

Whilst we welcome what appears to be a greater commitment by Government to the provision of relief to households, workers, and small businesses, it still feels to us that we are trying to pull blood out of a stone. Given the reality on the ground, it is unlikely that the relief measures announced by The President will be enough to prevent hunger and to quell civil disorder and put South Africa firmly on a path to recovery.

The past few weeks have shown how targeted agitation and poor policing, have exposed the sheer economic desperation of our people, and the vulnerability of state security and its ability to protect private property. We argued last month that in the minds of ordinary people the right of hungry people to exist and to survive will become more important than any right of an individual or company to hold private property.

Whilst it appears that security has been restored for now, the conditions on the ground which provided fertile ground for unrest have not improved, instead they have been worsened with the loss of life, the loss of jobs, the disruptions in the food value chains, the loss of local supermarkets, the greater transport costs incurred of sourcing food, the longer queues to get into supermarkets which curtail the ability of women to first seek the cheapest prices before buying, and the hikes in food prices at supermarket shelves. The threat to state security and private property by hungry, desperate, and angry people is still very much alive.

Nearly every supermarket where women living on low incomes do their shopping, and which PMBEJD tracks, were looted in Johannesburg and Durban. Whilst some shops have reopened, the majority have not. Most of the supermarkets in these areas are found in malls which have had significant structural damage and are unstable. It will take some time for these shops to reopen. Finding new shops which specifically target the low-income market and are reasonably affordably priced means a long trip in a taxi far from where people live and very long queues to get into the supermarket – with times averaging up to 6 hours outside waiting to go in and 3 hours inside waiting to pay at the till. In some areas, for example, KwaMashu (Durban), no shops have been reopened, and no cheaper supermarkets are close by. Women are telling us that they will have to travel far even to shop in the more expensive supermarkets of Checkers, Spar or Pick n Pay in wealthier areas. These shops are much more expensive than the supermarkets women normally shop in. Women are already telling us that prices in the supermarkets that have been able to reopen and the new supermarkets which women must travel long distances to get to are *“already unbelievably much higher,”* than the prices were before the unrest.

Women tell us that the unrest, together with the security response when it came, has been extremely traumatising. Food typically runs out around the second and third week of the month, and it was at this time where local shops were closed, where streets were a mess of fire and debris and mayhem, and streets were filled with police and SANDF and other local security groups that women had to run the gauntlet to find food. The sheer panic to feed children and finding a way to pay exorbitant prices, at great personal risk really shook women up. This experience lives in women. Women couldn't believe just how quickly everything just descended into chaos. How lives and livelihoods and normal societal functioning could just implode in a matter of a few days. This experience has added another layer of uncertainty around their ability as mothers to keep their families safe and fed, and anxiety around government's capacity to protect people and its commitment to really help people. The last few weeks have been so heavy on families, who are now very worried about whether they will be able to get through the next few months and feel nervous about what the future looks like for their children.

It is in this context that government's recently announced relief measures need to be assessed. It seems to us that Government is still underestimating the extent and depth of the economic crisis at household level as well as the frustration and the anger of our people, including the critical need for some level of

certainty and confidence. Socio-economic conditions on the ground are untenable and considerably worse than they were even three weeks ago, and far worse than they were in early 2020 when a broad range of relief was offered to households. Every day, we delay proper relief, these conditions will deteriorate.

Socio-economic conditions on the ground are considerably worse now than they were in early 2020. *Households require more relief than was provided last year; not less.*

The broadscale relief granted last year included several relief measures viz. a top-up to the Old Age Grant of R250, a R500 top-up for mothers of children, and the introduction of the SRD grant of R350. ***Whilst each of these individual relief interventions offered very small amounts of money; it was the combination of the different relief measures when all added together in a family which provided the means for a family to survive.*** The multiple relief interventions also played an important psychological role in stabilising families in that all adult members felt that they were able to contribute to the household's survival in a crisis.

Fast-forward to now July 2021, and government has chosen to reinstate ***only one relief measure***: the Covid Special Relief of Distress Grant, and at the same very low level of R350 when the relief needed now is so much higher, and even though mothers of children can now apply, the SRD Grant will certainly not be enough to prevent household hunger. Socio-economic conditions on the ground have deteriorated. So many people have died. More jobs have been lost. Workers have been put on short-time or have had to take lower wages. Food prices and electricity prices have escalated. Children have been put on a rotational schedule at school, and the education resources needed at home have increased. Families have used up all their savings options. Debt levels are spiralling.

Whilst we acknowledge that government is taking steps to provide relief, we propose that the monetary value of the relief given be increased and the mechanisms to deliver relief expanded to better achieve its objective of preventing hunger and unrest. We recommend the following be done, now or as soon as possible, as an emergency crisis response:

1. *The SRD grant must be automatically added to the monies that come in through the Child Support Grant for mothers. Mothers must not be required to apply. By creating another bureaucratic process by making mothers apply to access an emergency grant when SASSA already has the systems in place for its immediate dispersal is extremely stupid and ridicules the purpose of providing emergency relief. The money must come in at the same time as the CSG so that mothers do not have to keep running up and down collecting bits and pieces of relief.*
2. *The SRD grant must be automatically reinstated with no application process for those who have received it in the past. Of critical importance, the date for payment of the SRD grant must be predictable: being available at the same time each month, every month. Predictability allows people to plan for the money and to use it optimally as a contribution to the overall household's expenses. It allows people to borrow against it, which is critical in servicing debt. The chaos that has accompanied the distribution of the SRD grant must be dealt with.*
3. The Old Age Grant must be used as a mechanism to transfer income into households. The value of the Old Age Grant to families continues to be misunderstood. ***The Old Age Grant is the anchor in a household.*** In the absence of a decent working wage, it is the central income which families draw on to survive because it offers the highest value grant available to households and one which other grants augment so that families have a higher level of income to buy food. When workers lose their jobs, and adults are not employed, and where workers earn poverty level wages, and where the Child Support Grant is so insufficient to feed children: it is the Old Age Grant that subsidises unemployment and poverty level wages, and childcare. **The Old Age Grant keeps families alive.** It is almost unbelievable that the state continues to ignore the value of topping up the Old Age Grant as a mechanism to provide an immediate emergency crisis safety net for families.

4. *The Old-age grant must be topped-up to R2 500. This is because this grant provides the relief anchor, and augmented with other smaller grants, it does offer a relief value that enables a family to survive.*
5. *The Child Support Grant must be topped-up to R1 000. July 2021 data from PMBEJD shows that it cost an average of R723,71 to feed a child a basic nutritional monthly diet. The values for children of different ages are R634,60 at the youngest age and R833,10 at the oldest age for teenage boys. Note that these amounts are due to economies of scale where children are fed within families and where all eat out of the same pot. At this level mothers will be able to feed their children properly, to clothe them properly, as well as cover transport to school and back, and the additional education resources needed to help children to get back on track with their schooling. We face two crises now with children: a hunger crisis with severe long-term cognitive, physical development and health effects and an educational crisis where children have lost school time, and many have dropped out of school. An increased Child Support Grant value will provide direct support to parents to better cope with these new educational challenges.*
6. *The SRD Grant must be increased to R1 000. The socio-economic crisis that so many millions of our people face is so enormous that relief must extend beyond just ensuring that families can eat, it must make sure that individuals and families are able to function, and that families do not also fall apart and society unravels. The SRD Grant needs to provide for other essential goods and service costs, including some ability to draw money to ensure that every week is better than the one before. We cannot lapse into despair; we must be able to imagine a better future which we can actively see materialise by our actions. These actions need to be supported with government funds.*

Every single cent that is dispersed through a social grant acts to stimulate the economy. An emergency increase on grants saves lives and acts to maintain social functioning but it also is a direct investment in the economy. Grants do not go into some deep dark black hole. Grants inject money into every single small town and big metro. Grants increase demand for goods and services. With demand, businesses increase supply, and employ more workers. Grants are one of the most effective broad-based economic stimuluses that we can use to put South Africa on a better path.

In the short to medium term:

7. We need to get the Basic Income Grant moving. A Basic Income Grant must be introduced for all persons aged 18 to 59 years. It must include two components: A relief value set at the Upper Bound Poverty Line as per Statistics South Africa's annual figures due out on the 29th of July 2021 so that the basic needs of people are met **plus** an economic value of R1 000 so that people have capital to invest in a livelihood and create their own work, whilst also acting to stimulate the economy, be actively included in the economy and transform it locally as people act where we live. The economic component will provide the possibility of finding pathways out of poverty.

The BIG must be big enough. If it is not, then it will be just another welfare intervention, a poverty alleviation measure which will continue to keep people in poverty. It must have an economic component, especially because jobs are not going to come fast enough for the 11,4 million workers who are unemployed, and because government's progress to transform the economy is taking so long. If we have money in our pockets, we can change the economy to one which serves society, and where all are able to act to build a livelihood, create our own work and be innovative. With money in our pocket, we will be able to choose where we spend our money and what we invest our money in. We can support one another directly and start the hard work of transforming the economy into one which offers a livelihood and dignity to all people. *We propose R1 000 as the economic component as the value must be big enough so that people can actually do something with it.*

In the early term, the BIG will be used as a welfare measure, regardless of the amount because people will need time to put their lives together. But after a while the extra capital offered through the BIG will be used to invest in livelihoods and a way out of poverty.

When the BIG is implemented, the SRD Grant can fall away.