



## THE SRD COURT CASE, BASIC INCOME, AND THE UPCOMING SONA

*UBIC Statement 4 February 2025*

---

The landmark [ruling](#) by the High Court in the Social Relief of Distress (SRD) Grant case makes it particularly important for Cabinet, and the President in his upcoming State of the Nation Address (SONA) on Thursday, to clarify government's position on the improvement and expansion of the SRD Grant, and plans to transition it to a system of basic income.

We extend our congratulations to our members, the Institute for Economic Justice (IEJ) and #PayTheGrants, who were co-applicants in this case, and the Socio-Economic Rights Institute (SERI) who served as their legal representatives. This ruling is a decisive victory for dignity, socio-economic rights, and the millions of people in South Africa who rely on the SRD grant. We believe that the judgment is both correct and implementable.

### **What was decided in this case?**

Our partners successfully challenged regulations governing the administration of the SRD grant, which have unfairly excluded millions who should be qualifying for assistance. The court found several provisions in the regulations unlawful and unconstitutional, including the online-only application processes, blunt means-testing methods, outdated government databases, shallow appeals process, and decreasing value of the means test and the grant. A summary of this historic ruling can be found [here](#).

The court affirmed what UBIC has been advocating all along: that the SRD grant often fails to reach those in need and that its provisions tend to serve the ulterior purpose of restricting access.

### **The implications for government policy and SONA**

Implementation of this order must lay the foundation for a plan to progressively realise a Basic Income Guarantee (BIG)—a policy that the government itself has previously committed to. This judgment effectively calls on the government to honour its own stated policy.

However, government has been sending mixed signals on this question. The medium-term budget in October 2024 created uncertainty surrounding the future of the SRD grant which has

caused fear and anxiety among beneficiaries. Further, there is no apparent progress on repeated undertakings in recent years that the Department of Social Development (DSD) will publish a policy to transition to a system of basic income.

It was in this context that 119 organisations and experts signed an [open letter](#) calling on the President to resolve the contradictions in government policy, where National Treasury's austerity measures directly undermine stated government policies and commitments.

With the ongoing development of the Medium Term Development Plan (MTDP), which sets the government agenda for the next five years, we urge the government to follow the logic of this court ruling and ensure that concrete commitments to improve and expand the SRD grant are clearly set out and that a roadmap that transitions it towards a BIG is developed. The President needs to provide clarity on these matters in this week's SONA.

In previous SONAs, the President has repeatedly indicated that basic income support is part of the government's long-term vision. With the budget announcement being imminent, and current SRD regulations set to expire at the end of March 2025, uncertainty cannot be allowed. We hope the President will make a clear announcement about the future of the grant, and commit to urgently introducing amended regulations to replace the unlawful provisions struck down by the court.

### **How can the judgment be best implemented?**

We call on DSD to fully comply with the court's order and take immediate steps to implement its recommendations. The ruling has made it clear that the exclusionary regulations governing the SRD grant are unlawful and unconstitutional—any failure to act quickly only furthers the harm to current beneficiaries and will continue to exclude millions who should rightfully be qualifying.

UBIC stands ready to support the department in developing an implementation plan should we be called upon. We also urge the department to engage directly with the IEJ and #PayTheGrants to design a fairer system that ensures that no one in need is left behind.

### **How to address the issue of fraud**

We note with deep concern that this ruling comes at a time of major failures in the SRD grant's fraud management systems. In light of the discovery of vulnerabilities and potential fraud in the SRD system, largely due to the online-only application process, the government has moved to suspend over [2 million applications on suspicions of fraud](#)—yet the criteria for these suspensions remain opaque. [We have previously](#) called for greater transparency in the algorithmic decision-making process that flags applicants as "suspicious," yet no clear explanation has been provided.

Adding to this crisis, SASSA has taken down the biometric verification system which affected applicants used to prove their eligibility. This biometric verification process was already

exclusionary, requiring a smart ID (which costs R180), internet access, and a smartphone with a high-quality camera—barriers that are insurmountable for many living below the food poverty line. Now, even those who might have been able to meet these requirements are left without any means to challenge their exclusion.

### **Other grants must not replicate the problems of digital exclusion**

We hope that this ruling sets a clear precedent against the further digitisation of social grants in ways that exclude the most vulnerable. The court's finding that the online-only application system and narrow bank verification process are unconstitutional should hopefully put an end to National Treasury's worrying proposals to extend these exclusionary measures to other grants and rationalise the grant system to reduce the number of beneficiaries.

### **Conclusion**

We call on the President to provide clarity in SONA on government's policy direction on these critical challenges. We expect the GNU to prioritise policy that impacts over half the population and ultimately the entire country.

We further call on government to indicate that it will respect the court's ruling, as the basis for far-reaching improvements in the social protection system, rather than appealing the judgment, thereby drawing out the suffering of millions currently prejudiced by the system, and wasting time and resources.

The Universal Basic Income Coalition welcomes the ruling, which affirms the right to dignity and access to social assistance and must now serve as a catalyst for the expansion of the social assistance floor. An implementation of the order would provide the basis of a more fair and dignified SRD grant, which could form the foundation of a just and inclusive basic income.

*Postscript: Late yesterday evening DSD announced that it intends to appeal the judgment. This is most unfortunate. Even at this late stage, we are calling on government to reconsider this decision.*

[END]

---

### **For media enquiries please contact:**

- Dalli Weyers (IEJ) | [082 460 2093](tel:0824602093) | [dalli.weyers@iej.org.za](mailto:dalli.weyers@iej.org.za)

### **UBIC is comprised of the following organisations:**

- [Alternative Information and Development Centre \(AIDC\)](#)
- [Basic Income Earth Network \(BIEN\) - Africa UBI Observatory](#)
- [Black Sash](#)
- [Children's Institute, UCT](#)
- [Congress of South African Trade Unions \(COSATU\)](#)
- [The Family Caregiving Programme](#)
- [Global Reformed Platforms for Engagement \(GRAPE \)](#)
- [Institute for Economic Justice \(IEJ\)](#)
- [#PayTheGrants](#)
- [RightfulShare An Income Movement](#)
- [Social Policy Initiative \(SPI\)](#)
- [Women on Farms Project](#)
- [Youth Lab](#)