



Government's decision to suspend the top-ups on the Old Age Grant and the Caregivers Grant is an absolutely terrible decision which will have devastating consequences for household hunger and undermine South Africa's chances to recover from Covid19.

Millions of South African families are struggling to put food on the table now even with the top-ups on the Old Age Grant and the Caregivers grant. How much worse off will we be when the top-ups are removed? It is not yet time to remove the top-ups. We are still in a crisis. Covid19 is still with us. The economic situation has not changed. The millions of jobs lost over the past several months have not been recovered and many furloughed workers have not been re-employed.ⁱ Many children are still not back at school full time.

- As at Quarter 2 (April to June 2020), Statistics South Africa finds that 10,3 million South Africans are unemployed.ⁱⁱ
- 2,2 million South African lost their jobs in the last quarter.
- The expanded unemployment rate for Black South Africans is 46,3%.
- The labour absorption rate for Black South Africans is 33,4%, meaning that out of 10 Black South Africans of working age only 3,3 have a job.
- On average a Black South African worker supports 4,6 persons on her wage.
- The National Minimum Wage, which is R3 653,76 at its maximum in October, when dispersed through a family is below the lower-bound poverty line of R840 per capitaⁱⁱⁱ, and therefore a poverty wage.

This devastating economic situation facing the majority of South Africans has resulted in the affordability crisis at household level to deepen dramatically and rapidly over the past several months. Households have no buffers, no savings to absorb shocks. Household debt levels have escalated. Food prices have not come down off the Covid-19 and lockdown highs; instead, they are will continue to rise through the Festive season and into the New Year. At the same time, transport hikes and electricity tariff hikes have come into play which have exacerbated the household affordability crisis. Women are struggling to feed their families. The risk of widespread hunger is still very much alive.

- Between March 2020 and October 2020, the cost of a basic basket of food in Pietermaritzburg has increased by **R293,38 or 9,1%**.
- The average cost of a basic basket of food in Joburg, Cape Town and Durban was **R3 916,72**. Over the past month, this basket increased by **R60,39 or 1,6%**.
- The National Minimum Wage in October 2020 is **R3 653,76**. Even if a worker took her entire wage and spent it all on food for her family, she will still come up short.
- In October 2020, the average cost to feed a child a basic nutritious diet cost **R693,05**. The Child Support Grant of **R440** a month is **25% below the food poverty line of R585** per capita and a further **37% below the October cost of R693,05 to feed a child a basic nutritious diet**. It is not surprising that 30% of boy children and 25% of girl children under the age of 5 years are stunted.^{iv}

It is simply madness to remove the top-ups on the social grants now. The consequences will be devastating. Hunger will explode in millions of our children's bellies and condemn yet another generation to desperate poverty.

The top-ups to the social grants rolled out from May were an extremely important intervention. The second wave of the *National Income Dynamics Study: Coronavirus Rapid Mobile Survey (NIDS-CRAM)*ⁱ showed that between May/June and July/August reported hunger for “anyone in the household” and children declined by 27%. 20% fewer households reported they ran out of money for food in June compared to April. These declines are attributed to the top-ups on grants and the Special Covid19 Relief Grant (SRD).

Poor, Black South African women experienced the largest declines in employment, accounting for 58% of the net job losses from February to June.^{vi}

Only the Special Covid19 Relief Grant has been extended to January. The NIDS-CRAM survey found that only 34% of SRD recipients were women.^{vii} The SRD grant is biased towards men because mothers were excluded from applying for the grant as they were not allowed to hold two grants concurrently. This means that next month mothers and grandmothers will receive no additional direct government support to feed their families.

Removing the top-ups now will plunge millions of families into an even worse situation than that which they faced in March because income levels have decreased because of job losses and at the same time food prices have increased and household savings buffers and the ability of women to borrow money for food has decreased. Food will again run short within two weeks. The food shortfall will have to be absorbed somehow: be it through women sacrificing their own bodies and health for their children, taking on even higher levels of debt, cutting more nutritional food from the plate, or going hungry. Removing the top-ups before families have recovered from the Covid19 crisis will continue the systemic violence against women, mothers, and children.

The 800 000 new promised jobs are not in themselves an adequate intervention to relieve the poverty of 12,78 million children and 3,67 million pensioners and 10,3 million persons currently unemployed. We must have a social security net in place and augmented during this crisis. Families, and specifically women need financial support until such time as recovery is possible.

Government’s Economic Recovery Plan will be undermined if the food and imminent hunger crisis is not dealt with decisively. Ensuring that our people can eat a proper nutritious diet must be a central part of government’s relief and recovery efforts. If families cannot eat properly then all our socio-economic and developmental outcomes will be at risk.

We urge government to repeal its decision to discontinue the top-ups on the Old Age Grant and Caregivers Grant; and instead for Minister Mboweni to announce during the Medium Term Budget Policy Statement on the 28th October that the top-ups be extended at least till March 2021 to support families as they recover from the Covid19 shock.

ⁱ Spaul et al. (2020). Working Paper Series: An overview of results from NIDS-CRAM Wave 2 2020. **National Income Dynamics Study: Coronavirus Rapid Mobile Survey (NIDS-CRAM)**. 30 September 2020. P1.

<https://cramsury.org/wp-content/uploads/2020/10/1.-Spaul-et-al.-NIDS-CRAM-Wave-2-Synthesis-Report.pdf>

ⁱⁱ STATSSA (2020). **Quarterly Labour Force Survey, Quarter 2, 2020**. Statistical release P0211. Statistics South Africa. Pretoria. P28-29, 46-47. See Link: <http://www.statssa.gov.za/publications/P0211/P02112ndQuarter2020.pdf>

ⁱⁱⁱ STATSSA (2020). **National Poverty Lines 2020**. Statistical Release P0310.1. Statistics South Africa. Pretoria. P3. See link: <http://www.statssa.gov.za/publications/P03101/P031012020.pdf>

^{iv} STATSSA (2017). **South Africa Demographic and Health Survey 2016: Key Indicator Report**. Statistics South Africa. Pretoria. P27-28. See link: <http://www.statssa.gov.za/publications/Report%2003-00-09/Report%2003-00-092016.pdf>

^v Spaul et al. (2020). Working Paper Series: An overview of results from NIDS-CRAM Wave 2 2020. **National Income Dynamics Study: Coronavirus Rapid Mobile Survey (NIDS-CRAM)**. 30 September 2020. P8.

<https://cramsury.org/wp-content/uploads/2020/10/1.-Spaul-et-al.-NIDS-CRAM-Wave-2-Synthesis-Report.pdf>

^{vi} Spaul et al. (2020). Working Paper Series: An overview of results from NIDS-CRAM Wave 2 2020. **National Income Dynamics Study: Coronavirus Rapid Mobile Survey (NIDS-CRAM)**. 30 September 2020. P2.

<https://cramsury.org/wp-content/uploads/2020/10/1.-Spaul-et-al.-NIDS-CRAM-Wave-2-Synthesis-Report.pdf>

^{vii} Spaul et al. (2020). Working Paper Series: An overview of results from NIDS-CRAM Wave 2 2020. **National Income Dynamics Study: Coronavirus Rapid Mobile Survey (NIDS-CRAM)**. 30 September 2020. P10.

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