



## **STATEMENT: Uncertainty over the future of the SRD grant remains while the clock ticks down for beneficiaries**

*5 November 2025*

*“UBiC will continue to resist any attempt to reduce social grant coverage or value. The SRD grant must be extended beyond March 2026 and improved into an unconditional, expansive basic income. This is the only evidence-based way for social policy to actually contribute to addressing our crisis of poverty and structural unemployment.”*

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The Covid-19 Social Relief of Distress (SRD) grant is once again due to expire in March 2026, and the government has left an information vacuum regarding its future. This has fuelled considerable speculation and anxiety both in the media and amongst the approximately 8 million beneficiaries who rely on the grant to stave off hunger.

November’s Medium Term Budget Policy Statement (MTBPS) must provide clarity as to exactly when and how the government will improve the SRD grant into a comprehensive basic income. With time running out to secure the future of the grant, policy processes remain opaque, disjointed and confused.

Despite government having repeatedly committed to realising a basic income support system, we are still hearing of largely closed-door discussions where severely compromised and contradictory alternatives are being proposed:

- The basic income support policy was presented to the Cabinet Committee by the Department of Social Development (DSD) in November 2024, but the Committee instructed DSD to revise it based on further consultation on affordability and exploration of “employment linkages”.
- In April 2025 the Finance Minister [told](#) the National Assembly that the future of the SRD grant was part of an “active labour market review” being led by the Minister of Employment and Labour, and speculated that the grant would most likely be turned into

a “job-seeker’s” allowance, implying that people would need to prove they are searching for a job in order to be eligible.

- The draft Growth and Inclusion (GAIN) Strategy, leaked in September, contained vague references to plans for an “augmented” SRD grant with more linkages to employment opportunities, as well as the ability for beneficiaries to opt for a lump-sum transfer rather than monthly payments.
- In October 2025 the DSD hosted a policy colloquium with researchers, consultants, policymakers, officials and development partners (such as the World Bank) to discuss how to link grants to livelihoods and employment.

There is little clarity or consistency regarding what is meant by employment linkages. Proposals have ranged from career counselling for beneficiaries to mandating that beneficiaries be actively looking for jobs as a condition for eligibility.

UBIC is clear that structural unemployment is one of the primary challenges facing South Africa, and that jobs are desperately needed. Government can and must play a role in the creation of decent jobs including by supporting the growth of labour-intensive industries, and by directly employing people. However, the preoccupation with “linking” social grants to employment is misplaced and worrying for a [number of reasons](#).

It is not the role of social grants to create or get people into employment. Though social grants do simulate economic activity, the primary purpose of grants is to provide a safety net, to give effect to constitutional rights and to help people meet their basic needs. Job creation is not the metric by which we should judge the appropriateness or effectiveness of social grants.

Moreover, unemployment is not caused by people not looking hard enough for jobs or not knowing where to find them. It is caused by the economy not producing enough jobs. When jobs are advertised, applications come flooding in. A recent example is how over one million applications [were received](#) for 5000 job posts at the South African Police Service (SAPS). In a context like South Africa’s, spending money on complex systems which attempt to “link” beneficiaries to jobs that simply don’t exist is wasteful and senseless.

In fact, all the evidence shows that unconditional cash transfers like the SRD grant or a basic income are *more effective* at creating jobs and livelihoods than employment-linking programmes, because they give people the means to improve their lives in the way that is most relevant to their circumstances. By contrast, employment-linking programmes entail high costs and complexity, for little benefit. A World Bank [study](#) of employment-linking programmes in South Africa found that these measures largely failed to benefit the most marginalised, despite costing over R100 billion (three times the current budget for the SRD grant).

If government were to attach conditions and strings to the SRD grant or basic income, this would reinforce a poverty trap and make it harder for people to improve their circumstances. People would need to spend a significant portion of their grant in order to comply with onerous conditions (for instance, by travelling to unsuitable job interviews). If they do start to build a livelihood through entrepreneurship, they immediately lose access to their grant—this disincentivises people from taking risks.

It is also critical to note that not all social grant beneficiaries have equal access to the labour market. For instance, family caregivers are not able to work full-time. Encouraging or requiring mothers of young children (for example) to look for jobs in order to be deemed deserving of support is inappropriate, and disadvantages women and children in their care.

Another possibility apparently being considered is the redesign of the SRD grant to allow recipients to opt for a “lump-sum payment”. It is not clear whether this refers to a once-off payment or less frequent, larger payments. Giving SRD grant beneficiaries the option of a once-off lump sum would be highly problematic, as in the long run they would receive less than if they received monthly payments indefinitely.

A less frequent, but larger transfer also raises the concern of vulnerable beneficiaries being left with no income source for months on end. Ultimately, it is the size of the grant that is insufficient, and consolidating it into larger, less frequent payments would not change that.

In the face of clear local and international evidence, and simple common sense, government (particularly National Treasury) persists in mooting more “employment linkages” for the SRD grant at every opportunity. We must see this for what it is—a tactic to reduce the number of beneficiaries eligible for the grant, and by extension social spending.

UBIC will continue to resist any attempt to reduce social grant coverage or value. The SRD grant must be extended beyond March 2026 and improved into an unconditional, expansive basic income. This is the only evidence-based way for social policy to actually contribute to addressing our crisis of poverty and structural unemployment.

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**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)
- National Education, Health and Allied Workers' Union (NEHAWU)
- #PayTheGrants
- RightfulShare An Income Movement
- South African Federation of Trade Unions (SAFTU)
- Women on Farms Project
- Youth Lab