage subsidy was introduced. Under immense pressure from employers and trade unions, the government introduced an emergency system of payments to employers that served as wage subsidies for employees whether they were newly retrenched, were temporarily furloughed or were simply part-paid. The government did this through the UIF and using the UIF's considerable accumulated reserves.

Just prior to the beginning of the pandemic (in December 2019) the government had established a Temporary Employee Employer Relief Scheme (TERS), also known as the 'training layoff scheme'. In its original form, the scheme allowed businesses under financial distress to lay off workers temporarily, provided they received training through their respective Sector Education and Training Authority (SETA) and were paid a training allowance (Seekings, 2020a). The scheme—funded by the UIF but administered by the Commission for Conciliation, Mediation and Arbitration (CCMA)—had barely got off the ground before the Covid-19 crisis hit. On 25 March 2020, the Department of Employment and Labour announced that the existing scheme would be modified to create a Covid-19 Temporary Employee Employer Relief Scheme (Covid-19 TERS). It soon became apparent that the UIF was incapable of running the scheme. Business and labour effectively took over the management. The UIF-TERS scheme was quickly revised to ensure that it could be rolled out fast. The redesigned new scheme provided support through employers to employees who had been registered with the UIF and who had been laid off or were being paid less due to the pandemic, without the added training requirement (Seekings, 2020c). Informal workers, or workers not registered with the UIF, were not eligible for the scheme. An Amended Directive of 26 May 2020 extended eligibility to applicants whose employer failed to register or make contributions to the UIF due to circumstances out of the employee's control (Scalabrini Centre, 2020).

Employers could claim cash benefits of between 38% and 60% of their regular salary for their employees. Benefits were calculated on a sliding scale and capped at a maximum monthly amount of R17,712 per employee, as per the Unemployment Insurance Act. The minimum monthly benefit under the scheme was set at the monthly minimum wage for the respective economic sector (PKF South Africa, 2020). Both applications and payments were initially channelled through employers to allow rapid rollout: Employers submitted composite applications in place of individual applications by workers, and payments were made the same way. Subsequent complaints about irregularities, fraud and delays in employees receiving payments from employers led to the introduction of a direct payment option to employees in June 2020 (Parliamentary Monitoring Group, 2020k).

Initially announced for a period of three months, i.e. until the end of June 2020 (Fasken, 2020), the first round of the TERS scheme was extended until 15 October 2020. In a second round, covering the period from 16 October 2020 to 15 March 2021, only workers in specific economic sectors qualifying for relief could claim (Bowmans, 2021). In response to South Africa moving back to a higher lockdown level with additional restrictions for various business sectors on 28 June 2021, the government announced a third round of TERS payments on 11 July. Covering the period from 16 March to 25 July 2021, applications opened on 19 July 2021. Relief was available for workers falling into three categories:

- Workers who had not been able to work from 16 March 2021, due to Level 1, 2 and 3 restrictions, particularly those preventing gatherings of a certain number of people (e.g. affecting the entertainment industry);
- Workers who were impacted by the Level 4 restrictions which commenced on 28 June 2021; and
- Workers who had been unable to work (e.g. because they were over the age of 60 or had co-morbidities), as well as those who had to isolate or go into quarantine.

While employers were still required to submit TERS applications on behalf of their employees, all payments were now made directly to the bank accounts of the recipients and not—as was previously the case—through their employers, unless otherwise directed by the UIF Commissioner. This, according to the Acting UIF Commissioner, was due to the fact that "some unscrupulous employers did not advance the funds to their employees [in the previous phases of TERS]. As a result of the non-payment of workers, the UIF and the entire department were inundated with a lot of complaints as workers could see in the system that funds had been released but had not been paid by their employers who kept the Covid TERS funds for themselves" (Department of Employment and Labour, 2021). On 27 July a total of 4,826 applications had been received and payments were set to commence within three days (Peters, 2021). As of October 2021, the Fund had paid out R63 billion to 267,000 employers for (or to) 5.4 million individual employees since the launch of TERS in April 2020 (SA News, 2021c).

Prior to the announcement of the new TERS round, the National Treasury had estimated total spending on the scheme to amount to R73.6 billion in 2021/22 (National Treasury, 2021a). According to the UIF's spokesperson, pay-outs for the latest extension could amount to up to R9 billion should all employers who applied during the previous lockdown decide to apply again. They further indicated that, depending on the rate of applications, the cost for every additional week of Level 4 lockdown could range from R1.4 billion to R3.5 billion (Smit, 2021). As outlined in the National Treasury's 2021 Budget review, tabled in February 2021, the UIF was expected to pay out benefits amounting to R101.9 billion in the 2020/21 financial year (including both the TERS benefit and regular UIF payments). This represented a 533% increase compared with the previous financial year. Treasury further expected the UIF to pay out R92.9 billion over the next three years, thus running an average deficit of R19.7 billion. As the Treasury noted, the financial position of South Africa's three social security funds (the UIF, the Compensation for Occupational Injuries and Diseases (COIDA), and the Road Accident Fund (RAF)) had declined due to the large expenditure on the Covid-19 TERS programme. Nevertheless, the UIF reportedly expected its net asset position to improve again as the labour market strengthened, thus reducing future unemployment claims (National Treasury, 2021a). As part of a larger R39-billion relief package, announced on 28 July 2021 in response to the new lockdown and social unrest in several provinces, the state also set aside R5.3 billion to bolster the UIF ahead of the next wave of TERS pay-outs (Ferreira, 2021).

In practice, employment did not recover as expected. In the third quarter of 2021 the official (or narrow) unemployment rate hit a record of almost 35%. Using the expanded definition, unemployment rose to almost 47%. The employment rate (i.e. the proportion of working-age adults who were working) dropped to a record low of less than 38% (Statistics South Africa, 2021). The UIF is likely to remain under financial pressure.

3.5. Public employment programmes

When the lockdown was first imposed it appeared that public works programmes were also suspended. Government officials said that employees should apply for UIF-TERS or UIF. But the quarterly reports indicated that the EPWP continued to provide 'work opportunities': 200,000 between April and June and almost one million in the 2020–21 year as a whole. R1 billion was paid out between April and June and almost R10 billion was paid out over the year as a whole. This was much the same as in previous, pre-COVID years. As in previous years, the EPWP made only a tiny dent in unemployment. At a time when about ten million people were unemployed (using the expanded definition), the government reported that the EPWP created the equivalent of only 292,000 person-years of work (Department of Public Works and Infrastructure, 2021a).

The Presidential Employment Stimulus was launched in October 2020. Phase 1 envisaged spending R13 billion through fifteen government departments to create 'job opportunities', save jobs (through a wage subsidy) and support the livelihoods of self-employed working people in sectors such as childcare and agriculture (through vouchers that could be used to buy inputs). Phase 2 was announced in October 2021, with a budget of R11 billion. Phase 2 would focus on young people, carrying forward the pre-COVID Presidential Youth Employment Intervention (South African Government, 2021c). Announcing Phase 2, the Minister in the Presidency boldly described the programme as 'the most rapid expansion of public employment in South Africa's history' (The Presidency, 2021).

The Presidency published self-congratulatory progress reports as well as data on an online platform (Republic of South Africa, 2022). It claimed to have created almost 320,000 job opportunities by September 2021, almost all in 2020. In addition, 40,000 jobs had been saved and 120,000 livelihoods had been supported. In the first five months a total of 500,000 people reportedly benefitted directly. Most of the created jobs were in schools, including about 200,000 teaching assistants and 100,000 general assistants (in support roles such as security and maintenance) under a Basic Education Employment Initiative. The programme almost achieved its target and spent almost all of the budgeted funds. Overall, most (84%) of the beneficiaries were young people and 65% were women (Ramaphosa, 2021).

The job opportunities were temporary and paid the national minimum wage. Under Phase 1, school assistants were paid a monthly stipend of R3500, initially for four months, i.e. from December 2020 to March 2021 (Daniel, 2021) but later extended to a fifth month (April 2021). The stipend was higher than the standard rate for the pre-COVID public works programmes (which were permitted to pay allowances below the national minimum wage). Over five months, a school assistant should have earned R17,500. Phase 2 also offered opportunities for five months.

The budget for the programme was much smaller than for the cash transfer reforms or the expansion of UIF through the UIF-TERS scheme. The number of beneficiaries—at about 500,000, including jobs that were saved and the modest vouchers given to subsistence farmers—was especially modest.

Applicants greatly outnumbered opportunities. When the Department of Basic Education opened applications for school assistants under Phase 2, in October 2021, more than 940,000 young people applied (most submitting multiple applications for different posts). Applications were made through a zero-rated recruitment platform called SAYouth.mobi, which forms part of the national Pathway Management Network which itself was supported by the Presidential Employment Stimulus (Ramaphosa, 2021). In Phase 1, applicants were not required to present documentation (Daniel, 2021). Under Phase 2, applicants were required to have testimonials as well as confirmation from the police that they did not have a criminal record (BusinessTech, 2021).

3.6. Other social protection measures

Additional social protection measures in response to Covid-19 included relief funds for artists, athletes, technical personnel and registered tourist guides, implemented through the respective government departments.

The R150 million (USD 8.3 million) relief fund implemented by the Department of Sports, Arts and Culture (DSAC) offered financial support for individuals and projects in the sports and arts sector who had been affected by the lockdown. Both individuals and projects could apply for relief payments, ranging from R20,000 for individuals to R75,000 for eligible projects (Parliamentary Monitoring Group, 2020d). A total of R84 million was disbursed to 4,925 beneficiaries, out of close to 6,000 applicants (South African Government, 2021b), following which a second round with an allocated budget of R 77 million was launched in August 2020 (SA News, 2020a). In the second cycle artists and athletes could apply for a monthly amount of R2,200 for the period September to November 2020, disbursed in a single payment of R6,600. The value of the payment was based on the daily wage rate of R95 to R100 used by the Expanded Public Works Programme. The application process was conducted entirely online and the requirement to provide proof of cancelled events was waived as it was no longer deemed appropriate (Makinana, 2020). At the time of announcing the second round the Department anticipated to receive approximately 11,600 applications from athletes and art practitioners (Parliamentary Monitoring Group, 2020c). However, only R4.5 million were ultimately disbursed to 683 beneficiaries under the second round of the scheme. In addition, the amount of R7 million in the form of 10,000 food or cash vouchers of R700 each was made available to vulnerable artists and athletes through the Solidarity Fund (SA News, 2020a), of which R5.9 million was ultimately disbursed to 8,434 beneficiaries (South African Government, 2021b). A third phase of the relief scheme was launched on 05 February 2021 in response to the second wave of Covid-19 infections and the associated lockdown measures. Qualifying individuals and organizations could apply until 22 February 2021 and would receive a once-off payment of R10,000 (subject to availability of funds) (Department of Sport and Recreation, 2021). By 27 July 2021, 6,332 applications had been approved and 5,100 had received payment, amounting to a total of R51 million paid out to date (Parliamentary Monitoring Group, 2021).

Registered freelance tourist guides affected by the lockdown could apply for relief through the Tourism Relief Fund, administered by the Department of Tourism. A total of R30 million was set aside to assist applicants under the scheme, providing financial relief of R1,500 (USD85) per month per person for a period of three months. Unlike other relief programmes, beneficiaries did not have to apply but information on registered guides was sourced from the databases maintained by the Provincial Registrars of Tourist Guides and verified with the Department of Home Affairs and the UIF (Department of Tourism, 2020). By August 2020, just over 3,000 guides had received payment and another 3,000 were going through the verification process (Accram, 2020).

Additional relief measures were introduced through the financial sector, for instance in the form of credit restructuring, tax and payment relief and additional loans. While mostly targeted at businesses and SMEs, the package also included support for individuals. Employees with a monthly wage of R6,500 or less (approximately four million individuals) received a monthly tax subsidy of R500 for a period of four months (Maeko & Mathe, 2020). On 23 March 2020 the South African Minister of Trade, Industry and Competition, announced a block exemption to certain provisions of the Competition Act, thus permitting banks to coordinate and collaborate in the development of relief policies during the pandemic, e.g. related to re-payment holidays and debt relief (Griffiths, 2020). Based on an announcement by The Banking Association of South Africa (2020), all of South Africa's major commercial banks started to offer payment and debt relief to their customers on a case-by-case basis. Absa bank, for instance, provided temporary financial relief to over 730,000 customers through the Absa Siyasizana Relief Plan Programme, amounting to more than R9 billion (Absa Group Limited, 2021). It is, however, not clear how many South Africans received assistance through their respective banks and what the combined value of these measures was.

3.7. Discussion

In summary, South Africa's social protection response to COVID-19 relied primarily on cash-based measures, both in the form of unemployment benefits to formal sector workers and through social cash transfers to vulnerable individuals, informal workers and existing beneficiaries of social grants. By leveraging existing social protection structures, the government reached directly approximately 30 million South Africans—i.e. half of the total population—with cash-based relief measures, many of which were extended beyond the initial emergency phase. Public employment programmes reached a much smaller number of beneficiaries, but more generously. Other forms of social assistance, such as financial relief through credit repayment moratoria and additional loans, as well as food aid, only played a relatively minor role in South Africa's overall COVID-19 response. In fact, the provision of meals through the National School Feeding Programme came to a complete halt during the first lockdown in 2020 and most of the food aid response was carried out by civil society and community organizations. Despite court orders, the school feeding programme was resumed slowly and incompletely.

The special Covid-19 SRD grant, which reached six million unemployed adults in its first iteration, represents the most noteworthy feature of South Africa's social protection response to the pandemic. With an initial duration of one year, followed by a 8-month extension, the grant may even become a permanent feature of South Africa's social protection system. Several prominent political figures, including the President, have indicated that the idea of a Basic Income Grant is gaining traction again, although the financial feasibility of these proposals—especially in light of the on-going pandemic—remains uncertain. Further, the grant accelerated the adoption of digital technologies for the application and verification process, although the rushed implementation was far from smooth sailing. The following section will take a closer look at the design, implementation and impact of the special Covid-19 SRD grant, including the application and payment system and the personal experiences of grant beneficiaries.

4. The special Covid-19 Social Relief of Distress Grant

In addition to the vertical expansion of South Africa's existing social grant programme in the form of top-up payments, a new temporary grant was launched to reach destitute adults not covered by existing social security schemes. This represented a significant departure from earlier approaches and policies, as the government had traditionally resisted expanding social protection to unemployed adults. Previous attempts to introduce a basic income grant in the 2000s were repeatedly rejected, and the government preferred to focus on job creation and the expansion of the CSG instead (Seekings, 2020a). Following calls from various corners of civil society, business, and government in late March, the President announced the launch of the special Covid-19 Social Relief of Distress grant of R350 per person per month on 21 April 2020 (South African Government, 2020c). Of the R50 billion earmarked for social security, R30 billion had already been allocated to topping up existing social grants for six months, and approximately R1.8 billion were spent on the extension of the Temporary Disability grants and Care Dependency Grants until December 2020 (South African Social Security Agency, 2021c). This left approximately R18.2 billion for the roll-out of the new SRD grant (South African Social Security Agency, 2021c).

The programme was initially set to run for six months, i.e. from May to October 2020. In mid-October, however, the government announced a three-month extension of the programme in response to the prolonged economic impact of the pandemic. By December 2020, a total of R15.6 billion had been disbursed to around six million previously uncovered beneficiaries on a monthly basis (South African Social Security Agency, 2021c). A second three-month extension was announced in mid-February 2021, and the scheme came to a (temporary) end on 30 April 2021. After a two-month break, however, the President announced a re-launch of the programme on 25 June 2021, following a rise in Covid-19 infections and a new set of lockdown measures. Starting in August, the second round of the grant was set to run until the end of March 2022, making the programme one of—or perhaps the—most extensive and durable social protection response to Covid-19 on the African continent.

4.1. Eligibility and application

The monthly value of the grant (R350) was lower than what most of its proponents had called for and fell below even the national food poverty line of R585 per month (as well as the lower-bound and upper-bound poverty lines of R840 and R1,286 respectively) (Statistics South Africa, 2020). Citing budgetary constraints, SASSA further announced various eligibility criteria for the new grant. Persons in formal employment, under the age of 18 or over the age of 59, as well as individuals receiving any social grant, UIF benefits, a stipend from the National Student Financial Aid Scheme (NSFAS), or any other government Covid-19 response support were not eligible for the grant. The same applied to persons cared for or residing in state-funded institutions. A means test reduced the number of potential applicants from approximately 15 million to around eight million people (as reflected in the National Treasury's budget), roughly in line with national pre-Covid unemployment data (Seekings, 2020a).

Following the President's official announcement, SASSA used various communication channels, including local and national radio stations, print media, and social media to inform the public about the grant. In addition, local government networks, volunteers from the National Development Agency (NDA), and civil society organizations such as the Black Sash, the Social Change Assistance Trust and Community Advice Offices circulated information and provided application support (Senona et al., 2021).

Ideally, SASSA would have used its existing grant system (SOCPEN) for the application and registration of new beneficiaries. However, the SOCPEN system would have required significant amendments in order to accommodate the previously ineligible 18–59 year cohort, and to process millions of new applications in a short period of time. Applications also had to be checked against various other databases (UIF, the National Student Financial Aid Scheme (NSFAS) applicant database, and the South African Revenue Service's (SARS) taxpayer database) to verify eligibility. In addition, all local SASSA offices had been closed due to the country's strict lockdown regulations which made it impossible to register applicants manually and in person, as per the regular application procedures. SASSA therefore sought help from a number of private companies and developed South Africa's first automated application system for social grants. This was possible after a Ministerial Direction, signed on 30 March 2020, waived the requirement for a SASSA official to be present when a grant application is submitted (South African Social Security Agency, 2020b). Applicants for the new SRD grant could choose between three electronic channels to submit their application:

- A USSD-based system offered by Vodacom, South Africa's largest mobile network provider;
- A WhatsApp channel run by GovChat, a company providing digital communication platforms for various government departments;
- A special website and email address provided by Prosense Technology, an existing provider of biometric verification services to SASSA.

Only the USSD-based option was accessible free of charge while both the WhatsApp channel and the website/email option required the applicant to have airtime and/or data on their phone. Unsurprisingly, the USSD option was therefore used by 80% of applicants, whereas the WhatsApp channel and the website/email option were used by 12.5% and 7.5% of applicants respectively (Senona et al., 2021). Applicants had to provide their personal information, including their ID number or Department of Home Affairs Refugee permit number, their name and surname, gender, disability, cellphone number and residential address via their chosen application channel. Further, they were asked to sign a consent form and to choose their preferred payment option and provide their banking details, if applicable, once their application had been approved (South African Social Security Agency, 2021f).

Figure 1. How to apply for the special Covid-19 Social Relief of Distress Grant

Source: https://spii.org.za/sassa-special-covid-19-social-relief-of-distress-srd-grant/

Despite the seemingly simple and straightforward application process, the new system suffered from various 'teething problems'. Complications in the application stage included system crashes due to the high number of applications, duplicated or incomplete applications, and unnecessary uploads of supporting documents by applicants (SA News, 2020c). None of the digital application platforms allowed applicants to connect with a live consultant to assist with the process. Limited or no access to cellphones, computers, mobile networks, data and airtime—especially in rural areas and among older applicants—added to the challenge. Further, the application systems were set up exclusively in English, and the SMS notifications sent to applicants were often lengthy and complicated, making the process difficult for some applicants who were not proficient in that language[3] (Senona et al., 2021). While some applicants managed to reach out to civil society organizations or NDA volunteers for support, others had to rely on friends or family members in the absence of a functioning support system by SASSA.

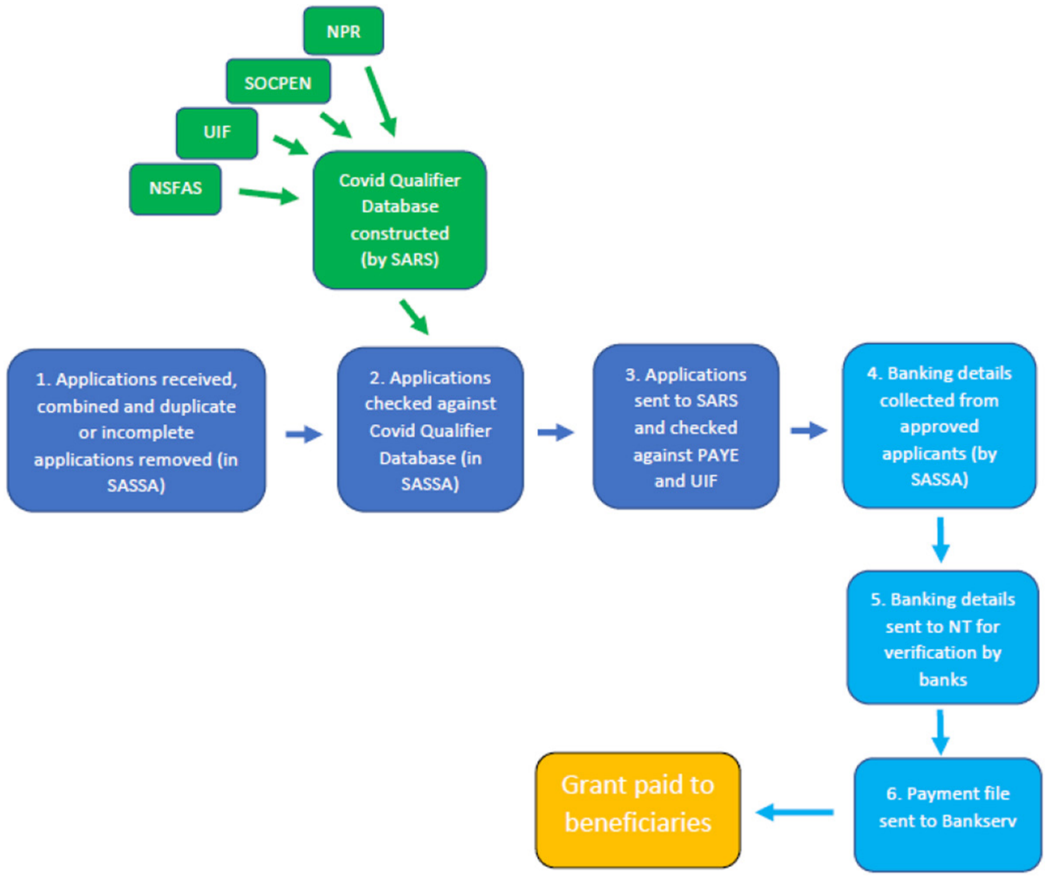
4.2. Screening and verification

Applications formally opened on 11 May 2020, and within three days over 3.5 million applications had been submitted for verification and approval. The design of the verification process was based on the proposal developed by the task team around Kate Philip which had developed a set of recommendations for the design and implementation of the new grant in early April 2020 (Philip, Nicolaou-Manias, & Parikh, 2020). Each application was first checked for completeness and potential duplicates by SASSA to ensure only one application per person was accepted for further verification. Applications were then checked against a 'qualifier database' prepared by SARS, using data from the National Population Register (NPR). Additional checks were done against records from the UIF database, SASSA's SOCPEN system, NSFAS, as well as the government's Persal and Persol databases of public servant payroll data. Applicants who were already receiving (or eligible for) other forms of government support, as indicated by the records from these various databases, were rejected (Parliamentary Monitoring Group, 2020g). The remaining applications then went through a second round of verification by SARS to confirm whether an applicant was employed and had records on the PAYE tax system (see Figure 3).

Plans to verify applicants' income via their bank account balances as an additional step (as suggested by the Philip task team), however, were initially abandoned due to the high cost and complexity of implementing this proposal (Seekings, 2020a). However, following engagement with the DSD and other parties, the use of a means test through the banks was adopted in August 2020, but only for appeal cases of applicants whose application had been rejected (Parliamentary Monitoring Group, 2020g). According to a statement by SASSA in late September 2020, the legal framework to support the reconsideration of the means test was being amended by the Department and would be published soon. This new regulation meant that the financial situation of beneficiaries could be re-assessed on a monthly basis and that grant payments could be stopped should they be found to be receiving any form of income into their bank account (SA News, 2021b).

[3] While English is considered to be South Africa's 'lingua franca', it is only the sixth most common spoken language inside of South African households (spoken by 8.1% of the population). Although nearly twice as many South Africans (16.6%) communicate mainly in English outside the household (Statista, 2019), this does not necessarily translate into an advanced level of proficiency.

Figure 2. The verification and payment process for the new SRD grant



Source: Seekings, 2020a.

On 27 May 2020, just over two weeks after the launch of the application portal, the number of applications had increased to over 13 million. Of these, only 6.3 million were deemed valid, the remainder being either duplicates, incomplete applications, applications with inconsistent data, or mere enquiries. At least 3.5 million valid applications had been verified and 1.5 million of these had been declined as the applicants were found to have other sources of income (e.g. from NSFAS, UIF or SASSA grants). More than 1.2 million applications were still pending verification from SARS, while over 666,000 approved applicants had yet to provide their banking details to SASSA in order to receive their first payment. Only 37,777 beneficiaries had been paid while an additional 64,930 were waiting for their banking details to be verified (South African Social Security Agency, 2020e).

Initially, a high number of applications was rejected because UIF records indicated that they were either receiving, or qualified for, unemployment benefits. However, up to 70% of all applications that had been rejected by early June were reportedly the result of an incorrect or outdated UIF dataset used in the verification process (Business Tech, 2020). According to a report by the Black Sash, many applicants who were on the UIF database had not been working for several years, only qualified for a negligible amount of support, or had simply failed to collect a UIF payment at some point in the past but had remained on the database (Senona et al., 2021). After conducting a review of all applications declined due to information on the UIF database, SASSA found that 900,000 previously rejected applications might actually qualify. The agency subsequently sent SMS messages to these applicants to inform them that they had been provisionally approved and asked them to provide SASSA with their banking details in order to receive the grant (South African Government, 2020b). Similar problems were reported for applicants found to be on the NSFAS database. According to Senona et al. (2021) the NSFAS dataset used to verify SRD applications contained the details of all NSFAS applicants, regardless of whether their application for student support had been successful and they had actually received NSFAS payments.

Asylum seekers and special permit holders from Lesotho, Angola and Zimbabwe faced additional challenges as they were initially excluded from accessing the grant. This only changed after a court order in response to urgent litigation launched by the Scalabrini Centre was issued on 19 June 2020. However, the existing application system was unable to process applications without a 13-digit ID number, which is only issued to South African citizens and permanent residents (not to refugees and asylum seekers). SASSA therefore had to create a special application portal for this group of applicants before they were able to apply. This system only went live on 03 August 2020 and applicants faced further delays as SASSA insisted on having each application verified by the Department of Home Affairs, in addition to the regular verification process. As payments are only made from the month the application was received, asylum seekers and special permit holders only started receiving the grant four months (or more) later than South African applicants (Washinyira, 2020).

Successful applicants were notified electronically and were asked to provide their banking details should they wish to receive the grant into their personal bank account. From 29 May 2020 applicants could check the status of their application online, using their ID and cellphone number. While this made it easier for applicants to verify that their application had been received, the system was criticized for its lack of an additional layer of security such as a One-Time PIN sent to the cellphone number of the applicant. The absence of such a security check meant that anyone who was in possession of another person's ID and cellphone number could find out whether they had applied for the grant and whether they had been approved and/or paid (de Wet, 2020b).

Unsuccessful applicants also received an electronic notification (usually via SMS) but were not informed why their application had been rejected. The only way to lodge an appeal was to send it to SASSA via a dedicated email address and to re-submit the application within 15 days of receiving the rejection notification. SASSA would then re-consider the application and provide a second—and final—assessment within 30 days from the date of re-submission (Maqhina, 2020). However, as noted by the Black Sash, emails to SASSA often went unanswered, and the call centre struggled to cope with the high volume of incoming calls. Further, the so-called appeals mechanism was essentially just a second iteration of the initial application process: Applicants had to submit a second application via one of the available channels and the application was then verified through the processes outlined above. There was no option to flag this second application as an appeal, to upload additional supporting documents, or to motivate why the application should be re-assessed (Senona et al., 2021).

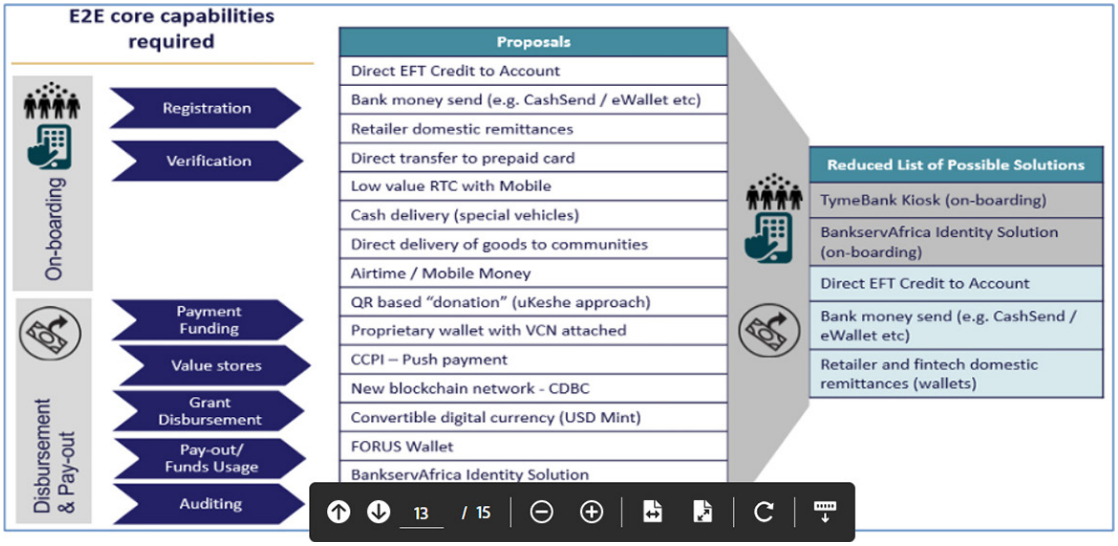
Despite the various challenges in the application and verification process, survey data (discussed below) suggests that the grant largely reached those it was intended to support while staying within its allocated budget.

4.3. The payment system

The payment system used for South Africa's regular social grant programme has undergone a series of significant changes in the past ten years (see section 1). It is currently run by the South African Post Office and its banking branch Postbank, using a combination of electronic transfers into beneficiaries' bank accounts, and cash payments disbursed at post offices and other pay points (including large retailers). This payment system requires beneficiaries to have a valid SASSA card, as well as a personal bank account if they wish to receive their payments electronically. In practice, however, many beneficiaries still collect their payments in cash, either from a SAPO branch, an ATM, or from another pay point such as a retail outlet, resulting in queues and large crowds on SASSA payment days. Issuing millions of new SRD grant recipients with SASSA cards would not have been a viable option, given the temporary nature of the grant, as well as the high cost and logistical difficulties of organizing a card distribution drive in the middle of a national lockdown. Paying the grant into beneficiaries' personal bank accounts was unlikely to work for the majority of eligible individuals, many of whom work in the informal sector and are likely to belong to the over 20% of households in which no household member has a formal bank account (Matsebula & Yu, 2020).

As part of the broader consultative process led by the Philip team, various options for a suitable payment system were evaluated. The Head of the National Payments System at the South African Reserve Bank established a special task team, convened by the Payments Association of South Africa (PASA) and supported by an expert working group on onboarding and payment options. In order to deliver a payment system within a time frame as short as 30 days, the task team emphasized the importance of building on existing systems and using digital—preferably mobile—technologies (Philip et al., 2020).

Figure 3. End-to-end capabilities, proposals evaluated and solutions for Covid-19 special grant



Source: Philip et al., 2020.

The task team considered a broad range of (largely digital) payment options, as illustrated in Figure 4, and concluded that "the pragmatic solution for the majority of beneficiaries involves mobile-based options" (Philip et al., 2020). More specifically, the options favoured by the task team included electronic transfers into personal bank accounts, the use of mobile wallets (also referred to as e-wallets or mobile money solutions) offered by banks, retailers and other financial service providers, and—as an optional channel—food vouchers that could be redeemed at participating retailers. The payment options communicated by SASSA prior to the launch of the SRD grant were largely in line with the task team's proposal. On 23 April 2020, SASSA's CEO announced that there would be three payment options for the new grant: electronic payments into personal bank accounts, mobile money transfers into e-wallets, and an additional voucher (or e-voucher) option (Qukula, 2020). One month later, however, when the first payments to successful applicants were processed, the payment system had changed quite significantly.

According to a statement by the Minister of Social Development, the new payment options available for the new grant were:

- electronic transfer into a personal bank account (unchanged);
- mobile funds transfer to a cellphone number registered in the applicant's name, to be withdrawn from any ATM (amended mobile payment option); and
- cash withdrawal from Postbank facilities located at Post Office branches (new).

The voucher option had been dropped, despite assurances by SASSA's CEO that the agency was looking into vouchers "in the long run". The reason for abandoning the voucher option was reportedly that SASSA had received over 50,000 unsolicited proposals for the provision of voucher systems, which would have to "be considered for both short and long-term use"

(Parliamentary Monitoring Group, 2020f). It remains to be seen whether vouchers will ever make an appearance as a payment option for social grants in South Africa, but they certainly did not feature in the payment system for the new SRD grant. Instead, a cash payment option via SAPO/Postbank (South Africa's regular grant payment provider) was added, despite the clear preference for digital payments expressed by the expert working group.

The agreement with SAPO had been entered into by SAPO's acting CEO at the time, against the will of SAPO's board but with the backing of the Minister of Communications and Digital Technologies under whose supervision the Post Office falls. SAPO's Acting CEO, facing disciplinary action by the board, stepped down soon after the agreement had been concluded (My Broadband, 2020). SASSA's Executive Manager for Grants Administration later explained the appointment of SAPO as 'a default option because […] SASSA already has got a contract with SAPO for social grants' (Parliamentary Monitoring Group, 2020g). They further stated that SASSA had also engaged with South Africa's commercial banks, but that the banks were unable to provide a viable cash payment option, focusing only on payments into bank accounts. The new agreement further enhanced the powerful status of SAPO and its banking branch Postbank as South Africa's sole paymaster for social grants, adding an additional six million individuals to its base of potential clients.

Applicants who chose to receive their payments into a personal bank account were requested to provide their banking details once their application had been approved. The banking details were then verified by the National Treasury, following which the first payment would be made. This verification process, however, led to significant delays in the disbursement of the first round of payments as it took three weeks to put the necessary systems and processes in place (Parliamentary Monitoring Group, 2020a). In addition, close to 123,000 applicants failed the bank account verification process, according to an update by the Minister of Social Development on 14 Jul 2020. In most cases this was either due to errors in the account details provided by applicants, or because applicants had provided details of a bank account registered under someone else's name (SA News, 2020b). Other challenges included applicants not knowing the difference between savings and current accounts when providing their banking details, changing payment options several times during one session, or changing their mobile number and therefore failing to receive updates and communication from SASSA (Parliamentary Monitoring Group, 2020g). Once the banking details had been verified, the payment files were created (and later reconciled) by SASSA's technology contractor Prosense Technology. The payment files were then passed on to BankServ Africa[4] for processing, and paid out to beneficiaries through their respective banks (Parliamentary Monitoring Group, 2020j).

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[4] BankServ Africa is Africa's leading automated financial clearing house with two replicating processing sites in Johannesburg. In South Africa, the company is the banking sector's official clearing partner and official payment system operator, as authorised by the Payments Association of South Africa (PASA). BankServ Africa provides seamless interbank switching, clearing and settlement of transactions between the country's registered banks and financial institutions. It also launched SASWITCH, South Africa's national switch that allows bank customers to use most ATMs in the country, regardless of which bank they belong to (BankServ Africa, 2021).

Approved applicants without a personal bank account were encouraged to open one with SAPO's banking branch Postbank. According to a statement by SASSA's CEO on 25 June 2020, up to 100,000 Postbank accounts had been opened for recipients of the new SRD grant in the past week alone (Parliamentary Monitoring Group, 2020h), amounting to 3.4 million new Postbank accounts for SRD recipients at the end of July 2020 (South African Post Office, 2020). By January 2021, the number of beneficiaries receiving their grants into a Postbank account had increased to over 3.5 million, although this may include a significant number of beneficiaries who continue to 'cash out' at a Post Office branch, rather than actively using their bank account or bank card as a means of payment. The remaining 1.7 million beneficiaries who received their grant into a bank account did so through 20 different commercial banks. The majority of them (1.19 million) had an account with Capitec Bank, followed by FNB (139,354), Standard Bank (105,187), Tyme Bank Limited (100,105), Absa (86,487) and Nedbank (83,777) (South African Social Security Agency, 2021d).

When selecting their payment channel, beneficiaries were told that they would be able to change their preferred payment method or to add a bank account at a later stage (South African Government, 2020b). However, this was only possible during a 1-week 'window' from 03 August to 09 August 2020, and again from 31 August to 06 September 2020 (South African Government, 2020d). In addition, the Black Sash reported that several beneficiaries still had to collect their payments in cash from the Post Office despite updating their payment details on the SASSA portal. Further, payments made into accounts offered by commercial banks (instead of the subsidized Postbank accounts) frequently incurred bank charges and withdrawal fees, thus diminishing the value of the grant (Senona et al., 2021).

Approved applicants who were unable to provide valid banking details and did not want to open an account could opt to receive their payments via their mobile phone number. Using mobile payment systems such as FNB's eWallet or Absa's CashSend service, recipients would receive a code to the cellphone number provided in their application and would be able to withdraw their grant payment at their closest ATM (de Wet, 2020a). Unlike in many other African countries, this mobile payment option (also referred to as 'cash transfer' or 'e-cash') had never been used for social grant payments in South Africa before. While mobile payments have been adopted or trialled for 22 different social cash transfer schemes in sub-Saharan Africa (Gronbach, 2020b), tentative plans to pay grants via Vodacom's M-Pesa service in 2018 never took off (Hedley, 2018). As part of the pandemic response, mobile money services and other e-wallet technologies received a massive boost in sub-Saharan Africa and were used for various cash transfer programmes in response to Covid-19. Examples include Togo's Novissi programme, Madagascar's Tosika Fameno cash transfer, Namibia's once-off 'Covid-19 grant', as well as various emergency payments in countries such as Benin, Congo, Kenya and Zimbabwe (Gronbach, 2021).

In order to make use of the mobile payment option beneficiaries had to ensure that the cellphone number provided to SASSA was registered in their own name and verified through the process laid out in the Regulation of Interception of Communication Act (RICA).[5] On 11 June 2020 SASSA announced that 'the transfer through mobile money facilities at banks would commence on 15 June, provided that all matters, such as memorandums of understanding and cellphone validations, were in place' (Parliamentary Monitoring Group, 2020e). In a subsequent parliamentary update on 31 July 2020, however, SASSA representatives admitted that the process of negotiating with the banks and complying with the requirements set by National Treasury 'had been lengthy' but assured that 'progress was being made' on implementing the e-cash option via the country's commercial banks (Parliamentary Monitoring Group, 2020b). A presentation by SASSA and SAPO to the Portfolio Committee on 05 March 2021 revealed that the majority of applicants who had opted for the mobile payment options failed to pass the verification of their mobile number (South African Social Security Agency, 2021d). In a briefing with the Western Cape Provincial Parliament's Committee on Social Development on 17 November 2020, only the Post Office and bank account payment channels were discussed, while the mobile payment option was not even mentioned (Parliamentary Monitoring Group, 2020g). Despite the enthusiastic announcement of this new payment channel, SASSA thus appears to have failed to implement the e-wallet option during the first 12 months of the SRD programme.

The third payment channel—and the only option for beneficiaries who did not have a bank account and were unwilling to try out the new mobile payment option—was to collect the grant in cash from their nearest SAPO branch. Taking into account the large number of beneficiaries of the new SRD grant, the lockdown restrictions on movement and gatherings, in combination with SAPO's limited infrastructure and capacity, this was a suboptimal solution from the outset. Prior to SAPO taking over social grant payments in 2018, SASSA (in collaboration with payment provider Net1/CPS) had operated a large network of cash pay points across the country, as well as mobile cash payment units to reach beneficiaries in remote areas. However, most of these pay points had been closed as part of a cost saving drive, following the appointment of SAPO. In 2020 only 4% of South Africa's grant recipients (not considering the new SRD grant) who used the SASSA/SAPO card to collect their grants were accessing their payments through the few remaining cash pay points (South African Social Security Agency, 2020b). In other words, even without the additional six million SRD recipients, the remaining cash payment outlets operated by SAPO were already under pressure, and reports of cash shortages, long queues and security concerns were on the rise.

According to SASSA, 70% of all SRD grant recipients had to be paid via the Post Office as the majority of those who had applied for payment via mobile transfer or into their bank account had failed the verification process (South African Social Security Agency, 2021d). In an attempt to manage the influx of people trying to collect their payments at SAPO branches, SASSA asked applicants who had been approved to wait for a second SMS

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[5] The Act requires consumers to register SIM cards (and the corresponding cellphone numbers) in their name in order for the number to be activated. This is done by providing proof of identification and residence, either to a designated employee of their chosen mobile network provider or via an alternative channel (South African Government, 2020d).

which would inform them of their exact payment date. However, many beneficiaries did not wait for the second SMS and tried to—unsuccessfully—collect their payment before it had been authorized. Some beneficiaries who did not own a mobile phone and had used someone else's phone number to apply never even received the second SMS with their payment date (Senona et al., 2021). This resulted in large queues at local Post Offices, and beneficiaries having to make several trips to collect their payment (Parliamentary Monitoring Group, 2020i). Beneficiaries living in rural areas often had to travel long distances to their nearest Post Office, thus incurring significant travel costs which diminished—or depleted—the value of their grant. Some beneficiaries arrived at the Post Office on the previous day and spent the night on the pavement (Senona et al., 2021) while others resorted to paying someone to reserve their space in the queue, or to try and force their way into the building (Majola, 2020).

The influx of several million new beneficiaries was particularly challenging during the first week of each month when other grants (such as the Old Age Pension and the CSG) were paid (Fourie, 2020). Social distancing, as required by the lockdown regulations, was difficult to enforce. SASSA eventually introduced staggered payment dates for its different grants, with the first payment date reserved for pensioners, followed by disability grants and the child support grants. This payment model appears to have been adopted on a permanent basis, beyond the duration of the SRD grant (Chothia, 2021). In addition, SAPO implemented additional measures after several months of long queues and crowding, allocating specific days of the week to certain groups of beneficiaries, based on the last three digits of their ID number (South African Post Office, 2021)

Ensuring the availability of sufficient amounts of cash at each Post Office branch constituted another challenge in the SRD payment process. Cash shortages at local SAPO branches were already an issue prior to the pandemic and were exacerbated by the roll-out of the new grant. According to a SASSA Grants Administrator in the Western Cape, cash is delivered to each branch in the morning and in the afternoon. However, if a delivery does not arrive or if more beneficiaries than anticipated arrive to collect their grant 'there is nothing SAPO can do about this' (Parliamentary Monitoring Group, 2020g). At the same time, SAPO tries to avoid keeping large amounts of cash at its branches as burglaries and robberies have been on the rise (Gronbach, 2020a). The number of reported burglaries increased by 50% from 2019/20 to 2020/21, while the reported monetary loss due to burglaries more than doubled from R7.3 million to R16.06 million. The financial loss due to armed robberies increased at an even higher rate, totalling R68.5 million in 2020/21 (compared to R26.2 million in 2019/20). In response, SAPO deployed 6,800 armed guards at its regular branches, as well as an additional 2,500 guards at SRD payment sites for the February 2021 payment cycle (South African Social Security Agency, 2021d).

Although the roll-out of payments was off to a rocky start and many beneficiaries faced payment delays and difficulties in the first months of the programme, the new SRD grant succeeded in reaching six million previously uncovered beneficiaries who received a total of over R20 billion during the first 12-month iteration of the scheme (South African Government, 2021a). While backlogs still existed several months into the programme, and individual beneficiaries continued to face various challenges in the application, verification and payment process, the vast majority of approved applicants—between 91% and 99% each month—ultimately received their funds, although often in cash rather than via digital payment channels. In addition, Köhler and Bhorat (2021) estimate that six months into the roll-out, the grant was not only reaching its direct beneficiaries but was supporting close to 11.3 million individuals indirectly (considering the grant as a source of household income).

4.4. The re-launch of the SRD grant

In response to a rise in Covid-19 infections, as well as a wave of social unrest and looting in certain parts of the country, the President announced the re-launch of the SRD grant (which had initially ended on 30 April 2020) on 25 July. The second round of the SRD grant is set to run for a period of eight months, i.e. until the end of March 2022. According to the Minister of Social Development, a budget of R26.7 billion has been allocated for the revised SRD programme, including the administrative costs borne by SASSA. She further announced that several aspects of the eligibility criteria, as well as the application and payment process had been amended and improved for the second round. Individuals who had received the grant during the first round would therefore have to re-apply and each recipient's eligibility would be re-assessed on a monthly basis once they had been approved (South African Government, 2021a).

The application portal opened on 06 August 2021 and—as in the first round—applicants could submit their details via a USSD portal, through a dedicated website, or via a WhatsApp channel. In order to avoid the payment delays experienced in 2020, applicants were now requested to provide their banking details upfront, thus eliminating the additional step in the application process that had led to significant delays during the first cycle. Further, applicants had to accept a data protection declaration and consent agreement to comply with the new Protection of Personal Information Act (POPIA) that had come into effect in July 2021. Retrospective payments for the period May to July 2021—when the grant was stopped—would not be effected, but pay-outs for the new programme cycle would commence at the end of August (South African Government, 2021a). The application criteria remained largely the same as in the first round, but with one notable addition: The grant was now also available to caregivers who were receiving a grant on behalf of someone else (e.g. a Child Support, Foster Care of Care Dependency Grant), as well as asylum seekers who had a section 22 permit or visa that was valid on or after 15 March 2020 (Gilili, 2021). Particularly the inclusion of caregivers—the majority of whom are female—has been celebrated as an important improvement to the scheme which mostly benefitted young men in its first iteration. While caregivers receiving the CSG benefitted from a monthly R500 top-up payment (or 'caregiver allowance') during the first six months of South Africa's Covid-19 response they were excluded from applying for the SRD grant when the caregiver allowance was phased out at the end of October 2020.

Despite SASSA's assurances that the application process had been improved, the various application channels buckled under the high number of incoming applications when the portals opened on 06 August. With up to 2,000 applications submitted per minute, the systems were overwhelmed on various occasions during the first few days of the new application period (Magnus, 2021). Having experienced similar problems during the first application cycle in 2020, one would have expected SASSA to prepare for and guard against these 'technical glitches'. The agency pleaded for patience, reminded applicants that they could apply until the end of the month to benefit from the first payment, and announced two (temporary) application options via Facebook Messenger and GovChat (Pheto, 2021). In just five days, more than five million applications were submitted, with most applicants belonging to the 20–29 age group (Madubela, 2021). By 18 August the number of applicants had increased to 8,931,375, the majority of which (59%) came from female applicants. By the end of October, over 13 million applications had been received by SASSA. Of these, 6 million were made by people who had received the grant in the first round, while 7 million applications were made by new applicants (SABC News, 2021). As of late September 2021, 8.3 million applications had been approved and 5.6 million beneficiaries had received their first payment (Eyewitness News, 2021).

In addition to the initial verification of applications via the various government databases (which now appears to run more or less smoothly and with up-to-date datasets), eligibility for the second round of the SRD grant is re-assessed on a monthly basis. Through improved collaboration with the various government departments and agencies involved in the verification process, SASSA now receives updated datasets on a monthly basis against which existing beneficiaries are checked. Beneficiaries whose financial situation is found to have changed, e.g. due to taking up a formal sector job (as reflected by SARS/UIF records), receiving another social grant (as indicated by the SOCPEN database, with the exception of caregivers receiving a grant on behalf of someone else), or receiving funds through the NSFAS student support scheme, can thus be excluded from the SRD grant from one month to the next. Beneficiaries are notified of this decision via SMS and—unlike in the first round of the SRD grant—are provided with the reason for the termination of their grant. They then have the option to apply for a re-assessment through a special portal on SASSA's website within 30 days of being notified. As part of the re-assessment, SASSA conducts a means test by checking whether the applicant has received any income exceeding R595 (excluding income from social grants) into their bank account—provided they have an account with one of South Africa's banks—in the past month (Bhengu, 2021b). However, SASSA does not distinguish between actual income (derived from informal work or other income-generating activities) and other (non-income) payments made into an applicant's account, such as payments made on behalf of another family member or repayment of a personal loan. SASSA has acknowledged that this could lead to the exclusion of eligible beneficiaries but claims that it simply does not have the capacity to conduct a detailed assessment of individual transactions on beneficiaries' bank accounts. Applicants who lodge an appeal and do not have a personal bank account would presumably not be subjected to this additional means test.

Apart from adding a second cash payment option, the payment arrangements for the second round of the SRD grant have remained largely unchanged—i.e. still lacking any form of digital innovation—compared to the first round. Beneficiaries who have a personal bank account can opt to receive their grant via electronic transfer, as long as the account is registered in their own name. Beneficiaries collecting their grant in cash can do so at their local SAPO branch, following the already established system of allocating specific payment dates to beneficiaries according to the three last digits of their ID number (Bhengu, 2021a). Finally, the 'cash send' option (also referred to as 'Bank Mobile Money Transfers') is available as well—at least in theory—provided applicants use a cellphone number registered under their own name when applying for the grant. However, the 1.5 million beneficiaries who had opted for the 'cash send' option were still waiting for their payments at the beginning of October, due to SASSA not having finalized a deal with the participating banking institutions (Nkanjeni, 2021). While numerous other African countries, including Togo, Namibia, Madagascar and Kenya, managed to launch mobile payments for their Covid-19 response within 1–2 months of declaring their first lockdown, South Africa has remained unable to implement its 'cash send' option 18 months after first announcing this payment method.

The only notable change to the payment system was the introduction of an additional cash pay-out option via Pick n Pay and Boxer retail stores (two of the country's largest supermarket chains) on 21 September 2021. This was supposed to ease pressure on SAPO branches on pay-out days, and to increase the number of cash pay points. The practice of using supermarkets as pay-out points for social grants was already in use for South Africa's regular social grant programmes, allowing beneficiaries to either pay with their SASSA card or use it to withdraw their monthly benefits at the till. However, beneficiaries wishing to make use of this option for their SRD grant payments were urged to wait for an SMS from SASSA confirming their specific collection point and date, as payments would not be made prior to receipt of the confirmation message. Nevertheless, many beneficiaries reportedly tried their luck—unsuccessfully—in the October payment cycle, despite not having received the confirmation SMS (SA News, 2021a). While the addition of retail stores to the SRD cash pay point network is certainly an improvement of the overall payment system and has the potential to ease the pressure on SAPO's ailing infrastructure, it simultaneously highlights SASSA's and SAPO's failure to implement a mobile payment option, resorting instead to pre-existing cash payment channels.

4.5. Personal experiences of SRD grant beneficiaries

We set out to investigate personal experiences of the new Covid-19 SRD grant which was launched by the government in April 2020. The goal of this research was to shed light on the experiences of individuals who either applied, or were eligible for, the new grant. More specifically, the research focused on personal experiences with the application and payment process, as well as the use of grant money in household settings. This project has found that the SRD grant has operated within a system of multiple hardships which include continued loss of livelihoods, extended national lockdown measures, lack of technological means to ensure upward social mobility, all combined with compounding structural and social barriers. Our findings highlight both similarities and contrasts between urban and rural settings (between which many poor individuals move).

In order to gain a better understanding of personal experiences of the SRD grant, forty-one interviews were conducted between July and October 2021: 21 interviews were conducted in urban Khayelitsha (Cape Town) and 20 in rural Mount Frere (in the Eastern Cape). Khayelitsha is a partially informal township on the eastern side of metropolitan Cape Town. Participants who met the eligibility criteria for the SRD grant were recruited by means of community-based sampling with the help of a research assistant. This approach was chosen due to limitations on social interaction resulting from Covid-19 lockdown regulations. Within the broader group of those who met the SRD grant eligibility criteria, three specific groups of participants were identified: (1) people who successfully applied for the SRD grant, (2) people who applied for the SRD grant but whose application was unsuccessful, and (3) people who did not apply for the grant but were eligible. Most of our participants were in the first group. Participants were between the ages of 19 and 59 years old. Just over one half (54%) were women. Interviews were conducted in-person and predominantly outdoors in order to observe Covid-19 social distancing regulations. Interviews were semi-structured, conducted in either English or isiXhosa, and then translated and transcribed. Transcripts were accompanied by field notes from the primary researcher. Consent was obtained verbally and participants have been assigned pseudonyms to preserve anonymity. Key themes discussed in the interviews included SRD grant experiences, forms of income, household resource allocation and attitudes towards grants.

4.5.1. COVID-19, poverty, and hunger

Most participants had earned their livelihood from labour-intensive informal sector work. All participants reported that they had experienced a loss of income because of the national Covid-19 lockdown. Francis and Valodia (2020) estimate that five million people in South Africa were employed within the informal sector prior to the pandemic. It is estimated that 1.5 million informal sector workers lost their livelihoods between 2019 and 2020, due to the onset of Covid-19. Comparing this to the 840 000 job losses in the formal sector, Skinner, Barrett, Alfers, and Rogan (2021) highlight that informal job losses were far greater than formal job losses. Informal work was unregulated and unprotected. Our participants reported low levels of livelihood recovery in the latter half of 2021, relying mainly on the SRD grant.

For the most vulnerable, poverty and hunger was a motivating factor for undertaking an SRD application. The SRD grant was understood as a means to ensure the bare minimum. David (21), much like the rest of the sample, understood the grant as a means to 'buy food and toiletries, so that we won't go to bed with an empty stomach'.

A majority of the urban sample became aware of the SRD grant through national broadcasting platforms, in contrast to the rural sample who relied mainly on word of mouth. The introduction of the SRD grant was met with caution, many waiting until others had received the grant, 'First of all, I thought it was like fraud or something, because you must do it online and you don't know these websites are hackers and all those stuff', said Andiswa (21). This initial scepticism about the application process for the new grant can be understood within the context of past SASSA security breaches (explained in Section 1 of this report) and the novelty of the online administrative process.

4.5.2. Experiences of the application process

The utility of the SRD grant design becomes more apparent through experiences of the application process. Most of our interviewees (and almost all of our rural interviewees) applied through the USSD code with a small minority using WhatsApp. This is broadly in line with the findings of Senona et al. (2021), except that the website/email option was not used in our sample. Participants who were able to apply themselves through mobile channels found the process quite efficient and empowering. Andiswa describes her experience of applying 'fast if you do it on the phone. Everything was settled and they said I should wait for messages to see if it is approved'. However, lack of digital literacy, connectivity or smart devices left some participants reliant on others during their application process. These participants had to entrust others with their personal information and often were not given the option to participate in the application process or to choose their payment option. This is illustrated by Tumi (aged 22) whose friend completed her application process: 'No I did not get any options during my application and I remember at that time some people were saying they got paid via bank and my approval only said I must go to the Post Office'.

Another compounding problem with the application process was the lack of connectivity, data and airtime, especially in rural areas. Participants in the urban sample had to break social distancing regulations by travelling to local internet hotspots. These were explained as free internet hotpots which are installed in 'Spaza shops' (informal convenience shops) around the area. Eric (aged 52) asked his son to go to their local Spaza shop and connect to the *Ikeja Network* which is a South African based free community internet hotspot localised only in informal settlements around the Western Cape and Gauteng provinces. This highlights not only that Eric lacked access to mobile data, he also had to rely on family members due to his lack of digital literacy. While free internet hotspots appear to have played an important role in facilitating grant applications from urban residents, they were not accessible to the rural population.

Alternatively, participants overcame the lack of data and airtime through the use of the MOYA app. MOYA, another South African based tech company offering private services, is a data-free app that allows potential beneficiaries to apply online and receive updates of their application status online. However, SASSA criticised the practice, coined the use of the app for SRD grant purposes as 'fake' and urged all applicants to only use official SASSA channels for applications. Nevertheless, the company reported over one million people accessing the SRD website daily through the app (Bhengu, 2021c). This illustrates that applicants resorted to innovative technological solutions to overcome the challenges they faced during the application process, even if this meant they had to divulge personal information with a digital platform labelled as 'unauthorised' by SASSA.

The lack of digital access also explains why some people did not apply for the SRD grant despite being eligible. Rethabile (aged 52) was living in rural Eastern Cape when the SRD grant was first introduced. She lacked digital literacy skills and connectivity access and was thus reliant on those around her. Her husband, who was her only form of financial support, had passed away in 2020. After months of asking others who had applied for the grant to help her, she eventually gave up and did not submit an application. Support organisations and programmes had failed to reach her, illustrating the limited scope of these networks and the lack of formal support for applicants by SASSA. Only one participant in our sample made reference to such formal avenues of support. This highlights the exclusionary aspects of the application process, occurring during a time of compounding socio-economic stress for potential beneficiaries. Rethabile's experience thus showcases the need to expand formal services which support grant applicants, including a toll-free call centre and in-person support at local SASSA offices. These challenges were particularly pertinent in the first round of the SRD grant which was rolled out during the country's first 'hard' lockdown. SASSA has since improved communication with grant applicants and its call centre answer rate has increased considerably since the launch of the SRD grant (Human, 2021a).

4.5.3. Application outcomes

We further investigated application outcomes, exclusion errors and barriers to accessing the grant. Most of our participants reported having successful application outcomes, which partly speaks to the nature of our community sampling technique and presents a potentially limited presentation of experiences. Although most outcomes were successful, timeliness of outcome result, notification of outcome and the need to appeal were diverse. Participants who applied for the grant almost immediately after it was announced received their outcome notification within twenty-four hours of applying. However, other participants waited between one week to almost three months for their outcome notification. This is attributed to delays with the SASSA system, as explained above, and lack of connectivity to follow up on an application status. Pumi (age 28) highlights the inconsistency of application outcome notifications: 'After I have submitted my application I waited for my response for a long time. I asked others that I applied with them and they told me that they were approved and even received payment.' Pumi and others in the urban sample relied on Ikeja Networks and the MOYA App to enquire about her outcome status. However these options were inaccessible to our rural sample and many had to pay for transport to travel to post offices and follow up on their application status. Very few of participants in our sample (i.e. less than half of those whose application was unsuccessful) appealed their outcome. Participants who chose not to appeal explained that the effort it would take to appeal would not be worth it and stated the inefficacy of these systems. The large variation in the application outcome notification stage highlights some of the inefficiencies and inconsistencies of the system, coupled with the existing sentiment that in-person appeals would be futile.

4.5.4. Payment processes

Of the successful applicants in our sample, 94% actually received grant pay-outs, with 75% receiving their grants via the post office and 25% via banks. Inconsistent payments, travel costs, and corruption at post offices were key issues identified here. Payment inconsistencies were present for both modes of payment, including varying amounts paid each month, not receiving all payments, and payment date changes. For many urban participants, the first payment received would be two months' worth of the grant (2x R350) because of delays in application or outcome notification. This differed in the rural setting as participants often had limited access to post offices and banks and would therefore cash out their grant less frequently. Examples of payment inconsistencies include Thabisa (age 59) who waited for three months for her application outcome: 'I was not happy because I was expecting R700 or R1050 because it took so long (application approval) but I only get R350 for the first payment of August.' Contrasting this, Busi (age 33) experienced inconsistent commercial bank payments which amounted to more than the prescribed grant amounts: 'It (her first payment) was R750, then on my second month it was R1050 and the rest of the months it was R350, the last payment it was R700'. When asked if there were any months which she did not collect her grant she replied, 'No, I think it was my luck because I was collecting every month and I never skipped any month'. Payment amount inconsistencies disadvantage some beneficiaries as they are not able to financially plan ahead. At the same time, others ended up benefitting from larger amounts or double payments. However, leakage in SASSA's payment system could have driven up overall expenditure on the programme and the personal experiences of some of our respondents indicate that the the payment process was not always accurate and reliable.

Payment date inconsistencies were common at both post offices and commercial banks, and compound with travel costs, this being especially problematic for beneficiaries collecting their grants at the post office. David's experience illustrates the nuances of payment inconsistencies and compounding socio-economic problems in urban and rural areas of South Africa. When David first received his grant, he lived in rural Eastern Cape, later relocating to Khayelitsha. While in the Eastern Cape David would pay R50 to travel long distances to the post office:

> 'We used to wake up at 2 o'clock in the morning, and when we get there, there are already people who slept there the day before. And I will receive the money at three in the afternoon when they are closing. And the line will still be full at that time and people are pushing through one another, and they are fighting and sometimes the system would shut down or slow down at times when you are already in front of the line, they will tell you to go home and come back the next day or might as well sleep in line and not go home, because you need the money.'

Participants from our rural sample reported spending between R50 and R160 for return trips to post offices. Adding to this our rural sample would often have to return to the post office several times due to lack of network at the post office, or only a limited number of people being served per day. In these cases participants would either have to pay for accommodation or travel home and pay for transportation the next day. In comparison to urban areas, David said 'There is a big difference. Firstly, here in Cape Town I didn't have to wake up at 2 o'clock in the morning, secondly I wake up and walk and there would be a line and I would wait.'

Predominantly experienced by our rural sample, corruption at post offices by officials and security guards created further barriers to accessing the grant. Mpilo (age 25) explains, 'They asked us to leave ID copies and come back tomorrow without telling us the money is available or not. When we came back the following day, they said there is no money'. The following month he went to a different post office, 'What a shock when I arrived I was told that your money was available, but it was withdrawn on the same date I was asked to leave

ID copy in the post office'. Some post office officials thus appear to have found illegal routes to take entitlements. Furthermore, there were reports of organised corruption within the queues outside post offices demanding cash for entry. Corruption was also encountered by beneficiaries who only had birth certificates and not a regular ID card. Funeka (age 20) was unable to receive her grant money as her mother had passed away. 'It would require a representative since I don't have an ID. And I told them everyone who can be my representative are very far.' Other beneficiaries in her position were taken advantage of, as Nskosi (age 21) explains: 'I found out that there is a connection for a person who works inside the post office and she helped me.' With only a birth certificate and without a family representative he explained that 'I didn't go to collect my money monthly and when I went, I received one thousand rand and some odds. Then I had to pay her two hundred rand in order to help me.' Corruption at post offices thus exacerbates the challenges encountered by beneficiaries, pushing some beneficiaries into debt due to illegal routes and burdensome costs and rendering them at further risk of poverty and hunger. Most of the issues experienced by our respondents were a direct result of the strong reliance on cash pay-outs via the post office, thus highlighting the need for alternative (digital) pay-out methods.

4.5.5. Grants, households and family settings

Despite the multitude of challenges, the SRD grant did contribute to alleviating extreme poverty within households and family settings of beneficiaries. Most participants reported using grants to pay for immediate household needs such as food, toiletries and electricity. Many households were receiving multiple grants and grant money would often flow between extended urban and rural family settings. Some cases allowed beneficiaries to enhance their future prospects, for example Andiswa was able to prepare for college and future job opportunities by purchasing professional clothing. Sibusiso (age 22) was able to move out of his parents' home into informal housing by himself. Expenditure on unproductive activities such as alcohol or drugs were referred to only with respect to *other* people.

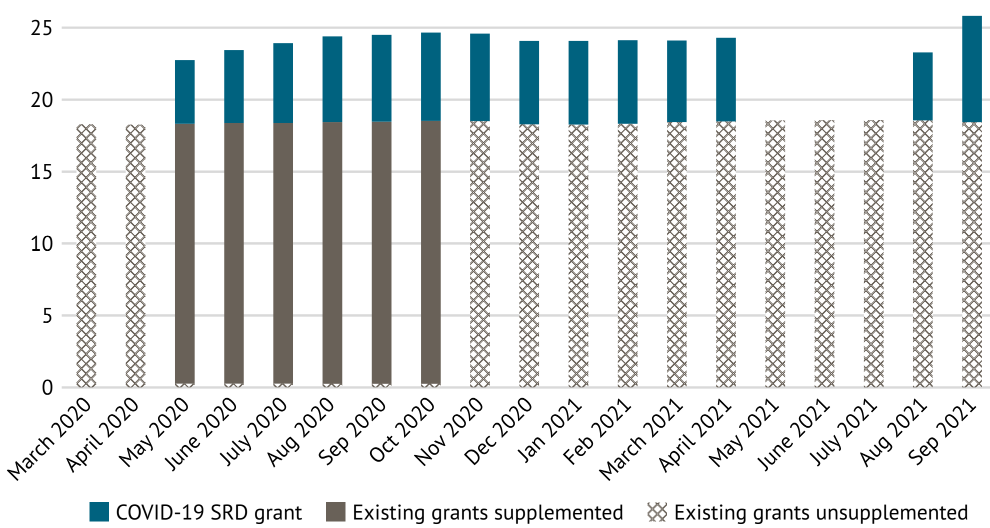
Although the overall attitudes towards the grant were positive, participants noted the declining employment opportunities they face. Many stated preferences towards secure employment instead of reliance on grants to secure a livelihood. Within this argument was specific mention of high rates of youth unemployment. Parallel to this was mention of the SRD grant amount not being able to fulfil the basic needs of individuals and households. Although the grant positively contributed to daily needs of beneficiaries, Senona et al. (2021, p. 5) argue that 'the grant was insufficient to alleviate the multiple hardships that individuals and households encountered on a day-to-day basis, exacerbated by the pandemic.' These multiple hardships include unprotected informal employment, extended national lockdown measures, lack of means to ensure upward social mobility, all combined with compounding structural and social barriers. There is thus a need to re-evaluate and 'fine tune' the design and value of the grant in light of the issues outlined above and to ensure its long-term continuation in response to the continuing hardships faced by South Africa's poor. This is in line with recommendations and calls by various civil society organizations regarding the design, eligibility criteria, value and duration of the special Covid-19 SRD grant (BusinessTech, 2022a).

5. The distributional impact of grants

The emergency social grants expanded massively both 'vertically' and 'horizontally' between May and October 2020, horizontally only between November 2020 and April 2021, then not at all for three months, before renewed expansion again from August 2021. Figure 4 shows the official data on the number of payments of the various social grant programmes from March 2020 to September 2021 (i.e. the most recent month for which data are available).

Figure 4 distinguishes between existing grants that were supplemented (i.e. between May and October 2020, in light green), the new COVID-19 SRD grant (in dark green) and existing grants that were not supplemented (in the lighter pattern bars). The data do not show payments under UIF or UIF-TERS.[6] For six months, about 40% of the total population benefitted directly from emergency social grant provision; for another six months (and again from August 2021), about 10% of the population benefitted directly.

Figure 4. Number of social grant beneficiaries, 2020–21 (millions)



Source: Compiled by the authors using data reported by Department of Social Development and SASSA.

SASSA provides some additional data on the applicants for the emergency (Covid-19 SRD) grant (but not on the successful applicants specifically). Almost two-thirds (63%) were men, whilst 37% were women. Almost half (47%) were aged 18–29. Almost one quarter (23%) were aged 30–39, with the remaining quarter aged 40 or older. In terms of education, about

[6] The number of beneficiaries might be lower than the number of payments because it was possible that an individual beneficiary might receive more than one payment: For example, a caregiver receiving two CSG supplements in May 2020 or an elderly person receiving both an OAG and a CSG supplement. Some people might have received multiple payments fraudulently. The number of beneficiaries from June to October 2020 is somewhat misleading in that the CSG supplement switched from a supplement per child to a supplement per caregiver, whist Figure 4 reports the number of child-beneficiaries for the CSG throughout.

one half had completed matric and one half had not done so (South African Social Security Agency, 2021e).

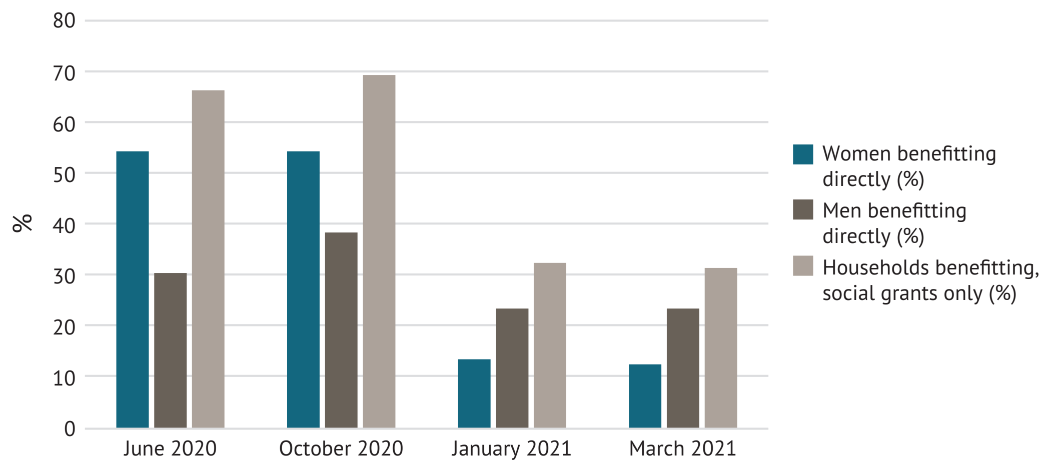
To examine further the distributional impact of these reforms we need to use survey data. The most complete set of available data are from the five waves of the NIDS-CRAM panel study. NIDS-CRAM was a telephonic survey of a panel of adult respondents. The original sample frame comprised individuals aged 15 and above in households that were surveyed for the final wave of the National Income Dynamics Study (NIDS) in 2017 and were therefore 18 or older in May/June 2020, when the first wave of NIDS-CRAM was fielded. The NIDS-CRAM sample was drawn using a stratified sampling design. No attempt was made to check whether successfully re-interviewed individuals resided in the same households as they did in the final wave of NIDS. In NIDS-CRAM, individuals from larger NIDS households were more likely to be sampled than individuals from smaller NIDS households. The NIDS-CRAM team suggest that the sample in NIDS-CRAM wave 1 was 'a broadly representative sample of South African adults from 2017', despite significant non-response and the fact that interviews were conducted telephonically (Daniels, Ingle, & Brophy, 2021). From the outset, however, the realized sample comprised many more women than men (as is often the case in surveys in South Africa), too few 'white' and 'Indian' respondents, and too few high-earning respondents of any 'race' (although the mean and median reported post-tax household income in the first wave were in line with what we would expect given overall trends in GDP per capita and pre-COVID survey data). NIDS-CRAM provide insufficient data on either (a) non-response from people in the sample drawn using the 2017 sample frame (including because they lacked valid phone numbers) or (b) attrition between waves of NIDS-CRAM in 2020–21. Both non-response and attrition appear to have been substantial and to have had major effects on the realized sample.

NIDS-CRAM reinterviewed the panel members in July/August 2020. In the third wave, fielded in November and early December 2020, the panel was refreshed or topped because of attrition or non-response in waves 1 and 2. The fourth and fifth waves were conducted in February/March and April/May 2021 respectively. The total sample comprises 8,157 respondents but the balanced panel comprises only 3,456 individual respondents. The data reported here treat each wave as a cross-section, using the population weights provided by the NIDS-CRAM team. The analysis is not limited to the balanced panel so the successive cross-sectional samples do not comprise exactly the same respondents. These weights adjust for non-response (on the basis of race, gender, language, household income per capita, rural/urban dwelling, province, employment status and household size) and then scaled to the national population (Daniels et al., 2021).

Whilst there are many reasons why these data should be treated with considerable caution, they remain the best available data. The data provide preliminary indicators that ideally would be supplemented in time with better data. The great strength of NIDS-CRAM is as a panel dataset. Making full use of the panel dataset is a major exercise. The analysis of the NIDS-CRAM data in this section therefore comprises preliminary analysis of preliminary indicators.

Figure 5 shows the proportions of men and women in the weighted NIDS-CRAM samples who benefitted directly from one or other emergency cash transfer programme (i.e. the supplements to existing grants, the emergency grant and UIF or UIF-TERS). Figure 1 also shows the proportion of respondents in the weighted samples who benefitted indirectly in that someone in their household received either a supplement to an existing social grant or the emergency grant (but excluding UIF and UIF-TERS). The data underlying Figure 2 are presented in Tables A1, A2 and A3 in the Appendix.

Figure 5. Access to emergency grants over time



Source: Author's calculations using NIDS-CRAM data.

Figure 5 shows that women were more likely to benefit directly than men in both June and October 2020. Although women were less likely to access the emergency grant or UIF-TERS, they were much more likely to benefit from supplements to existing social grants (especially the CSG). The termination of supplements to existing grants and the CSG caregiver's grant meant that the proportion of women who benefitted directly from emergency provision dropped sharply. In both January and March 2021, only about 12 percent of women in the NIDS-CRAM sample benefitted (see further Table A1). Men were more likely than women to access the emergency grant. The initial expansion of social protection benefitted more women than men (although men predominated with respect to UIF-TERS, which paid much larger benefits than any of the social grants) (see further Table A2). In early 2021, however, emergency provision for women was cut back massively whilst it continued for most men. At the household level (see further Table A3), the proportion of beneficiaries dropped from about two-thirds of the sample in 2020 to less than one-third of the sample in early 2021.

Poor households were much more likely to benefit from both the supplements to existing grants and the introduction of the COVID grant. The proportion of poor households—defined as households with reported income below R3000 per month, i.e. approximately the poorest half of all households in the NIDS-CRAM sample—that received at least one CSG was steady at about 60%. The proportion of poor households that benefitted from the COVID grant rose from about 30% in June 2020 to about 40% later in the year (see Table 4).[7]

Table 2. Receipt of COVID grant by household, by household income, over time (NIDS-CRAM)

	Household Income <= R3000/month (%)	Household Income > R3000/month (%)	All Households (%)
June 2020	30	14	22
October 2020			32
January 2021	41	24	32
March 2021	40	24	31

Notes: Weighted data; sample includes wave 3 additions; the NIDS-CRAM wave 3 dataset does not include data on household income.

Eligibility for the COVID grant supposedly entailed what might be called a proxy means test: If an applicant was on the databases of SASSA (receiving another social grant), SARS (paying income tax, i.e. on formal employment), UIF (receiving unemployment benefits) or NSFAS (receiving student funding), then the application was rejected. There was, however, no overall means test of the individual applicant and no account was taken of the household income in the applicant's household.

It is hardly surprising, therefore, that the emergency measures were poorly targeted at the household level, as shown in Table 2 (and in corresponding data on other social grants). One in four respondents in non-poor households in the NIDS-CRAM sample reported that someone in the household received the COVID-19 grant, more than half reported receiving the CSG and one in three reported receiving the OAG. Only one in three respondents in non-poor households reported that no household member received any of the COVID-19 grant, a CSG or an OAG. This is not surprising, given that a household with two pensioners or anyone earning the national minimum wage in a full-time job would have a household income of more than R3000 per month and would not be in the poorest half of the NIDS-CRAM sample data.

The distribution of COVID grants can be crudely assessed using income quartiles also.[8] The proportion of households in which someone had received the COVID grant was marginally higher in the bottom income quartile than in the second income quartile (41% versus 38%, by wave 5 of NIDS-CRAM), was lower in the third quartile (at 34%)

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[7] NIDS-CRAM collected data on household income through first an open-ended question then, if the respondent was unwilling or unable to answer this first question, by asking the respondent to estimate household income in terms of four income brackets. The brackets corresponded approximately to income quartiles.

[8] These are crude because the income brackets used in the second household income question do not correspond precisely to income quartiles.

and was much lower in the top income quartile (at 18%).[9] Put another way, 31% of the individuals who reported receiving the COVID grant were in the bottom household income quartile, 31% were in the second quartile, 23% were in the third quartile and 15% were in the top income quartile.

In short, the COVID grant reached many but not all poor households and reached some individuals in non-poor households.

The emergency reforms also had uneven effects across different age cohorts. Among women, benefits were least widespread among the 40–59 year age group. Women in this age group were less likely than younger women to access the CSG or the emergency grant but were too young to access the OAG (see Table A4). Men in all age groups were less likely to benefit than women of the same age. Men older than 60 were the most likely to benefit, through supplements paid to old-age pensioners (see Table A5).

The NIDS-CRAM data allow us to interrogate in more detail access to the emergency COVID-19 grant. Tables A5 and A6 show the proportions of each age group of men and then women in the NIDS-CRAM sample who applied for the COVID-19 grant. Both successful and unsuccessful application rates were highest among young men, then among older cohorts of men and young women. They were lowest among older cohorts of women. Because NIDS-CRAM oversampled women, the data for men and women are presented separately. The breakdown by age for the NIDS-CRAM samples of men and women accord closely to the official data reported by SASSA on applications by gender.

Table 3. Applications by men for the COVID grant, up to March 2021, by age group (NIDS-CRAM)

	18–29 (%)	30–39 (%)	40–49 (%)	50–59 (%)
Applied successfully	37	23	21	15
Application pending	4	4	2	4
Applied unsuccessfully	20	14	15	13
Did not apply	40	58	62	69
Total	100	100	100	100
N	697	612	405	236

Notes: Weighted data (except n); sample includes wave 3 additions; columns might not add to 100 because of rounding off

[9] These are crude because the income brackets used in the second household income question do not correspond precisely to income quartiles.

Table 4. Applications by women for the COVID grant, up to March 2021, by age group (NIDS-CRAM)

	18–29 (%)	30–39 (%)	40–49 (%)	50–59 (%)
Applied successfully	19	7	10	17
Application pending	2	1	2	2
Applied unsuccessfully	15	12	11	11
Did not apply	65	78	77	70
Total	100	100	100	100
N	843	949	764	476

Notes: Weighted data (except n); sample includes wave 3 additions; columns might not add to 100 because of rounding off

The official data from SASSA allow us to see how many applications for the emergency grant were successful and how many applications were rejected for the various reasons. Of the ten million applications in the first phase of the emergency grant, just over one-third were rejected. The leading reasons for rejection were that the applicant was registered for UIF (32% of the rejections), the applicant already received a SASSA grant (24%), the applicant had had a tax return registered (23%), the applicant's identity could not be verified (10%) and the applicant was in receipt of a NSFAS student's grant (7.5%). Small numbers were rejected because they were too old or too young or were government employees (South African Social Security Agency, 2021e).

NIDS-CRAM data allow us to analyse who applied for the emergency COVID grant—and who did so successfully—in terms of a fuller set of characteristics, including their reported characteristics at different points in time. Table 5 reports the results of a series of multivariate logistic regression models on both (a) whether a respondent had applied for the emergency COVID grant at any time prior to the 5th wave of interviews (i.e. prior to April or May 2021) and (b) if they had applied, whether their applications were successful rather than unsuccessful (disregarding anyone whose applications remained pending at the time of the 5th wave interview). The models only consider respondents who were age-eligible for the grant, i.e., they exclude people aged 60 or older.

Model A shows that respondents were more likely to apply if they were not in receipt of any other social grant in early 2020, were in the poorest half of the sample and had done any work in either February or April 2020. Respondents who had stopped working under lockdown (i.e., they had worked in February 2020, prior to the lockdown, but not in April) were not significantly more likely to have applied (i.e., conditional on the other variables in the model).

Model B shows that young men were more likely to apply (even controlling for the original four variables included in Model A) but living in a rural area (whether a 'traditional' area or on a farm) was not significant. Rural people do not appear to have been particularly unable to apply.

Model C excludes from the analysis respondents who received other social grants, supposedly rendering them ineligible for the emergency grant. This removes many female CSG recipients from the analysis. Nonetheless, young men remain more likely to have applied for the grant. The results of Model C are similar to those of Model B.

Model D takes into account work history during the lockdown. There was no significant correlation between working in either June or October 2020 and applying for a grant (conditional on, inter alia, not working earlier in 2020).

Model E examines successful applications—relative to respondents who did not apply and who applied unsuccessfully. Young men and respondents from poor households were more likely to have applied successfully. Anyone who worked (at any time) was less likely to have applied.

Finally, Model F compares successful with unsuccessful applications. Applications from young men were somewhat more likely to succeed than applications from older men or women. Anyone who had worked pre-lockdown but not post-lockdown was less likely to succeed, perhaps because of eligibility for UIF-TERS. Neither working in June or October 2020 nor ever receiving UIF-TERS had any significant effect on success. The model explains very little of the variance in success. This is not surprising: The vetting process was designed to exclude individuals who were ineligible because they received some other income (even if they lived in nn-poor households). Why men were somewhat more likely to succeed than women is unclear, but might be related to the fact that many women were ineligible solely because they received the CSG.

Table 5. Correlates of application for emergency grant and success (NIDS-CRAM)

	Model A	Model B	Model C	Model D	Model E	Model F
Dependent variable	Apply		Apply		Apply successfully	Apply successfully
Restriction	If age-eligible		If age-eligible and not receive other grant			If applied and not pending
Received no social grant	2.8 (0.5)***	2.6 (0.5)***				
In poorest half of sample	1.9 (0.2)***	1.9 (0.2)***	1.9 (0.2)***	1.7 (0.3)***	1.8 (0.4)**	1.3 (0.3)
Worked in Feb but not in April 2020	1.7 (0.3)**	1.8 (0.3)***	1.7 (0.3)**	1.6 (0.3)*	0.6 (0.1)*	0.6 (0.2)
Worked in neither Feb nor April 2020	2.9 (0.4)***	3.3 (0.5)***	3.5 (0.6)***	2.9 (0.6)***		
Men aged 18–39****		2.4 (0.3)***	1.7 (0.3)**	2.7 (0.4)***	2.4 (0.4)***	1.5 (0.3)*
Worked in either June or October 2020				0.8 (0.1)		
Live in a traditional rural area		1.2 (0.2)				
Lived in a rural farming area		1.0 (0.1)				

	Model A	Model B	Model C	Model D	Model E	Model F
Worked in June 2020					0.5 (0.1)**	0.9 (0.2)
Worked in Oct 2020					0.7 (0.1)*	0.9 (0.2)
Ever received UIF-TERS						0.8 (0.4)
Constant	0.1 (0.0)***	0.1 (0.0)***	0.2 (0.0)***	0.2 (0.1)***	0.3 (0.1)***	1.2 (0.4)
Pseudo r-squared	0.08	0.11	0.08	0.09	0.08	0.02
N	4161	4161	3587	2557	2486	1082

Notes: Odds ratios reported (with standard errors in brackets). The constant estimates baseline odds. Wave 5 weights are used. ***p<0.05, **p<0.01, ***p<0.001. ****Other gender and age variables were not significant and had no effect when included in these models. They were not included in the models reported here.
Source: Own analysis of NIDS-CRAM data.

In sum, none of the NIDS-CRAM variables take us very far in explaining who did and who did not apply for the emergency grant (nor who applied successfully). Most of the findings are intuitive: Respondents from non-poor households and respondents who worked at any point were less likely to have applied. Other findings are puzzling: Young men were more likely to have applied, even controlling for a range of other factors. Some findings are reassuring: Respondents in rural areas do not appear to have been disproportionately excluded. Overall, it is not clear why some eligible respondents applied (and most did so successfully) whilst many other eligible respondents did not do so.

The NIDS-CRAM data do appear to suggest that there were significant inclusion and large exclusion errors with respect to the emergency grant. SASSA data suggest that a minority of rejected applicants were ineligible because they received other grants but the NIDS-CRAM data suggest that a minority of successful applicants should have been rejected on the basis of ineligibility. As many as 15% of the NIDS-CRAM respondents people who reported in w5 (i.e. in mid-2021) that that they received a Child Support Grant also said that they had applied for the COVID grant. Of these, two-thirds had been rejected—but one-third had succeeded. Moreover, a large minority (37%) of the people who had applied successfully for the grant (and were receiving it) reported that they were working in March 2021. It is possible that such people had legitimately received the grant when they were not working and then continued to access the grant when they resumed work.

The analysis hitherto has focused on beneficiaries not on the value of benefits. The value of benefits from most of the emergency reforms to individuals and households can be estimated using the data on distribution above and the known values of the programmes. The exception to this is the value of UIF-TERS, which depended on the magnitude of the wages lost to retrenchment, furlough or partial payment.

Provision strongly favoured women. Excepting UIF-TERS, approximately twice as much of the total emergency social grant programme in October 2020 went to women than went to men. On average, women benefitted by about R216 in October whilst the average man benefitted by only R119. This pattern shifted after the supplements and extensions to existing grants were ended. In early 2021, the average man benefitted by only R140 per month, compared to about R70 per month for the average woman. Over the eleven months from May 2020 to March 2021, about 60% of the emergency provision was paid to women and about 40% to men.

The poor benefitted more than the non-poor from the social grant reforms, but not as emphatically as we might have imagined. If we assume that the distribution of COVID grant benefits in October 2020 was much the same as in the following January and the distribution of benefits from other social grants was much the same as in the preceding June, then about two-thirds of the total emergency social grant programme went to poor households (i.e. households with income below R3000 per month) and about one-third to non-poor households.

6. Discussion and lessons

Overall, South Africa's social protection response to Covid-19 can be characterized as a mixed case. Notable successes were achieved with regard to the scope and duration of its cash-based pandemic response, as well as the development of a fully digital application system for the new Covid-19 SRD grant. However, the implementation of the grant was characterized by numerous challenges, particularly with regard to the verification and payment system. This final section discusses the main successes and challenges of South Africa's social protection response to Covid-19 and highlights the lessons the South African case holds for other countries and future emergency response programmes.

6.1. Successes and achievements

South Africa's cash-based social protection response to Covid 19, consisting in top-up payments for existing social grant beneficiaries, the new SDR grant, the UIF/TERS scheme, and employment creation initiatives, succeeded in reaching a large number of beneficiaries in a relatively quick and efficient manner. Despite various 'teething problems' and glitches in the application, verification and payment systems of both TERS and the SRD grant, both programmes were implemented timeously and effectively compared to similar interventions in other African countries. In terms of coverage, South Africa's Covid-19 response was equally successful. Over 5.4 million workers received a total of R63 billion in financial support through the TERS scheme, over 12 million beneficiaries of South Africa's existing social grant programmes benefitted from top-up payments, and the special Covid-19 SRD grant reached over six million previously uncovered beneficiaries in its first iteration. By the end of September 2021, over 8.3 million applications (out of close to 14 million) had been approved for the second cycle of the programme, and 5.6 million beneficiaries had received their first payment. Not only did the SRD grant succeed in reaching South Africa's poorest and most vulnerable individuals (as illustrated by NIDS-CRAM data and individual beneficiary experiences), it also expanded the country's social safety net to unemployed, able-bodied adults for the very first time.

One of the defining elements of South Africa's social protection response to Covid-19 was its ability to build on pre-existing structures and systems. The TERS scheme was based on the UIF's existing structures, databases and legislation, making possible to implement the new unemployment benefit in a timely and effective manner and without having to conduct a special registration drive for new beneficiaries. Unlike many other African countries, South Africa was further able to draw on a number of databases from other government programmes and departments to verify applications for the new SRD grant. The existence of these databases allowed for efficient and accurate targeting of the emergency response, which—in the absence of similar population registers and databases—would not have been possible in most other African countries.[10] The South African example, as well as data from other parts of the global South (Beazley, Barca, & Bergthaller, 2021), thus highlights the central role of public registries and other population databases in facilitating emergency interventions for previously uncovered parts of the population.

In addition, South Africa's pandemic response was shaped by the presence of a strong coalition of national actors around the need for social protection measures. As argued in an earlier paper by Gronbach and Seekings (2021), the success and extent of social protection responses to Covid-19 in Southern Africa largely followed pre-Covid patterns of either support for, or resistance against, social protection by national governments and actors. In countries where pre-Covid social protection systems were largely run and financed by donors (such as in Tanzania, Botswana, or Zambia), few national governments played a leading role in the design or implementation of cash-based emergency measures. The case of South Africa, with its long-standing political commitment to (and domestic financing of) social protection, as well as a vibrant and active civil society, illustrates the importance of a supportive policy environment for the implementation of a timely and comprehensive social protection response to the pandemic.

Another defining characteristic of South Africa's pandemic response was the duration and durability of its cash-based interventions, especially in comparison to the rest of sub-Saharan Africa. Despite the prolonged socio-economic impact of the pandemic and the introduction of new lockdowns in response to a resurgence in infections in late 2020 and throughout 2021, the vast majority of Covid-19 relief programmes in the region were not extended beyond 2020 or at best early 2021. Although South Africa's Covid-19 relief programmes were initially conceptualized as short- to medium-term interventions, they were subsequently extended several times. Table 6 outlines the duration of social protection responses in sub-Saharan Africa as recorded in two subsequent rounds of a mapping project conducted by the International Policy Centre for Inclusive Growth in 2020.[11] The repeated extension of TERS,

[10] According to the United Nations Statistics Division (2021), the percentage of births and deaths registered in most of sub-Saharan Africa lies below 75% (in several countries even below 50%), and Africa ranks last in terms of the availability and completeness of population records. Other databases, e.g. for tax or social security purposes, are rarely available and seldom complete and up to date.

[11] The differences in between the first and second round of the mapping were largely the result of new interventions launched in some countries after the conclusion of the first round, as well as differences in the availability of data for certain programmes.

and the re-launch of the SRD makes South Africa the country with the most durable social protection response to Covid-19.

Table 6. Social protection pesponses to Covid-19 in sub-Saharan Africa

	September 2020		December 2020	
Duration	**N. of Measures**	**% of Total**	**N. of Measures**	**% of Total**
Once-off	21	14%	40	17%
2–3 months	40	26%	68	29%
4–6 months	21	14%	28	12%
7+ months	9	6%	24	10%
No data	64	41%	75	32%
Total	**155**		**235**	

Source: International Policy Centre for Inclusive Growth (2021) and additional data collected by the author for the first round of the mapping.

Looking beyond the immediate emergency relief phase, the success of the new SRD grant has re-ignited discussions about the implementation of a basic income grant, after earlier proposals in 2002 had been shut down. Calls from civil society organizations and various corners of government to make the SRD grant a permanent feature of South Africa's social protection system continue, and the Minister of Social Development stated in August 2021 that that government was 'currently working on the policy aspects surrounding this' (South African Government, 2021a). Yet while recent publications by the Institute for Economic Justice (2021a, 2021b) have argued that a universal income scheme would be affordable, South Africa's new Minister of Finance has taken a more apprehensive stance, highlighting the need to create employment opportunities for youth, rather than creating long-term dependency on 'handouts' (Cronje, 2021). Government plans to introduce a 'Family Poverty Grant' to replace the SRD grant were made public in October 2021 but received harsh criticism from both civil society (Human, 2021b) and researchers (Goldman et al., 2021). The World Bank has suggested the introduction of a 'jobseekers' grant' for unemployed adults which would be integrated with a set of additional interventions aimed at skills development and employment creation (The World Bank, 2021). At this point, it is unclear whether and in which form a basic income grant will be adopted, especially in light of reduced fiscal space in the years to come. The most likely scenario appears to be another extension of the special Covid-19 SRD grant beyond March 2022, as suggested by the Minister of Social Development in January 2022, while legislation—and the corresponding budget—for a more permanent Basic Income Grant are drafted. An official decision is expected to be made by the National Treasury in its February 2022 budget (BusinessTech, 2022b).

Last but not least, the reliance on an entirely digital application portal for the new SRD grant represents a significant departure from the paper-based application system SASSA had used in the past. This was made possible by a regulatory change which waived the requirement for applications to be submitted in person and laid the foundations for the use of digital application tools for South Africa's regular social grant programmes. Although applicants struggled with various technical glitches, connectivity issues, and the lack of in-person support from SASSA, the use of digital channels (USSD, WhatsApp, the website and even Facebook) was arguably the most innovative and transformative feature of South Africa's social protection response to the pandemic.

6.2. Failures and challenges

Although South Africa managed to implement an extensive and impactful cash-based response to the pandemic, the government's decision to focus almost exclusively on cash-based forms of social assistance came at the expense of in-kind support. Despite government assurances that food parcels would be rolled out to bridge the gap until the start of SRD payments, most of South Africa's poor had to rely on civil society organizations for food and in-kind assistance during the early stages of the pandemic. Further, both the NSNP and pre-school feeding schemes were suspended for several months a result of nationwide school closures, resulting in a very limited distribution of food parcels and meals through existing feeding schemes. Overall, less food support was distributed during the first lockdown than before (Seekings, 2020b), which was compounded by the delays in rolling out the special SRD grant. This highlights the importance of in-kind support as part of a broader emergency response, especially where cash-based forms of assistance are not (yet) available and where existing feeding programmes are already in place.

Another pertinent issue was the exclusion of asylum seekers and special permit holders in the first round of the SRD grant. This was only rectified after a court order was issued in June 2020. However, asylum seekers and special permit holders only started receiving the grant four months (or more) later than South African applicants, due to various application and verification delays. This is particularly concerning as refugees and asylum seekers were already facing multiple barriers to accessing social protection prior to the pandemic and were disproportionally affected by the negative impacts of the pandemic (Mukumbang, Ambe, & Adebiyi, 2020).

Numerous challenges faced by applicants for the SRD grant resulted from the sudden introduction of digital processes and platforms and the lack of in-person support by SASSA. Due to the closure of all SASSA offices and the limited capacity of telephonic and online support systems, many SRD grant applicants were left to their own devices, especially during the first iteration of the programme in early 2020. This was particularly challenging for applicants in rural areas, as well as for those who did not have access to the necessary devices, airtime or connectivity—in other words those most in need of assistance. Many had to rely on relatives or community members to assist them with their digital grant application, requiring them to share sensitive personal information with others. Using someone else's cellphone to submit an application also led to problems in the verification and payment stages, especially where applicants had chosen the 'cash send' option which requires the cellphone number to be registered in the applicant's own name.

Moreover, only the USSD-based application option was accessible free of charge while both the WhatsApp channel and the website/email option required the applicant to have airtime and/or data on their phone. Further, the application system was set up exclusively in

English, and the SMS notifications sent to applicants were lengthy and complicated, making the process difficult for applicants who were not proficient in that language. In some cases, volunteers deployed by civil society organizations and the NDA were able to step in, but for some applicants the sudden introduction of a fully digital application system created a barrier to accessing the grant. While the ad hoc introduction of a fully digital application portal was arguably the only option in light of the strict lockdown measures and SASSA's office closures, the multiple challenges this caused for applicants highlight the need for a gradual approach to digitization, accompanied by appropriate measures to bridge connectivity gaps, language barriers, and limited levels of digital literacy. Examples of such measures include the provision of zero-rated access to the application portal (including the website and the WhatsApp channel), as well as expanded call centre capacity through a toll-free hotline offering advice in several of South Africa's eleven official languages.

Additional problems emerged during the verification phase, resulting from database incompatibility, the selection of inaccurate or outdated datasets, and the complex and time-consuming process of manually checking applications against these databases. Datasets for the verification of applications were initially shared on hard drives and USB memory sticks which had to be hand-delivered in a 'piecemeal fashion' (Koster, 2021). This led to significant delays in the approval and payment process for some applicants and, in several instances, erroneously excluded eligible applicants. Unsuccessful applicants merely received a rejection notification via SMS but were not informed why their application had been denied. The only way to lodge an appeal during the early stages of the process was to send an email to SASSA and to re-submit the application within 15 days of receiving the rejection notification. However, as noted by the Black Sash, emails to SASSA often went unanswered, the call centre struggled to cope with the high volume of incoming calls, and the so-called appeals mechanism was essentially just a second iteration of the initial application process, using the same verification criteria and processes. While this appears to have been rectified in the second round of the grant, it caused considerable confusion and frustration among applicants who often felt too discouraged to even consider appealing SASSA's (potentially incorrect) decision.

SASSA's biggest failure, however, lies in the virtual absence of technological and digital innovation in terms of the payment system for the SRD grant. While numerous African countries resorted to payments via mobile money for their Covid-19 response, 70% of SRD beneficiaries received their payments in cash during the first round of the programme. Although an increasing number of beneficiaries opted to receive their grant into a personal bank account towards the end of the first cycle, the majority continued to 'cash out' their monthly payment at their nearest SAPO branch. This resulted in long queues, limited social distancing, fraud and corruption, and considerable travel expenses for beneficiaries in rural areas. Further, pre-existing cash shortages at SAPO branches were exacerbated by the roll-out of the new grant and the addition of six million new beneficiaries. The promised 'cash send' option via mobile wallets remains inoperative 18 months after the launch of the SRD grant, and initial plans to add a voucher payment option were dropped. The only 'innovation' in terms of the payment system was the addition of a cash withdrawal option via Pick n Pay and Boxer retail stores in the second programme cycle. However, this practice can hardly be classified as 'innovative' or 'digital' and merely constitutes an expansion of SAPO's network of cash pay points.

This virtual absence of technological or digital innovation in the SRD payment system strikes one as rather surprising, considering that South Africa has the most sophisticated financial sector on the continent. In addition, the use of mobile payment channels had been strongly recommended by the special task team appointed in early 2020 which clearly stated that 'the pragmatic solution for the majority of beneficiaries involves mobile-based options' (Philip et al., 2020). SASSA's failure to follow the advice of its own experts can be partly explained by the need to design and implement a payment solution in a very short time frame and in the context of a national lockdown. While it must be acknowledged that SASSA operates in a challenging political environment, the agency has consistently refused to take responsibility for its latest grant payment debacle, instead blaming the banking sector, National Treasury, and grant applicants themselves. According to SASSA, its failure to roll out mobile payments for the SRD grant is due to repeated delays in the negotiations with banking partners, as well as the stringent verification requirements by National Treasury. In addition, the agency has implied that grant applicants themselves are part of the problem, citing the widespread practice of applying through someone else's cellphone or failing to submit accurate banking details.

SASSA's failure to successfully implement a digital payment channel for the SRD grant represents a continuation of its long-standing reluctance to work with the country's commercial banks and its ill-advised insistence on using SAPO as its main grant paymaster. Even prior to the launch of the new SRD grant, SAPO's performance had been below par: the organization was raking up millions in irregular expenditure, its branches and infrastructure were deteriorating, reports of cash shortages and armed robberies at grant pay points were on the rise, and the entity was declared commercially insolvent by South Africa's Auditor General in April 2021. Moreover, following the closure of most of the 8,000 cash pay points that had served grant beneficiaries prior to the appointment of SAPO in 2018, the Post office recently announced that it was planning to close 130 of its own branches in response to the significant financial challenges it is facing (Nemakonde, 2021). Last but not least, the fact that the appointment of SAPO for SRD grant payments was concluded without the support of its own Board of Directors, raises concerns about the prioritization of political and personal interests over the needs of grant beneficiaries. By resorting to SAPO as its 'default option', SASSA failed to follow expert advice and international best practice and missed a golden opportunity to move away from its reliance on an ill-managed and inefficient public entity and a predominantly cash-based payment system.

6.3. Conclusion

Overall, South Africa's social protection response to Covid-19 can be characterized as a mixed case. It was largely successful in terms of timeliness, coverage, the inclusion of previously uncovered beneficiary groups and the positive impact of its cash-based response at the individual and household level. Existing social protection structures, as well as databases from other government departments and programmes, provided a solid foundation for the design of South Africa's immediate emergency response, as well as for continuous improvements in response to challenges that emerged during the implementation phase. This points to the importance of establishing social registries as a foundation for emergency interventions, or, alternatively, improve coverage and accuracy of existing databases. Efforts in this field should be accelerated, while taking into account limiting factors such as the fluid nature of household composition, income and employment in most African countries.

Thanks to South Africa's long-standing political support for social protection, as well as an active civil society and sufficient fiscal space, payments under both the TERS and the SRD scheme were extended well beyond the average duration of Covid-19 response programmes in sub-Saharan Africa. This contrasts with examples from countries where governments had taken a cautious stance toward to social protection prior to the pandemic, which was reflected in their limited (or non-existent) pandemic response. The case of South Africa thus illustrates the importance of building broad-based support for social protection as a key feature of national social and economic policy in order to offer quick and effective support to the most vulnerable members of society in times of crisis.

The use of digital technologies was a defining characteristic of the application system for the new SRD grant, allowing SASSA to embark on a massive enrolment drive in the midst of a national lockdown and in the context of closed offices and staff shortages. The adoption of USSD-based communication (and, to a lesser extent, WhatsApp and the website portal) has proven successful and is likely to become a more widely used feature of social protection programmes in the future. However, the need for airtime or mobile data to access web-based services, compounded by the high cost of mobile data in South Africa, has remained one of the main barriers to accessing the SRD grant. This could be addressed by zero-rating access to digital social protection platforms through partnerships with mobile network operators.

In addition, collaboration across government departments and agencies, as well as the use of existing databases to verify grant applications, made it possible to process close to 14 million applications across the two rounds of the SRD programme. As a result, SASSA has built a new database of vulnerable individuals who were not previously covered by existing social protection programmes. In addition to applicants' ID numbers, this database also includes information on their place of residence, their employment, tax and income status, and other relevant information which can be used for future emergency response programmes or for the much-debated launch of a basic income grant.

There remains, however, significant room for improvement in terms of support and recourse systems for applicants and beneficiaries—especially those living in rural areas and with limited connectivity or low levels of digital literacy—and in improving interoperability between databases and systems. Although SASSA and its partners have addresses many of the problems and exclusion errors that characterized the first round of the programme, communication with beneficiaries, personal application support through SASSA (rather than volunteers and civil society), and the introduction of the account-based 'means test' for appeals cases (which only applies to beneficiaries with bank accounts and does not distinguish between different sources of income) remain areas of concern. Further, it remains to be seen whether SASSA's new approach of re-assessing eligibility for the SRD grant on a month-to-month basis will be feasible, and how efficiently appeals and re-assessments will be resolved in the second round of the programme.

Finally, SASSA's failure to launch the 'cash send' payment option 18 months after announcing it, and its decision to rely predominantly on cash-based payments stands in stark contrast to the rapid and relatively successful introduction of a digital application system, as well as international best practice. Resorting to cash payments through SAPO, rather than prioritizing mobile payments in the context of a national lockdown, resulted in chaotic conditions at pay points and caused considerable travel and opportunity costs for beneficiaries. The collaboration with large retailers for the disbursement of cash payments in the second round of the SRD grant is certainly a step in the right direction and is likely to ease pressure on Post Offices. However, this does not necessarily address the issue of travel costs for beneficiaries in rural areas, many of whom do not live in close proximity to a Pick n Pay or Boxer store. Instead of following the example of other African countries and using the pandemic response as an opportunity to take its grant payment system into the digital age, South Africa missed a golden opportunity to adopt mobile payments.

With just over two months left until the end of the second cycle of the SRD grant in March 2022, the coming months will provide more clarity on the performance of SASSA's new month-to-month verification approach, as well as the long-promised mobile 'cash send' payment option. Last but not least, the debate on the continuation of the grant—or its replacement with some form of basic income grant—continues to gain momentum and the announcement of the February 2022 budget promises to shed some light on the road ahead.

Appendix

Tables A1 and A2 only report results for programmes where there was emergency provision, whether through a supplement to an existing grant or an emergency measure (i.e. the COVID-19 grant, the CSG caregiver supplement and the UIF-TERS scheme). NIDS-CRAM asked about grants received on behalf of someone else but did not ask what grants or for whom. We assume that most of these would have been CSGs received on behalf of children.

Table A1. Individual receipt of emergency grants, women, June 2020 to March 2021

	June 2020 (%)	October 2020 (%)	January 2021 (%)	March 2021 (%)
CSG	22	21		
DG	2	2		
OAG	13	11		
Covid grant	5	12	11	10
Other	4	4		
UIF/UIF-TERS	6	4	2	2
A grant on behalf of someone else	8	11		
None of the above	46	46	87	88
N	3476	3743	3299	3614

Notes: Weighted data (except n); sample includes wave 3 additions; other includes NSFAS; UIF/UIF-TERS includes UIF-TERS applicants waiting for payment; shaded cells indicate that there was no emergency provision for the grant programme at this time.

Table A2. Individual receipt of emergency grants, men, June 2020 to March 2021

	June 2020 (%)	October 2020 (%)	January 2021 (%)	March 2021 (%)
CSG	2	2		
DG	2	2		
OAG	7	6		
Covid grant	10	22	20	19
Other	1	1		
UIF/UIF-TERS	10	7	4	5
A grant on behalf of someone else	2	2		
None of the above	70	62	77	77
N	2200	2387	1985	2047

Notes: Weighted data (except n); sample includes wave 3 additions; data for respondents with reported household income <= R3000/month; other includes NSFAS; UIF/UIF-TERS includes UIF-TERS applicants waiting for payment; shaded cells indicate that there was no emergency provision for this grant programme at this time.

NIDS-CRAM data allow us to track the benefits of most emergency provision at the household as well as the individual levels. NIDS-CRAM only asked about three programmes at the household level: The COVID grant, the CSG and the OAG. Table A3 shows that the proportion of households benefitting from the CSG was steady at just under 50%. The proportion benefitting from the COVID grant rose from 20% to 30%. In June and October 2020, another 8% of households benefitted from the supplement paid to old age pensioners. About two out of three households benefitted from the emergency reforms to these three programmes in June and October 2020. In early 2021, when the government had ceased to pay supplements to the pre-COVID programmes, the proportion dropped to less than one in three.

Table A3. Receipt of grants by household, June 2020 to March 2021

	June 2020 (%)	October 2020 (%)	Jan 2021 (%)	Mar 2021 (%)
Covid grant	21	32	32	31
CSG	49	48		
Neither of the above	42	39		
OAG	28	27		
Any of the CSG, OAG or COVID grant	66	69	32	31
n	5676	6130	5284	5468

Note: Weighted data (except n).

Tables A4 and A5 report access to the various grants among successive age cohorts of men and women in October 2020, i.e. at the peak point in emergency provision (as shown in Figure 1 above). Unfortunately the data for October 2020 cannot be disaggregated by household income. Tables A4 and A5 show that more women than men in every age group benefitted from the emergency reforms at this time.

Table A4. Individual receipt of grants in October 2020 among women, by age group

	18–29 (%)	30–39 (%)	40–59 (%)	60+ (%)	Total (%)
CSG	21	34	18	8	79
DG	0	1	3	3	2
OAG				59	11
Covid grant	20	7	13	3	12
Other	8	3	3	0	4
UIF/UIF-TERS	3	3	6	1	4
A grant on behalf of someone else	12	11	12	8	11
None of the above	43	46	53	36	46
N	929	964	1245	605	3473

Note: Weighted data (except n); sample includes wave 3 additions; other includes NSFAS; UIF/UIF-TERS includes UIF-TERS applicants waiting for payment.

Table A5. Individual receipt of grants in October 2020 among men, by age group

	18–29 (%)	30–39 (%)	40–59 (%)	60+ (%)	Total (%)
CSG	1	4	3	1	2
DG	1	2	4	1	2
OAG				45	6
Covid grant	33	21	18	4	22
Other	3	0	1	1	1
UIF/UIF-TERS	6	10	7	2	7
A grant on behalf of someone else	3	0	4	2	2
None of the above	58	67	66	51	62
N	784	644	649	310	2387

Notes: Weighted data (except n); sample includes wave 3 additions; other includes NSFAS; UIF-TERS includes UIF-TERS applicants waiting for payment.

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