



# Systemic exclusion from a South African social assistance transfer: Drivers, impacts, and who is most at risk

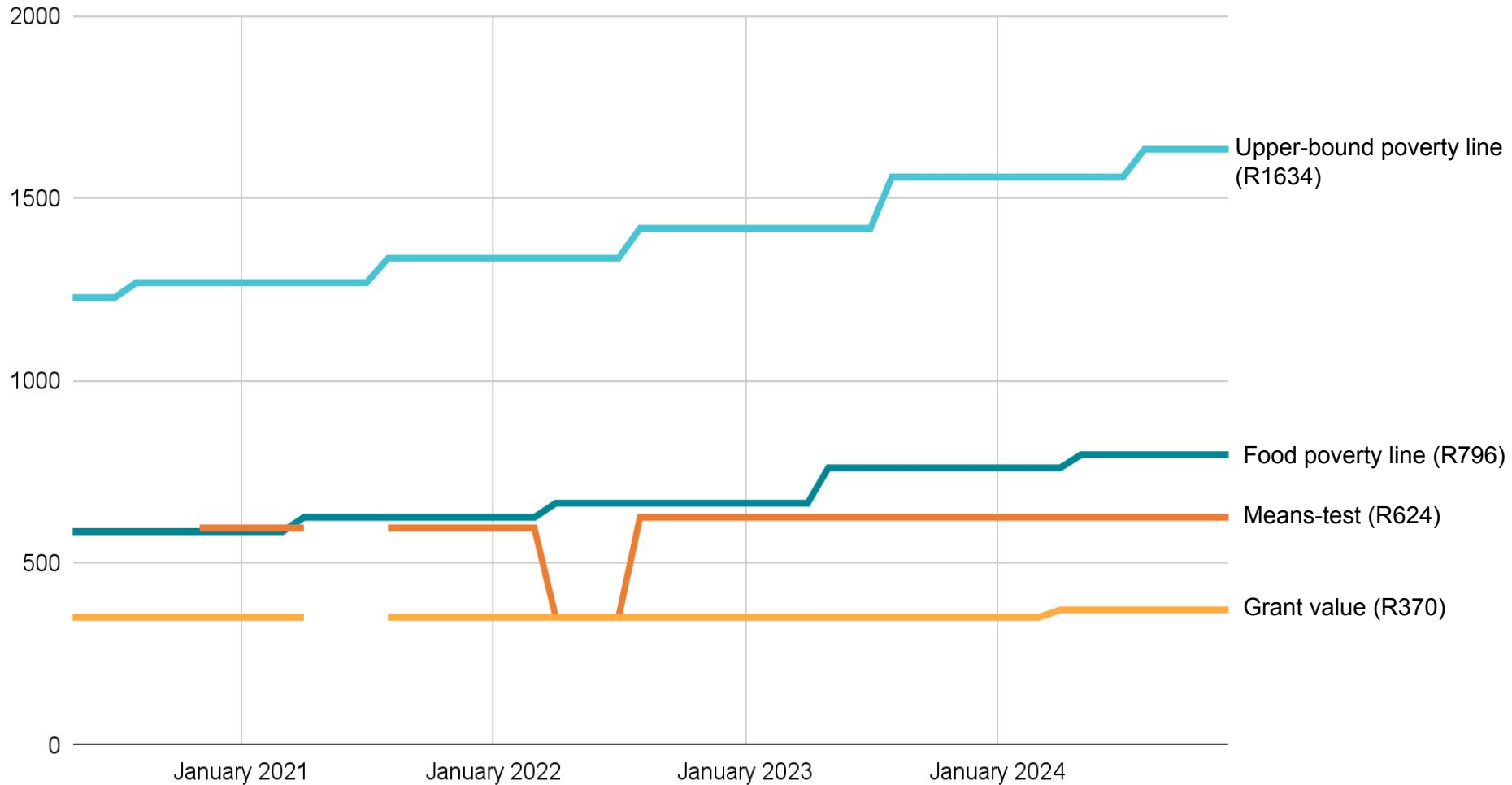
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9 April 2025

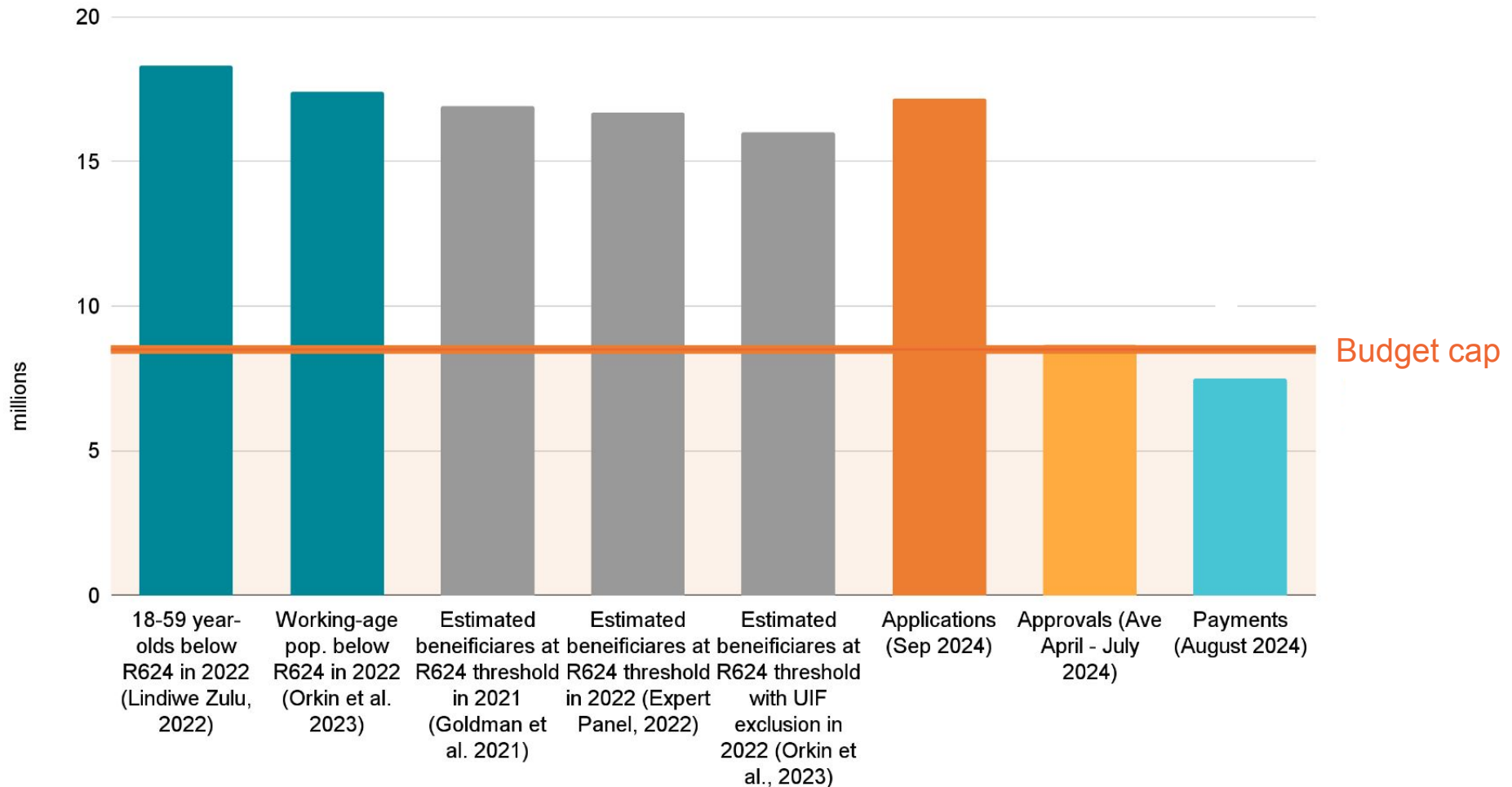
# Background: The SRD grant

- The Covid-19 Social Relief of Distress (SRD) grant is the only non-contributory social assistance transfer available to working-age able bodied adults in South Africa.
- Government has repeatedly signalled policy to expand the SRD grant into comprehensive income support for adults.
- Constitutional obligation to progressively realise the right to social assistance for those who need it (S 27)

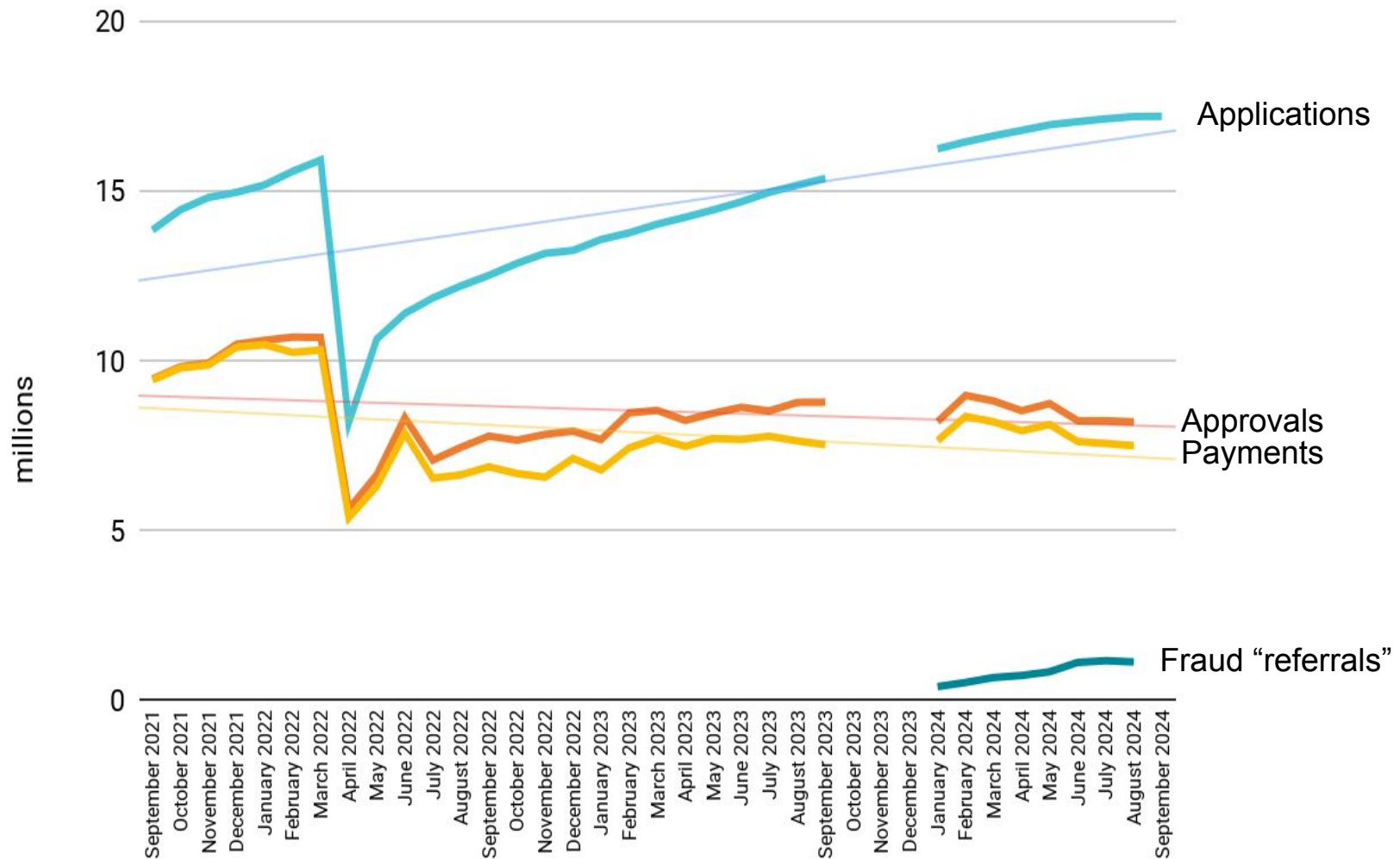
# SRD grant value compared to means-test threshold, FPL and UBPL, 2020-2024 (Rands)



# Exclusion from the SRD grant: Predetermined by budget



# Applications and approvals for, and payments of the SRD grant, September 2021-September 2024



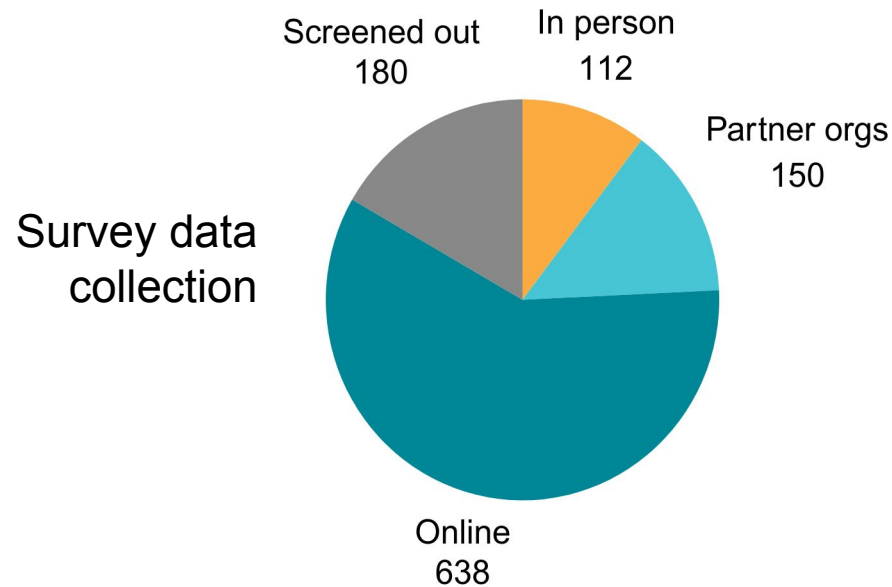
# Objectives of the study

We know that less than 50% of the target population is accessing the grant. But to date we have not been able to answer empirically:

- **How are people excluded?** By what mechanisms, at what point in the process?
- **Who is at risk of exclusion?** Are characteristics like gender, education level, rural/urban location correlated with a higher risk of erroneous exclusion? Are those “most in need” of the grant more likely to receive it?
- **What is the *impact* of exclusion** on individuals and communities?
- **What if anything should be done to make the SRD (and future basic income support) more inclusive and accessible?**

# Methods

- Survey targeting people in the SRD age range who had monthly income below the upper-bound poverty line (UBPL) and did not receive the SRD grant in at least one of three reference months (December 2023, January 2024, February 2024).
- Survey offered in English, Setswana, isiZulu and isiXhosa



- 58 in-depth, semi-structured follow up interviews in rural communities near Mahikeng, and KwaMashu township and Durban CBD, KZN.

# Survey sample characteristics

43.9% rural

67.9% female

81.9% secondary qualification

93.9% SA citizen

Age distribution:

	Sample	Actual applicants
20-29	44%	44%
30-29	41.2%	26.6%
40-49	11.7%	22.8%
50-59	2.4%	12.1%

Our sample over-represents younger and more educated persons—as such our results may underestimate the impact of digital barriers to access to the grant

# Independent eligibility assessment

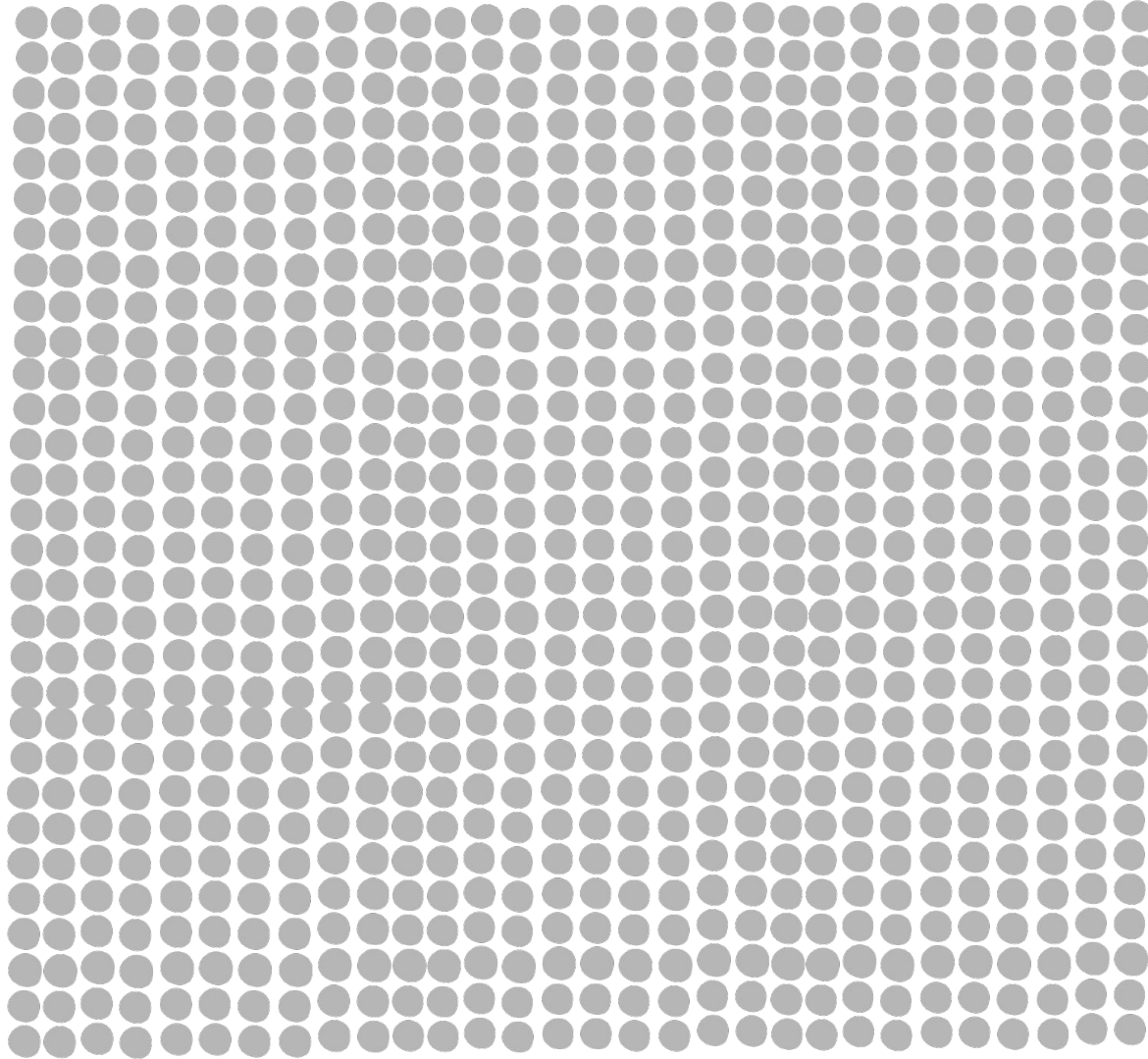
## SRD grant eligibility criteria

- Age: 18-59
- Resident in South Africa
- SA citizen, permanent resident, refugee, asylum seeker or special permit holder
- Not receiving disability grant
- Not resident in a government funded or subsidised institution\*
- **Insufficient means (“income” or “financial support” of less than R624 per month)**

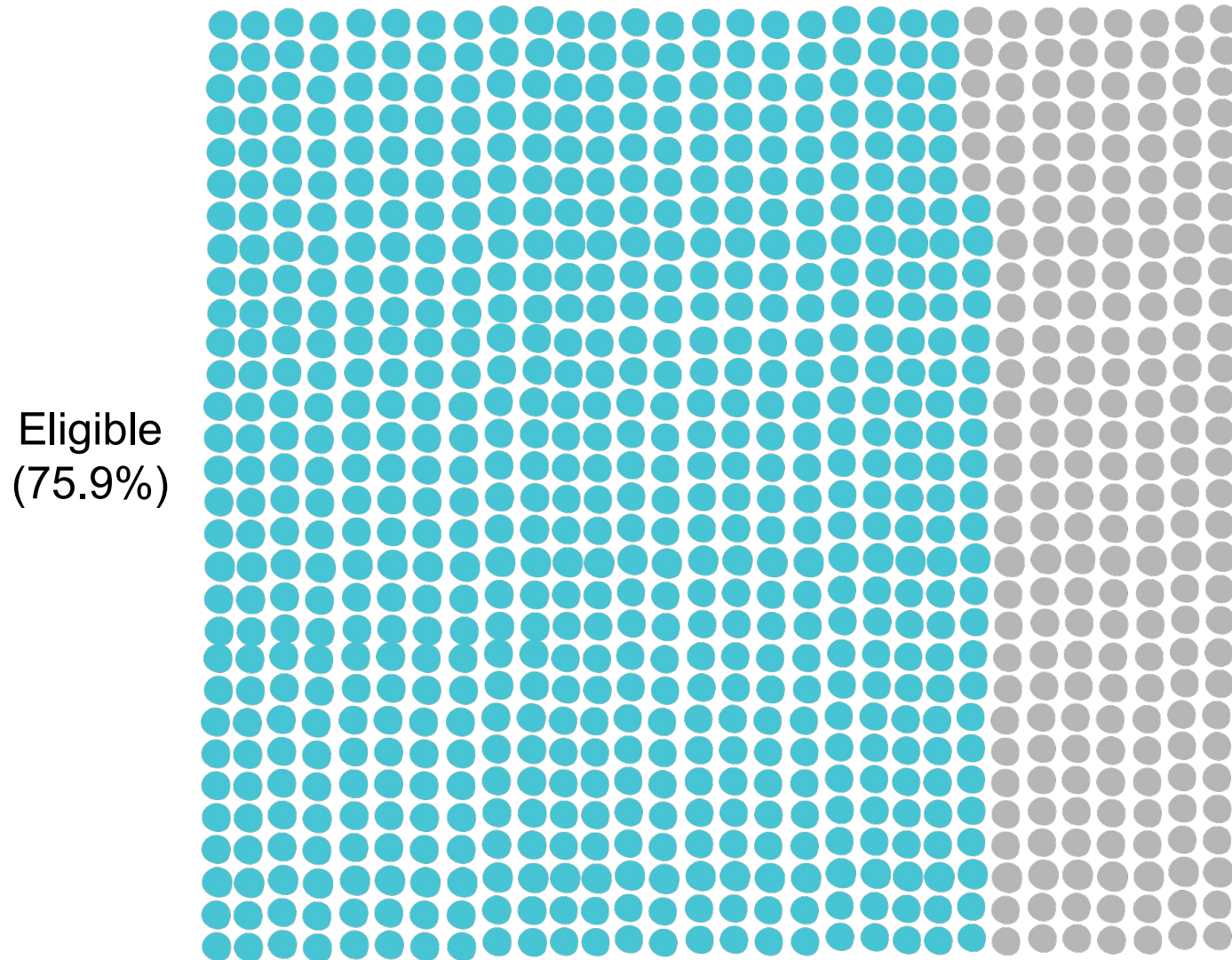
We performed an independent assessment of respondents' eligibility based on the above criteria. Our means-assessment was based on self reporting, disaggregated by month.

\*Not defined in regs... RDP housing?

Of adults in UBPL income poverty who had failed to receive the grant in at least one of three months...

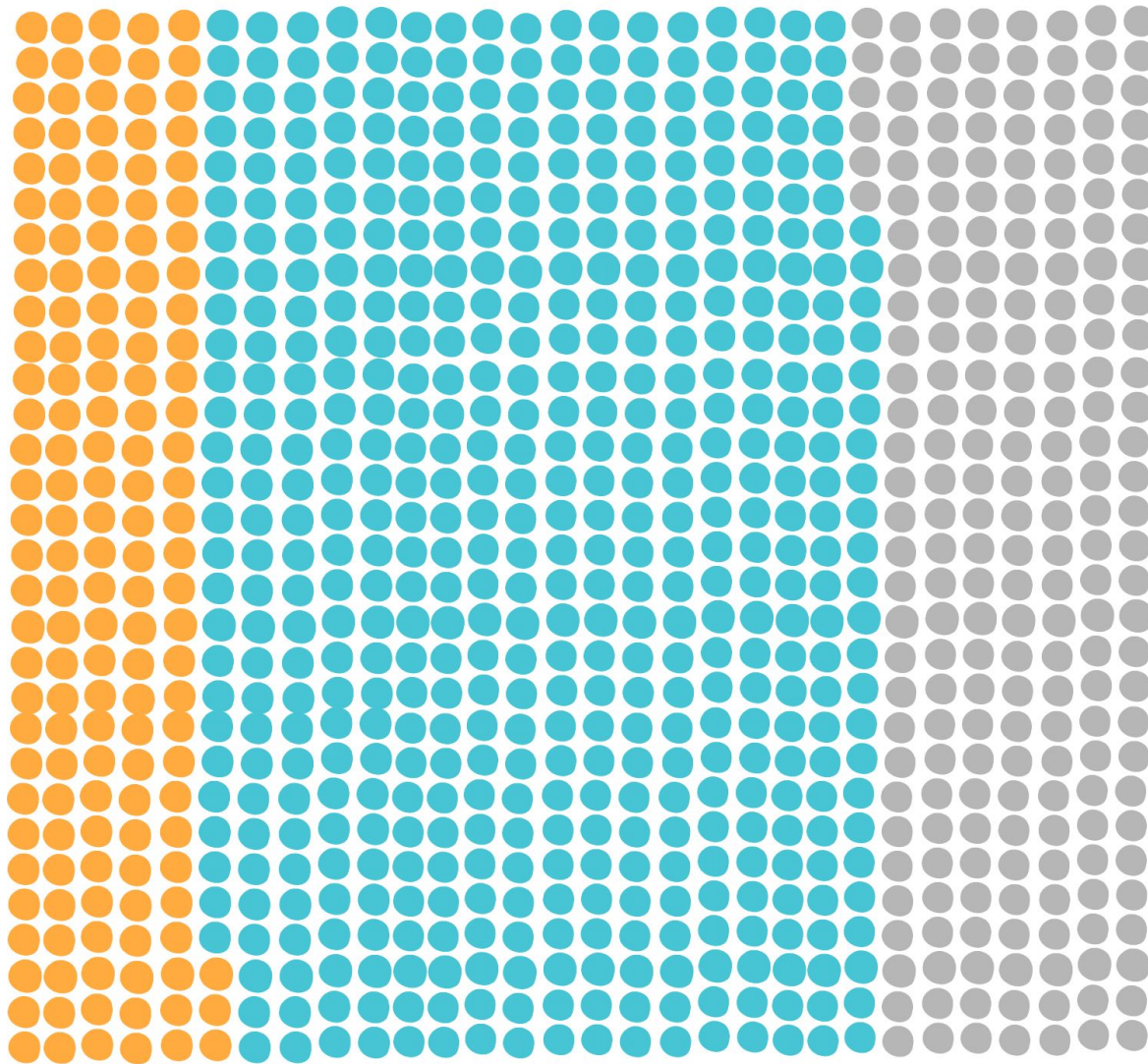


Of adults in UBPL income poverty who had failed to receive the grant in at least one of three months...



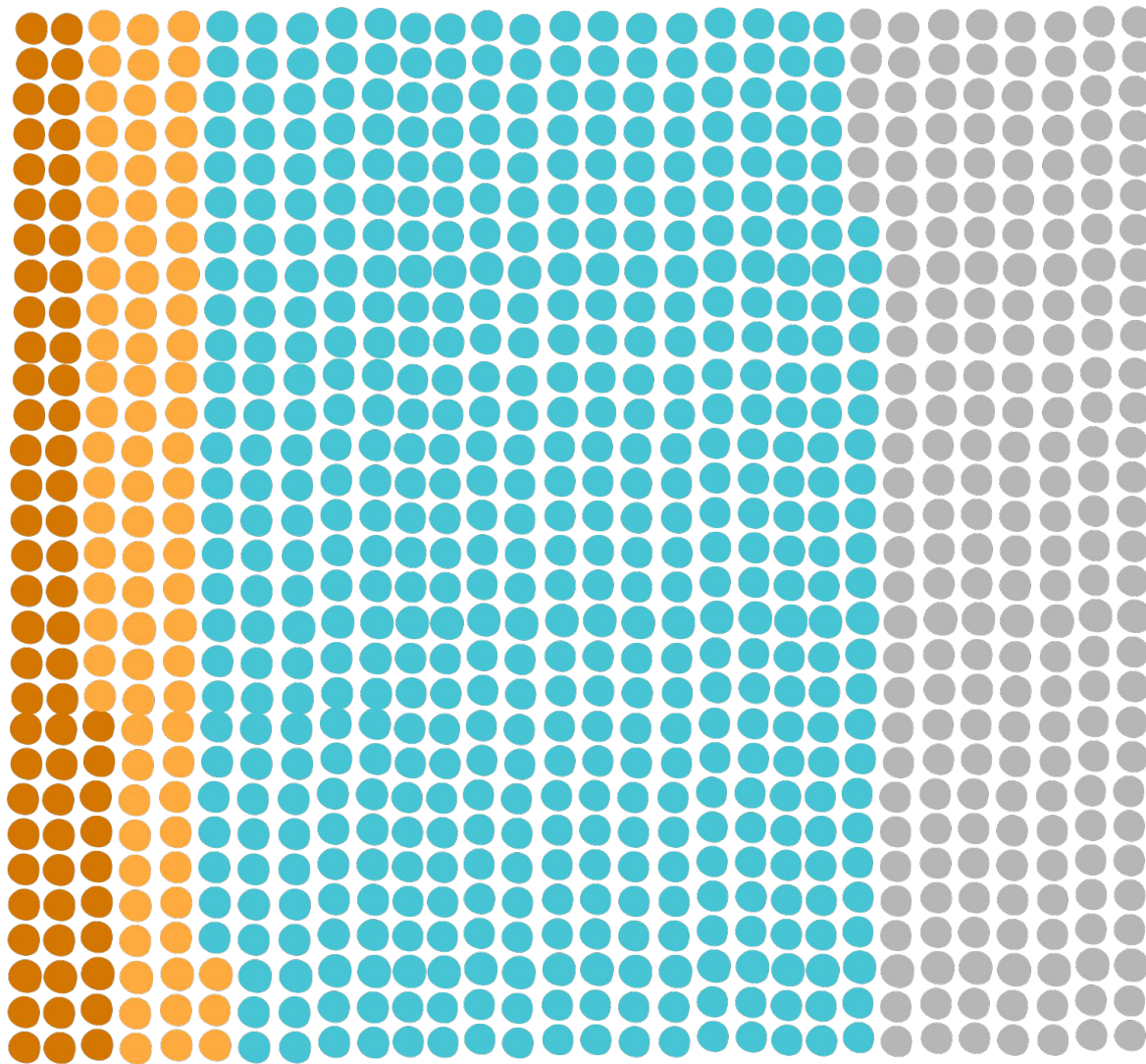
Of adults in UBPL income poverty who had failed to receive the grant in at least one of three months...

Eligible and approved  
(17%)



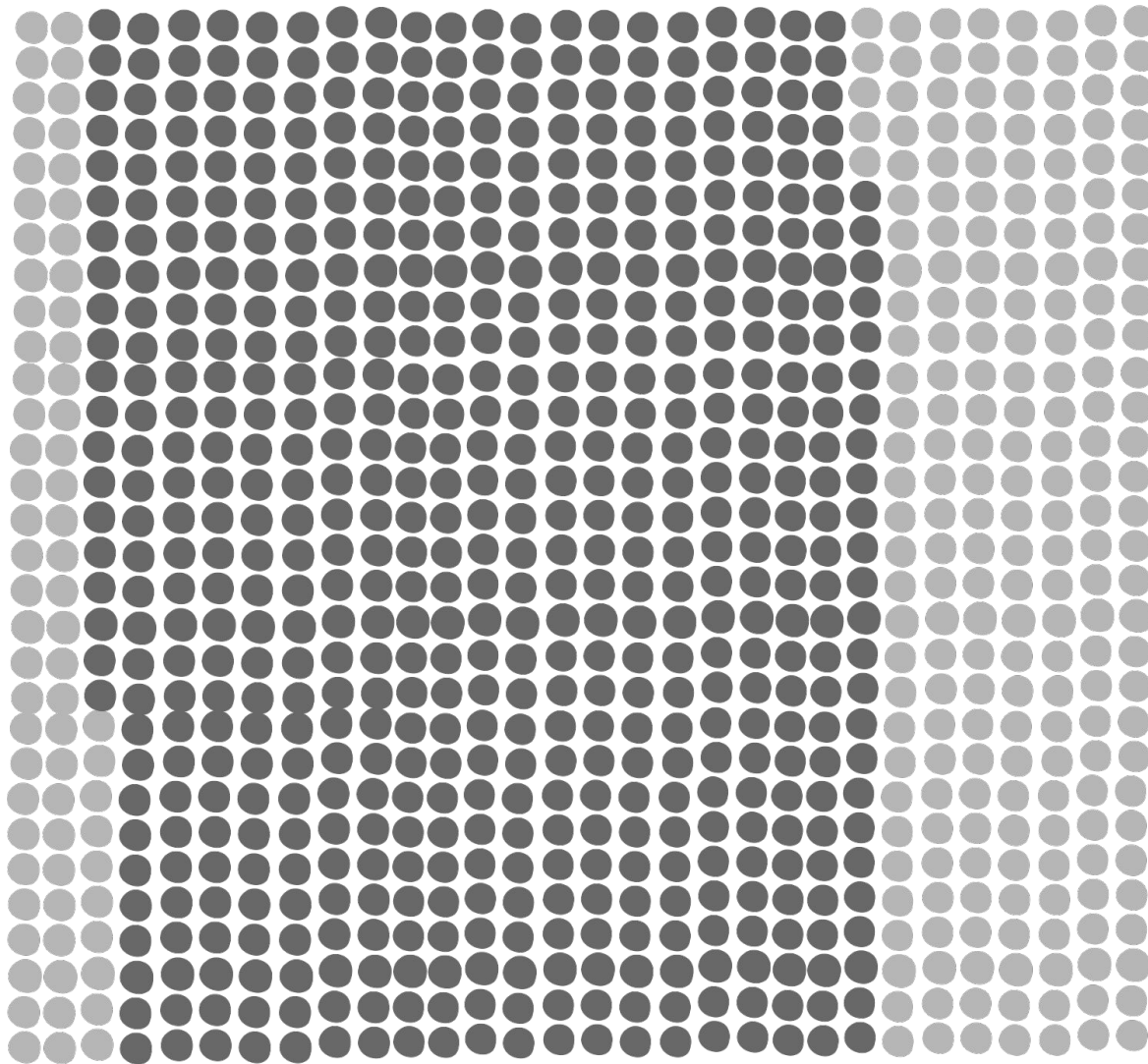
Of adults in UBPL income poverty who had failed to receive the grant in at least one of three months...

Eligible,  
approved  
and paid  
(7.8%)

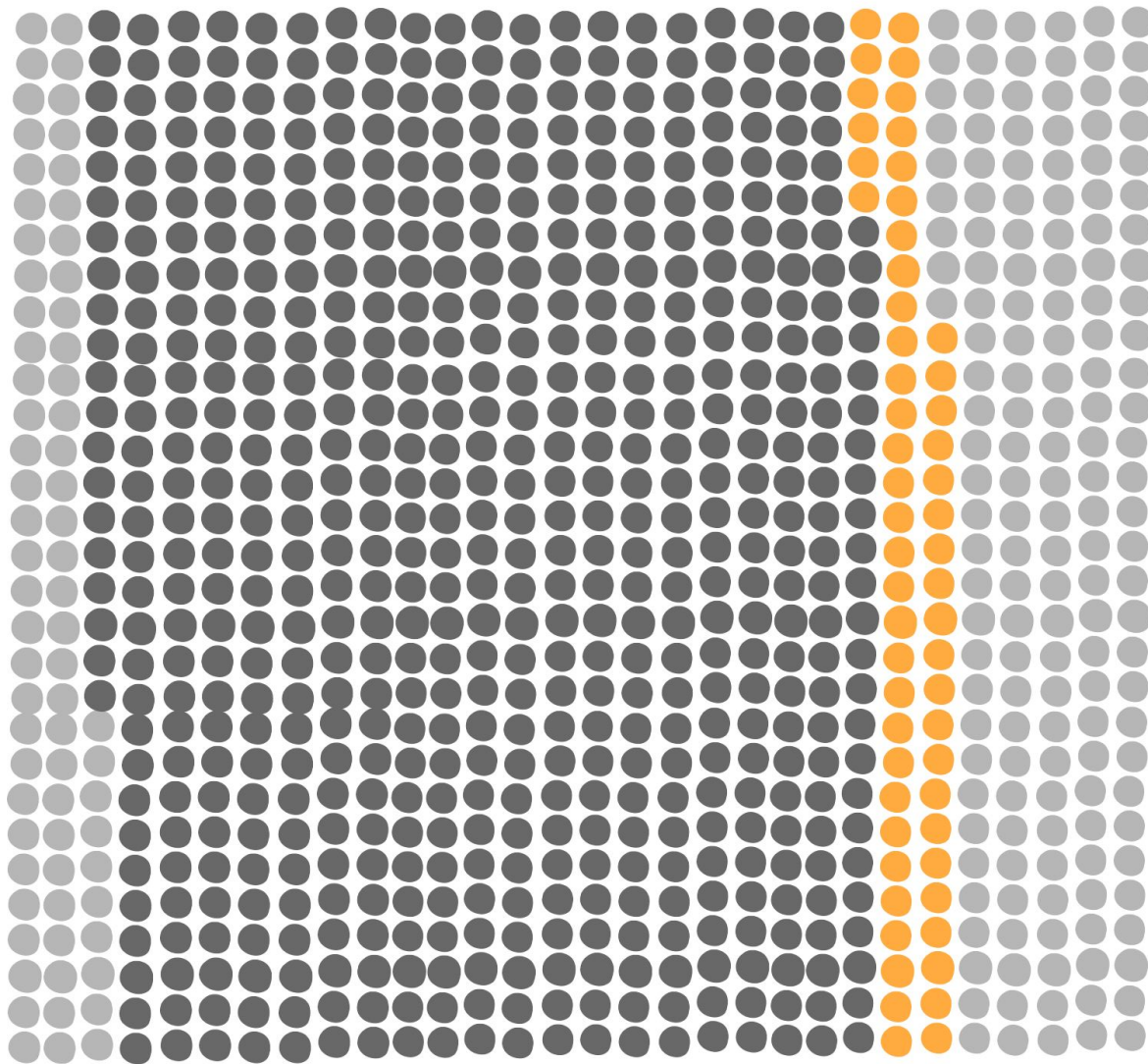


Of adults in UBPL income poverty who had failed to receive the grant in at least one of three months...

Erroneously  
excluded  
(71.7 %)

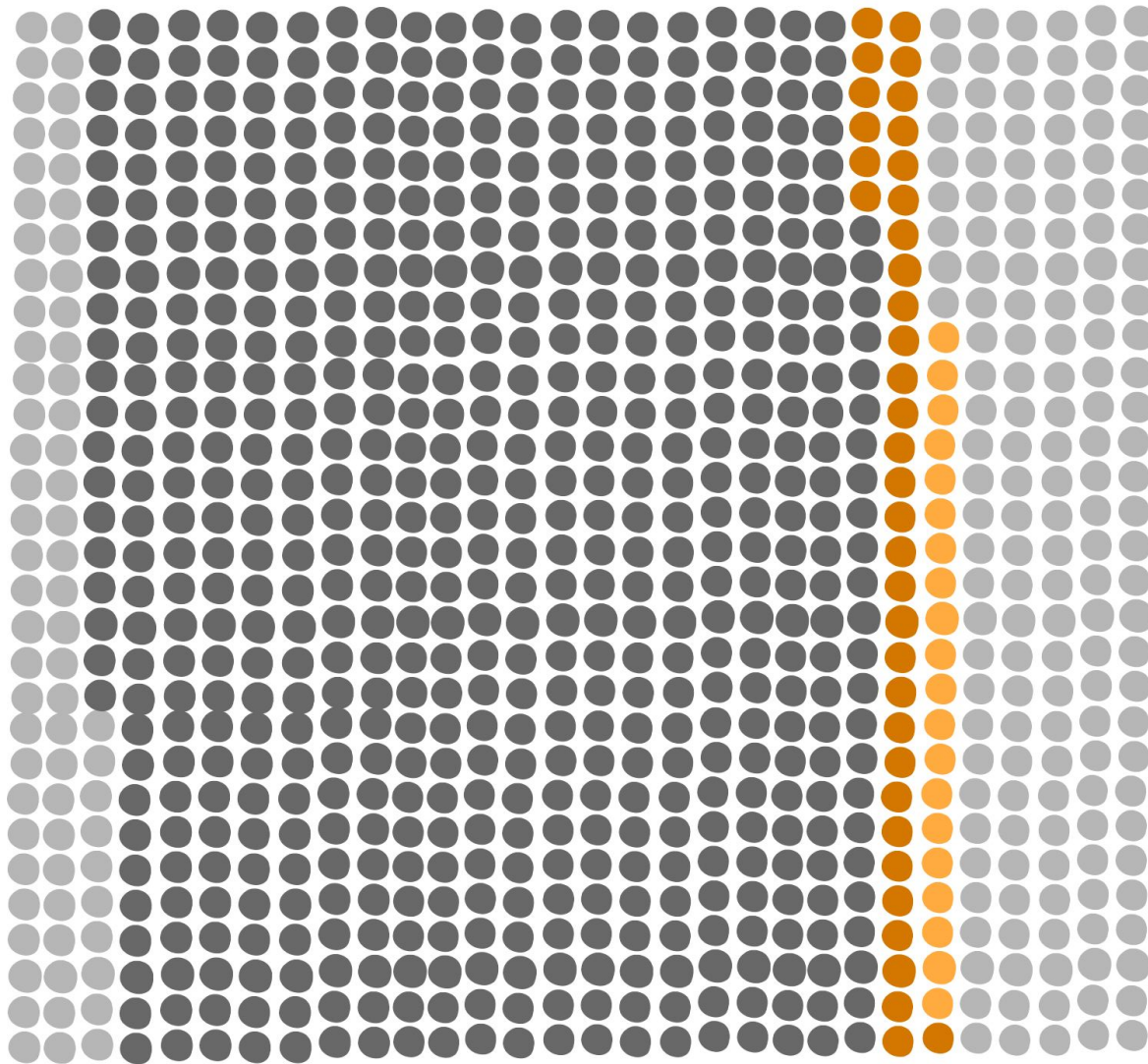


Of adults in UBPL income poverty who had failed to receive the grant in at least one of three months...



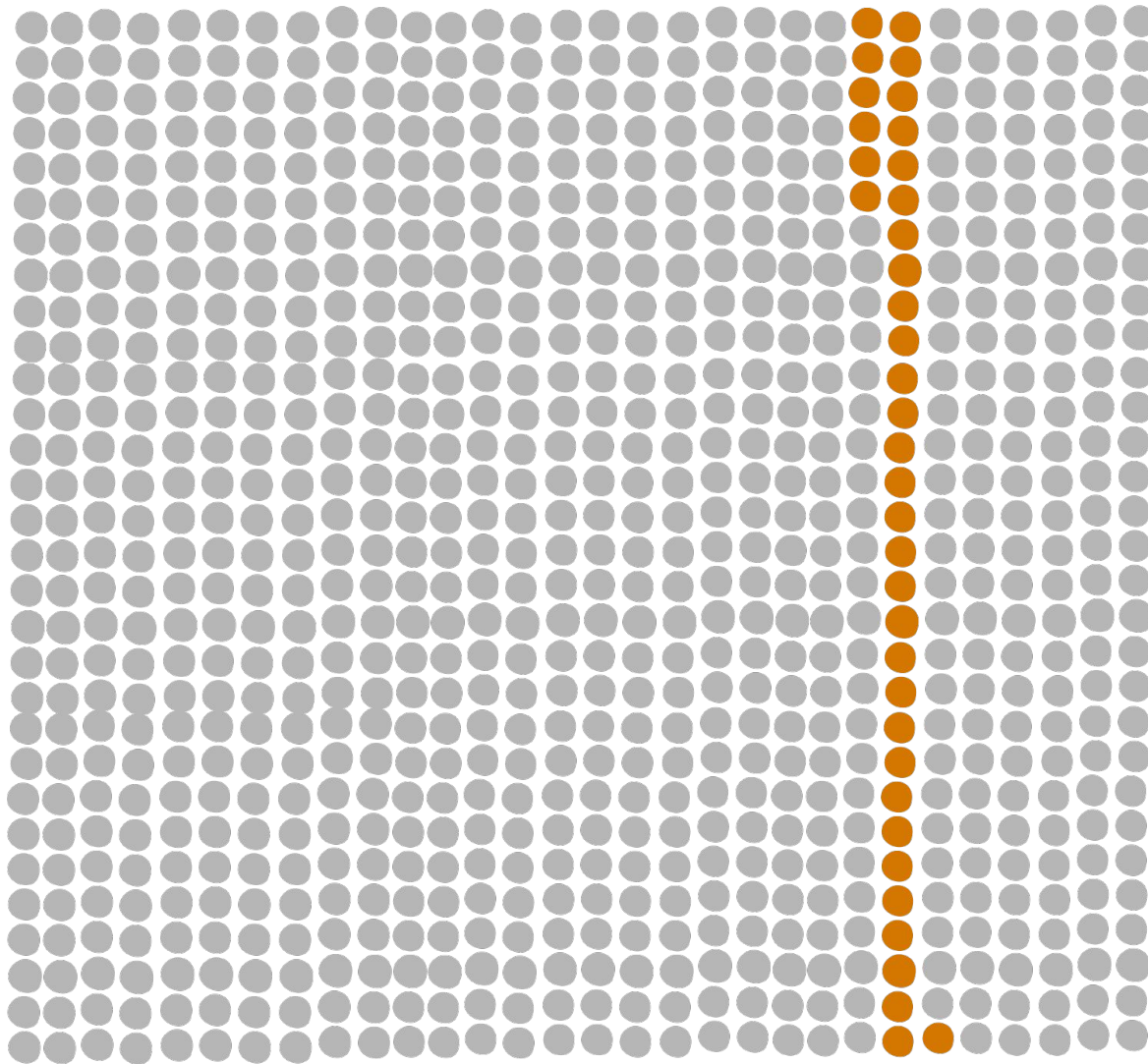
Ineligible  
but  
approved  
(6.3%)

Of adults in UBPL income poverty who had failed to receive the grant in at least one of three months...



Ineligible,  
approved  
and paid  
(4.1%)

Of adults in UBPL income poverty who had failed to receive the grant in at least one of three months...



Erroneously  
included

# “Correct” exclusion?

Amongst those who we judged as ineligible for the grant:

- 30% had monthly income above the means-test threshold but below the food poverty line
- 37% had monthly income above the food poverty line but below the upper bound poverty line

Hardship:

- 74.4% agree or strongly agree that “I am struggling financially”
- 52.2% agree or strongly agree that “I don’t have enough food to eat”
- 73.6% agree or strongly agree that “receiving the SRD grant would make a difference in my life”

# Erroneous inclusion (welfare fraud?)

(NB: We selected for exclusion in at least one month of reference period)

- 54% of those ineligible-but-approved had income above the means-test but below the FPL
- 49% had income between FPL and UBPL

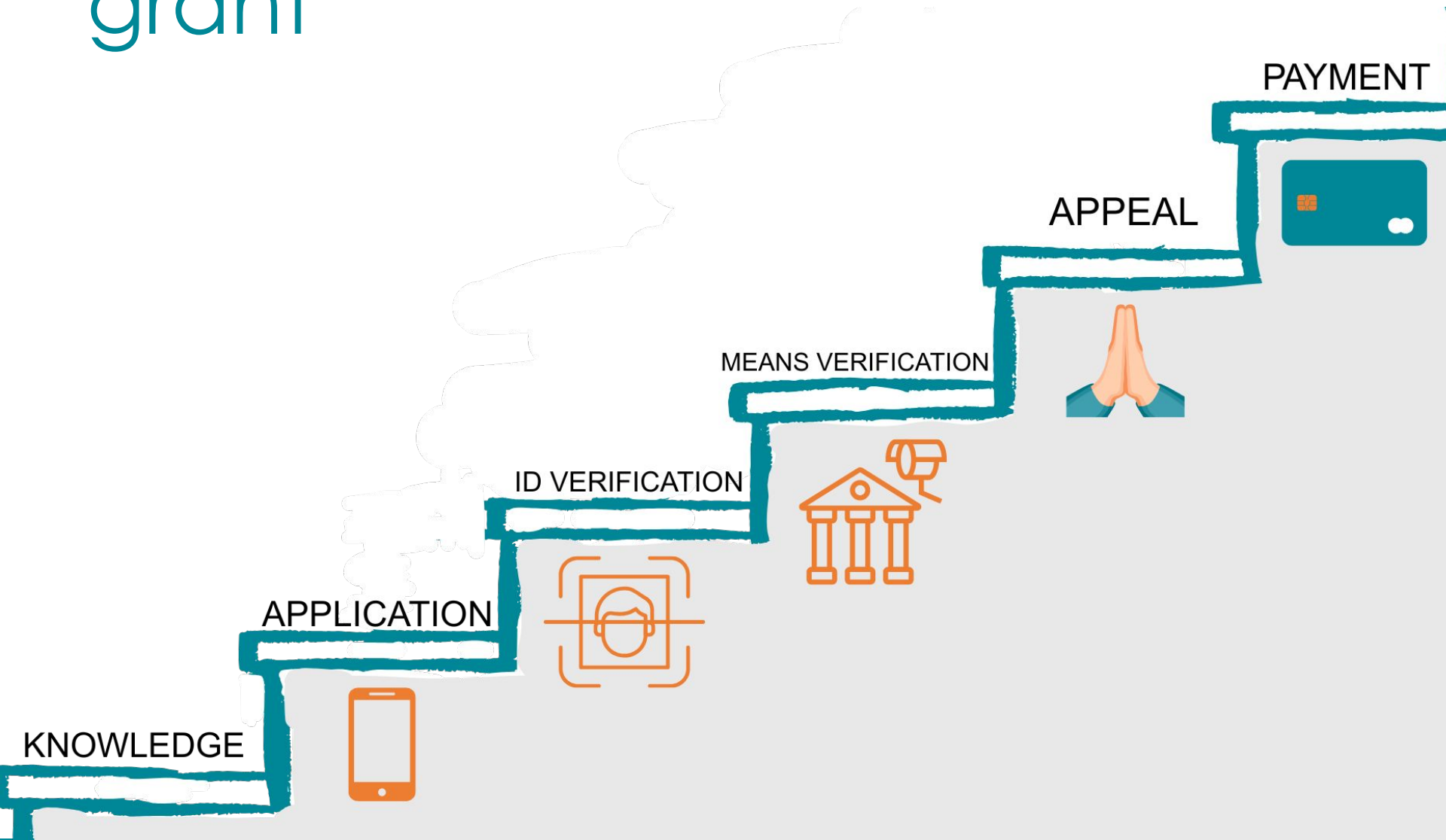
Contributing factors?

- CSG recipients over-represented—we suspect CSG was reported as income in survey responses
- Persons with higher means better able to overcome obstacles to application and payment receipt
- Verification methods flawed and inaccurate
- Impossibility of isolating “poorest of the poor”

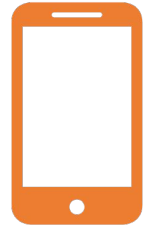
# How were people excluded?

At what point in the process?

# Steps to accessing the SRD grant



# Barriers to application



Applications can only be made online and in English. Applicants must provide bank account details for verification.

25% of respondents who had never received the grant (in its current form), had not applied. Of these an average of 70% had been eligible each reference month.

- 23.3% didn't believe they qualified
- 17.5% didn't know how to apply
- 14.6% didn't have a device to apply on
- 11.7% believed their application would be declined despite believing they qualified

# Barriers to eligibility verification



SASSA's stated grounds for rejection of respondents						Our independent assessment of relevant status/characteristics	
	Rejected Dec 23	Rejected Jan 24	Rejected Feb 24	3-month Average	% of all rejections		
Alternative_income_source_identified	213	231	217	220	71.0%	"Sufficient" means	24.1%
Identity_verification_failed	30	33	36	33	10.6%	Does not possess valid ID	2.5%
Existing_sassa_grant	4	7	7	6	1.9%	Receiving SASSA grant that would disqualify recipient from SRD grant (i.e. disability grant)	1.7%
Debtor*	2	5	5	4	1.3%		
Nsfas_registered**	11	13	15	13	4.2%	Receiving NSFAS	0%
Uif_registered	21	20	15	19	6.0%	Receiving UIF above R624	3.3%
Gov_payroll_registered**	0	0	1	0	0.1%	Receiving government salary above R624	0%
Age_outside_range (>60)	0	0	1	0	0.1%	Over 60	0%
Age_outside_range (<18)	1	3	4	3	2.7%	Under 18	0%
Deceased Record on DHA	0	0	0	0	0%	Deceased	0%

# Automated bank account surveillance



- Rejection on the grounds of “alternative\_income\_source\_identified” accounts for largest share of rejections.
- Bank account “verification” consists of automated single month ‘snapshot’ of all inflows into personal bank account, regardless of source or purpose.
- Inflows above R624 in a month = rejection.
- But many bank account inflows do not constitute “means” (defined as “income” or “financial support” in the regulations)
  - E.g. funds held on behalf of another, intra-household transfers (double counting of income across two people), loans, ad hoc donations intended to assist a person to survive (which are not a regular entitlement).

<b>Amongst those who failed bank verification, nature of bank transfer received:</b>	
Ad hoc donation - query intra-household transfer	68
On behalf of another	51
Ad hoc donation	41
Work (value unknown)	29
Gift	10
Unclear	9
CSG	6
Maintenance	6
Loan	5
Work (<R624)	2
Delayed payment due in earlier month	1
Investment	1
Prize	1

# Selected long-form answers elaborating source and purpose of transfer



Source	Purpose
A friend	My mom sews clothes for church members and she sometimes uses my bank account to receive payments
A loan shark. I was supposed to give it to my mom	My mom's bank card was misplaced so we had to use mine
A relative	Had to give it to somebody that did not have a bank account
From my boyfriend	To buy clothes for our son
Money lender	So I can buy food for christmas
My relative	For me to start a small business
My sister	Buying my mom medication
Sister	To go for a job interview

# Non-payment of approved grants



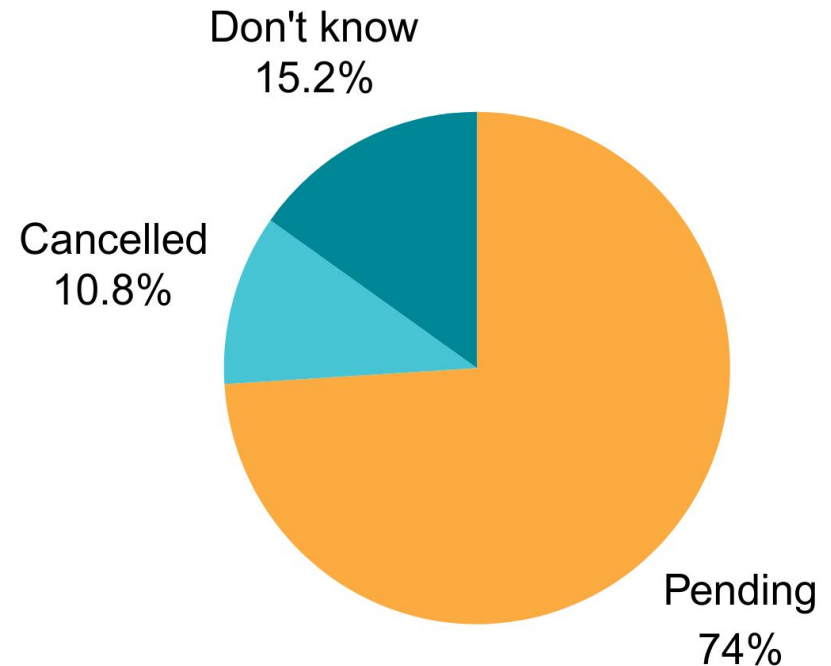
An average of 44.5% of approved grants were not paid out per month across the three months.

Those who elected to be paid into a personal bank account more likely to receive payment—but less likely to be approved

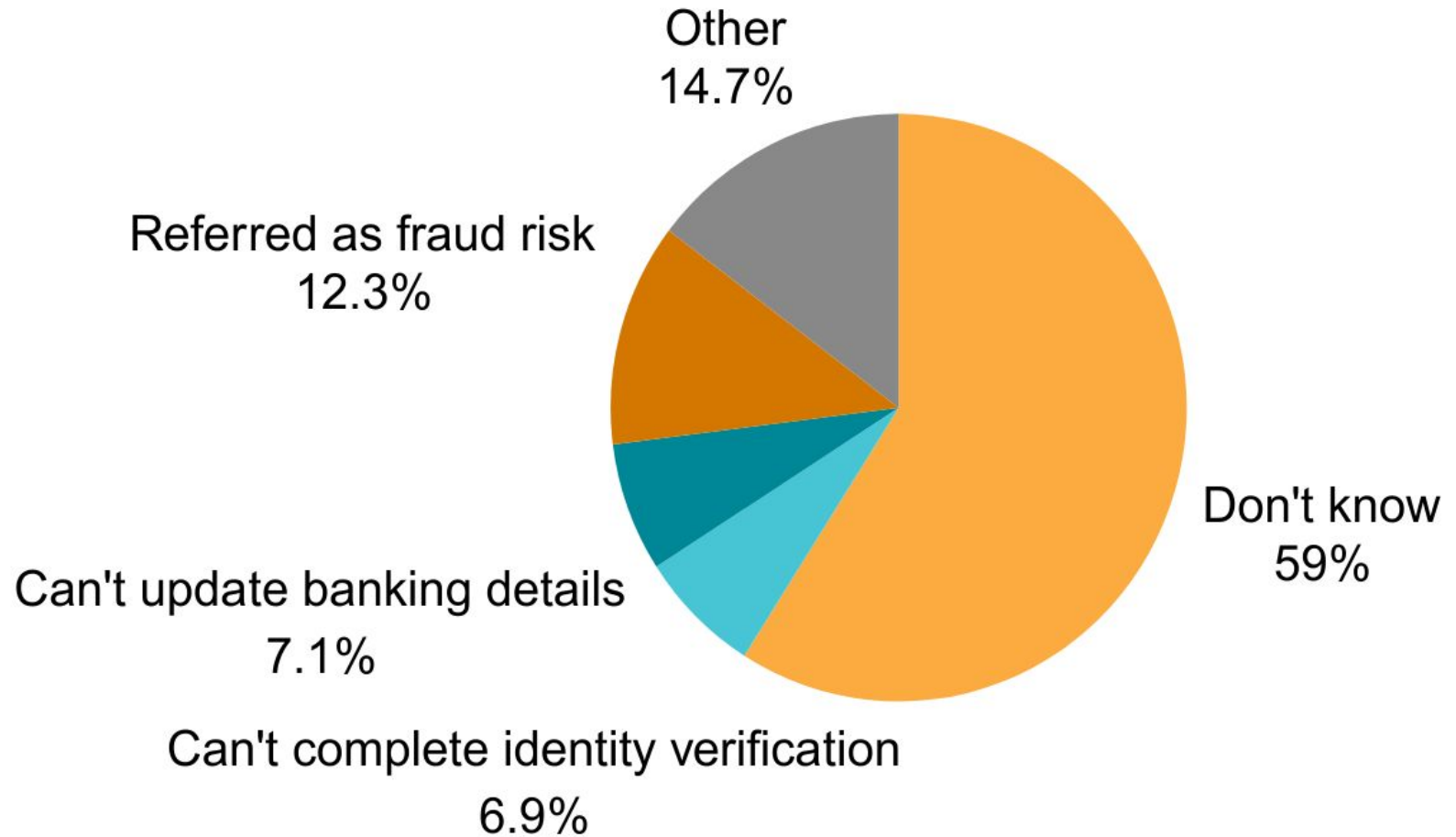
Those who selected 'Post Bank' payment method less likely to be paid

- SASSA announced in December Post Bank payments being phased out

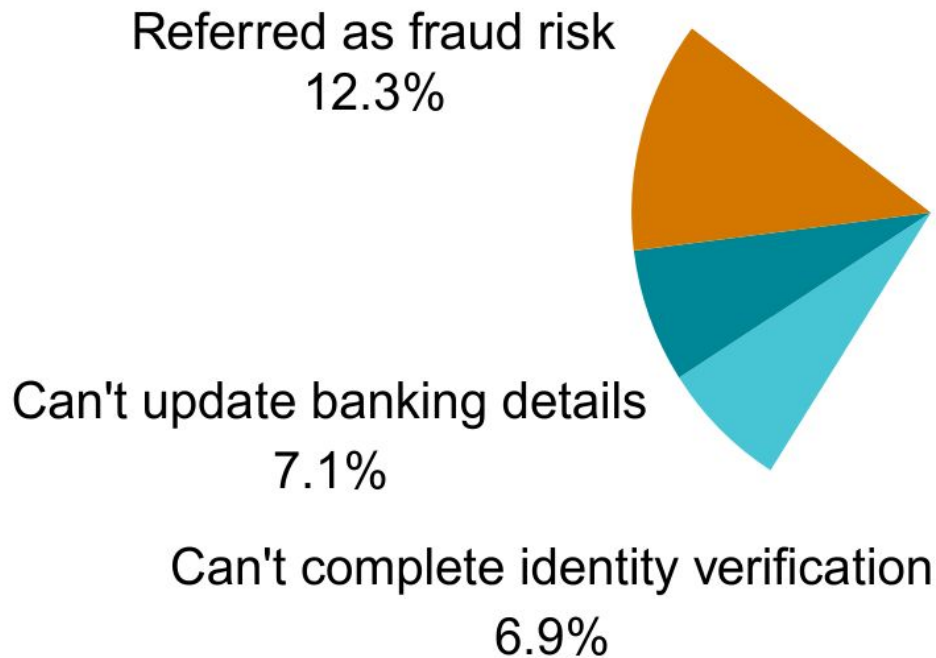
## *Status of unpaid grants*



# Reasons for non-payment?



# Biometric identity verification



# Biometric identity verification



At the time of our study, applicants were required to undergo “biometric identity verification” (via remote automated facial recognition) if:

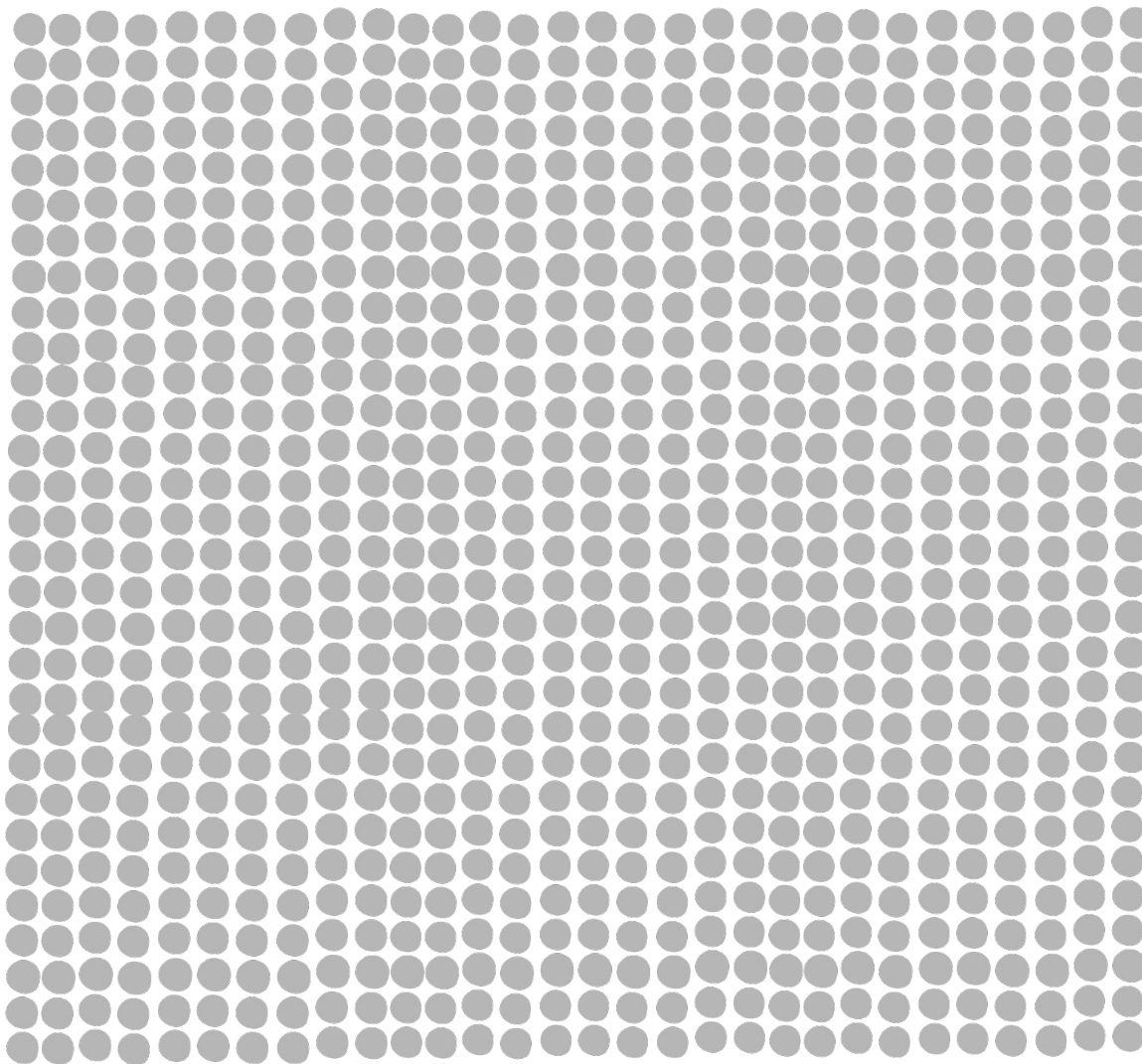
- They needed to change their personal or banking details
- They needed to change their selected grant payment method
- SASSA’s algorithm had profiled their ID number as being a “fraud risk” (based on data sharing with banks)

Identity verification requires:

- Receiving an SMS to the phone number used to apply, and following a link
- Uploading a high quality image of yourself
- Having a Smart ID card

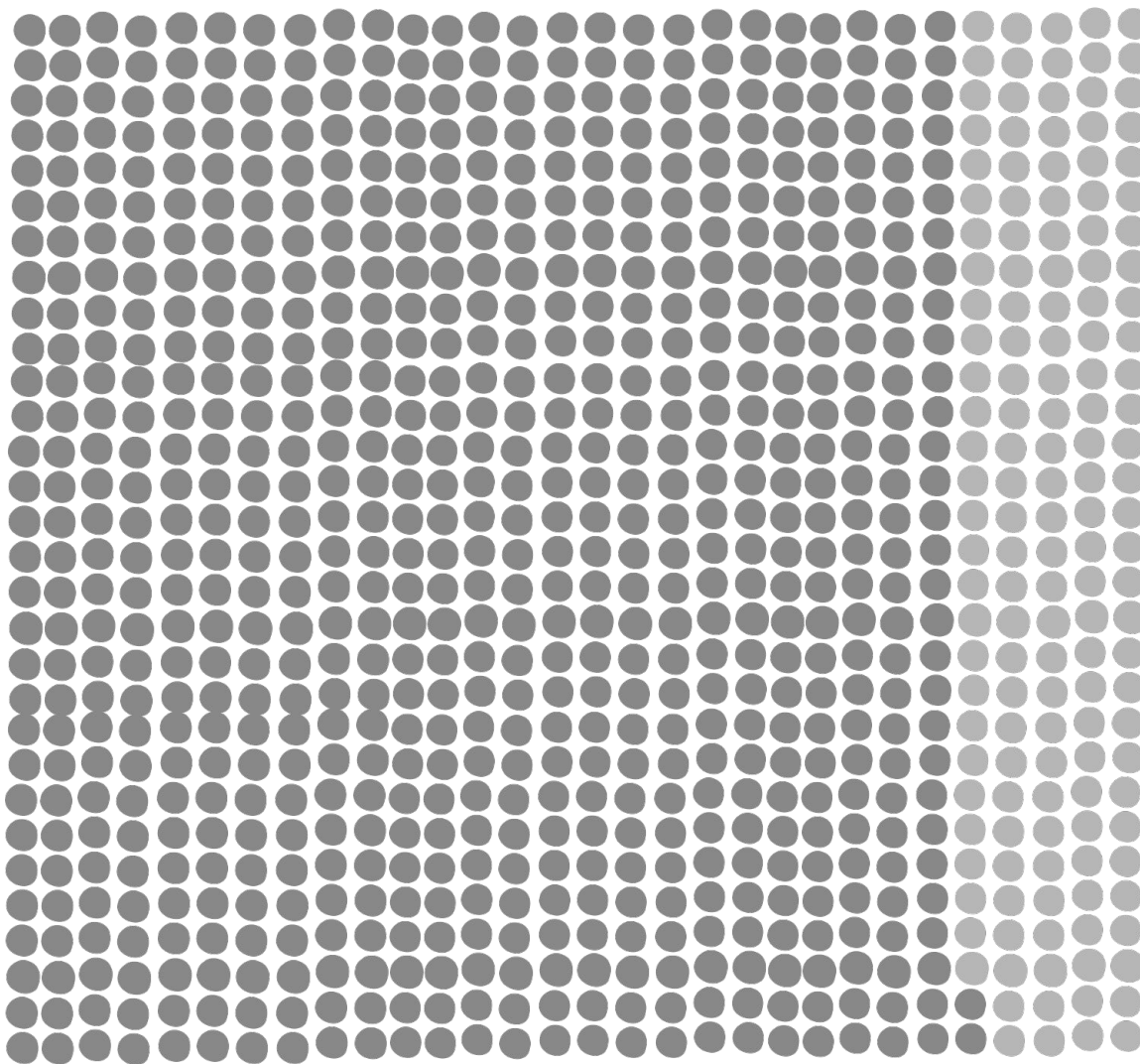
**Biometric verification requirements to now be applied to all SRD applicants (possibly other social grant applicants)**

Of adults in UBPL income poverty who had failed to receive the grant in at least one of three months...



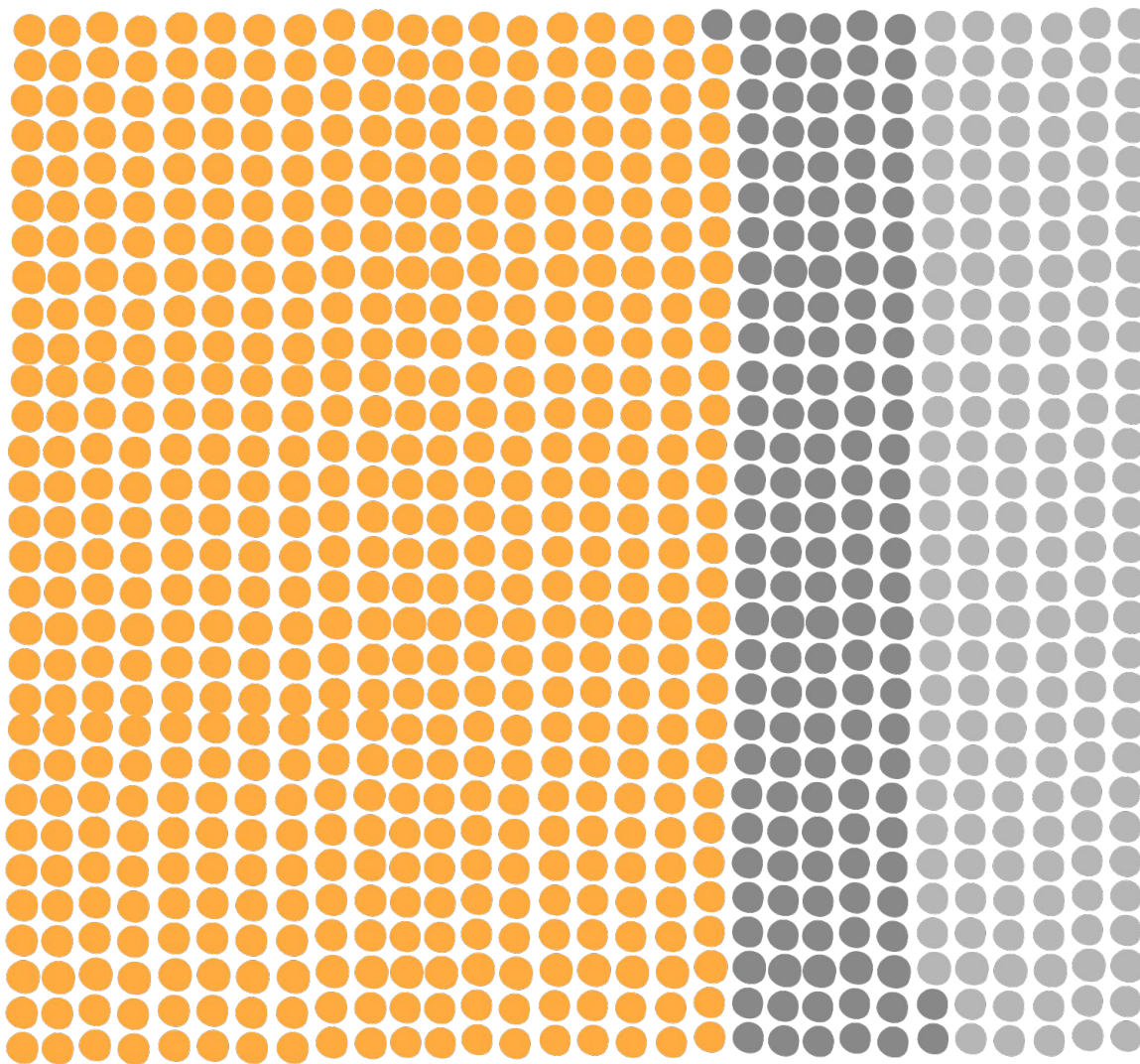
Of adults in UBPL income poverty who had failed to receive the grant in at least one of three months...

Owns  
smartphone



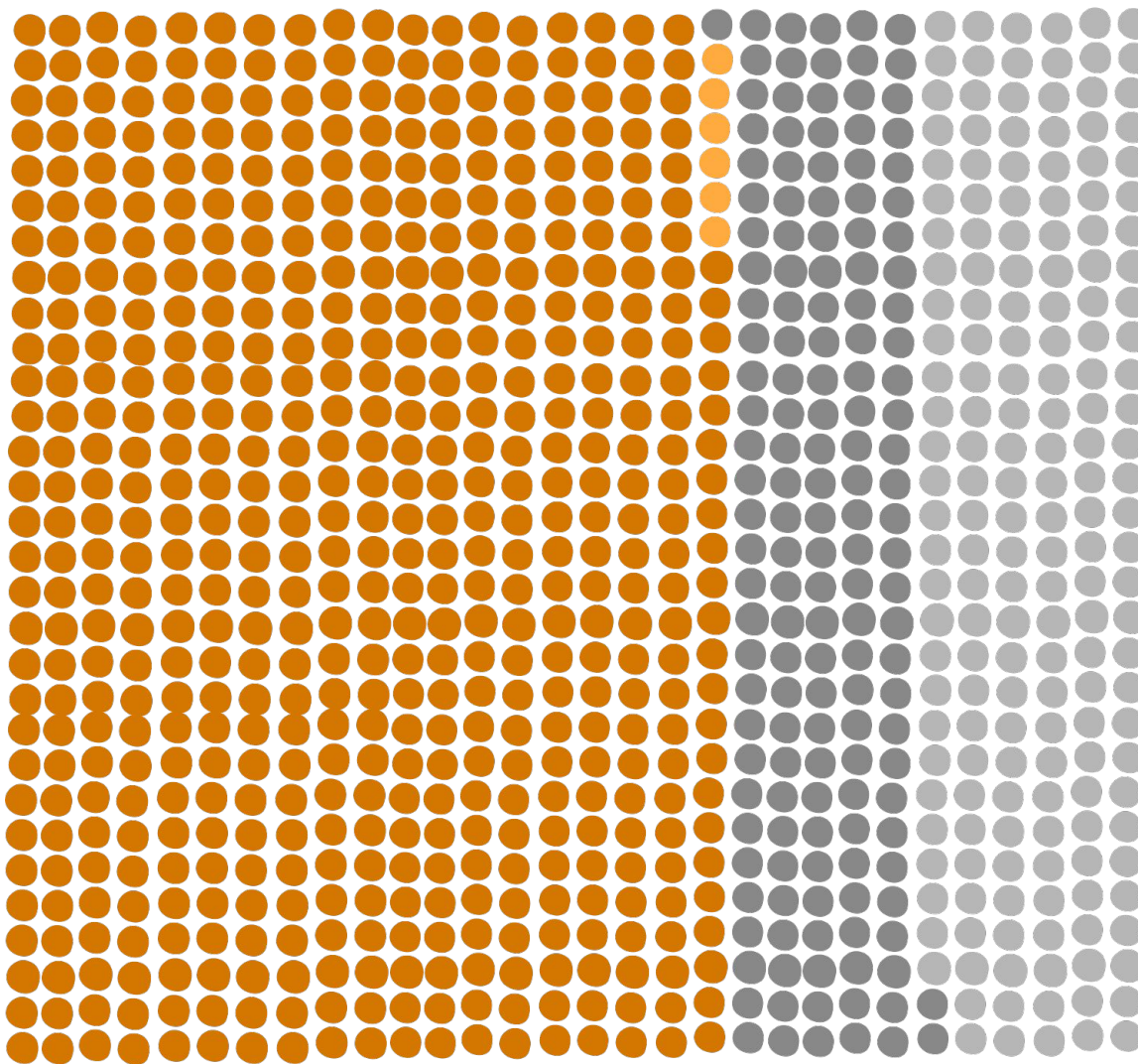
Of adults in UBPL income poverty who had failed to receive the grant in at least one of three months...

Owns  
smartphone  
AND  
used that  
phone  
number to  
apply



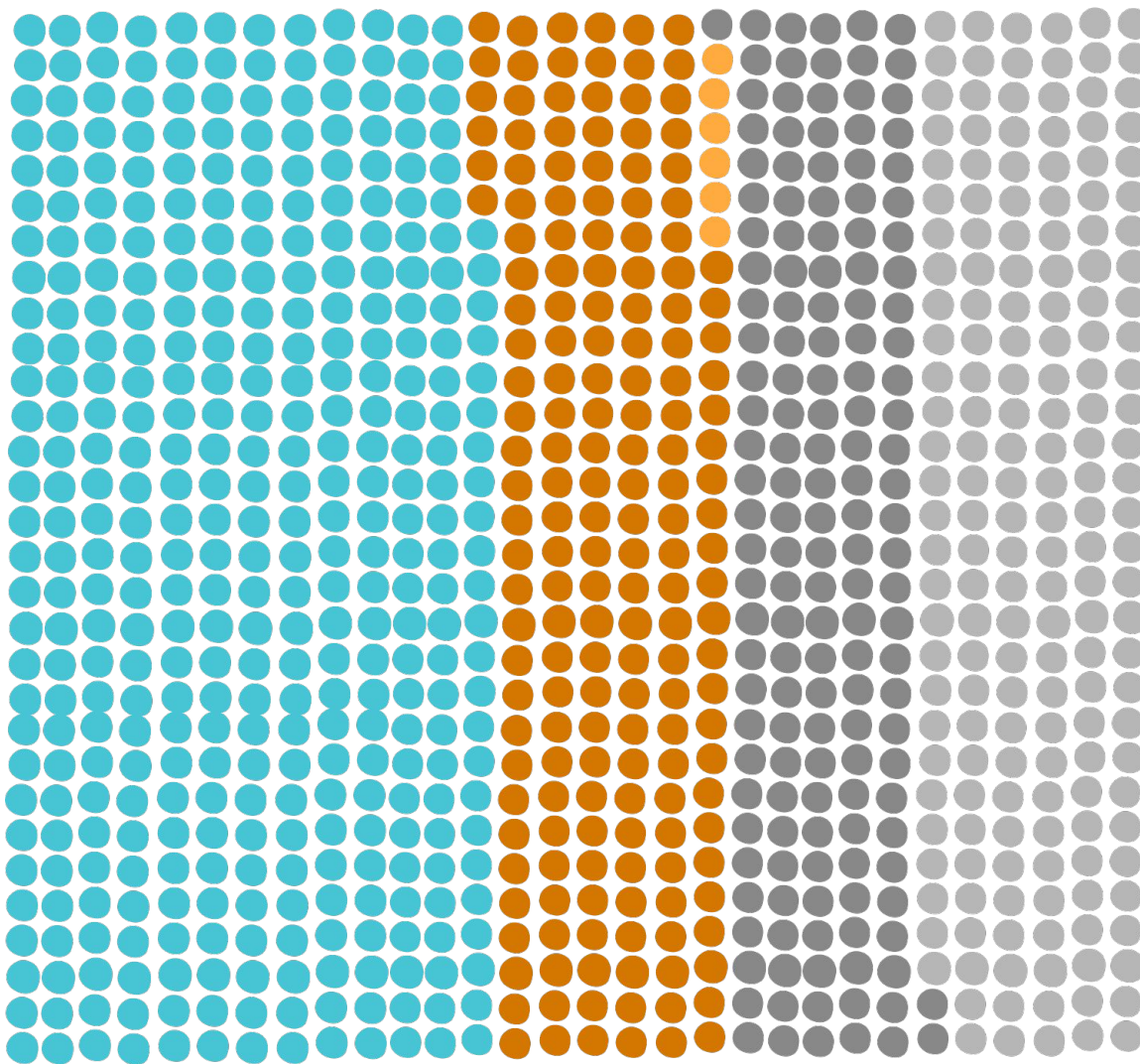
# Of adults in UBPL income poverty who had failed to receive the grant in at least one of three months...

Owns  
smartphone  
AND  
used that  
phone  
number to  
apply  
AND  
has internet  
access at  
least  
sometimes



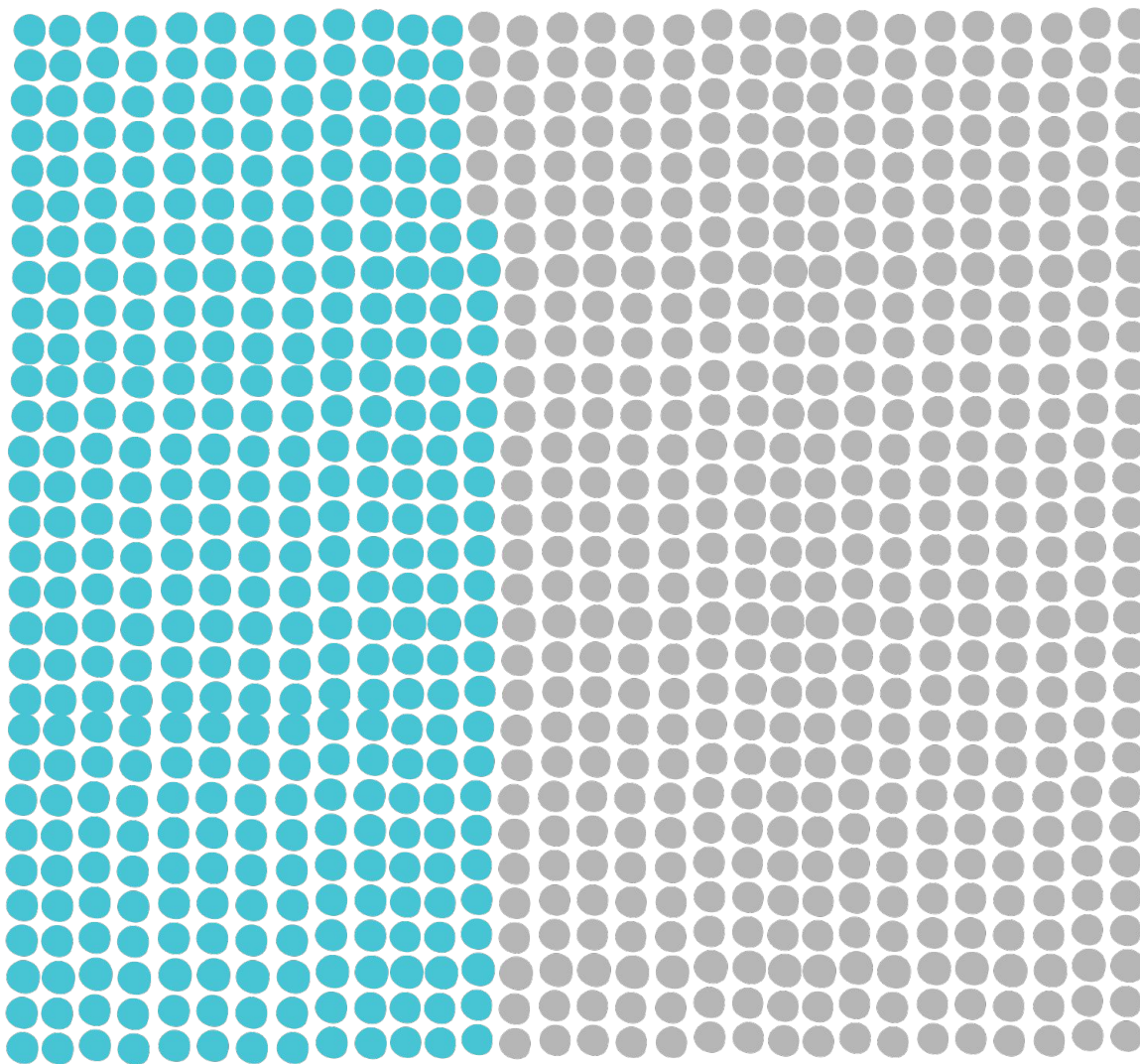
# Of adults in UBPL income poverty who had failed to receive the grant in at least one of three months...

Owns  
smartphone  
AND  
used that  
phone  
number to  
apply  
AND  
has internet  
access at  
least  
sometimes  
AND  
has Smart  
ID card



Of adults in UBPL income poverty who had failed to receive the grant in at least one of three months...

Capable of undergoing biometric identity verification for SRD grant



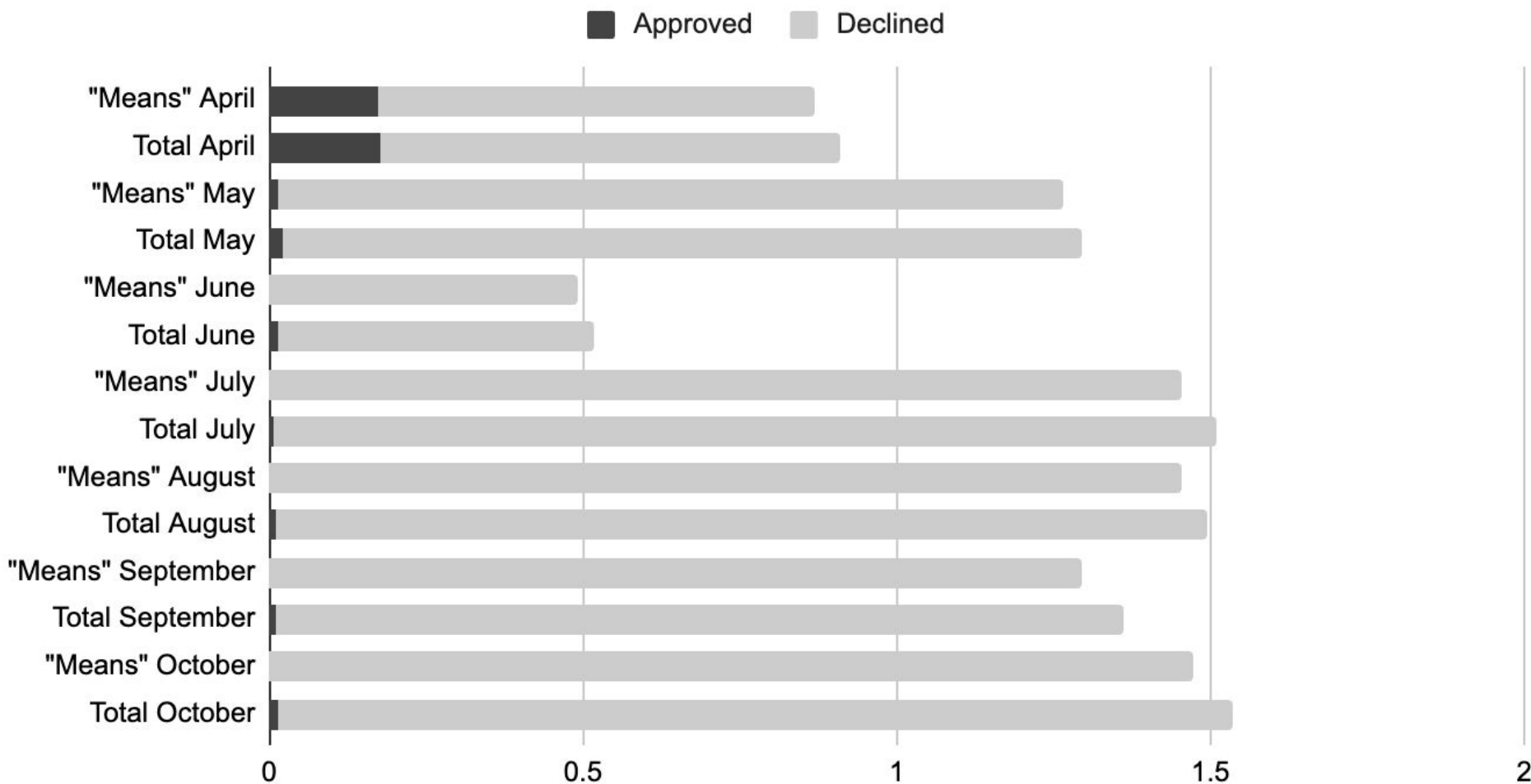
# Appealing a rejection



The appeals process prohibits new evidence or information being submitted—it consists solely of rerunning the same automated bank and database checks.

- 84% of respondents who had applied for the SRD grant in its current form, reported appealing a rejection at least once.
- Only 5.3% had ever had a successful appeal.
- Appeals of rejections on the grounds of failed bank checks were much less likely to be successful

# Proportion of total appeals, and appeals of rejections on the grounds of “means” (bank verification), upheld: April 2022—October 2022 (millions)



# Who is most at risk of erroneous exclusion?

Is the grant reaching the most vulnerable in the target population?

# Risk factors for...

Not applying	Not being approved despite being eligible	Not receiving payment of approved grant	Not appealing a rejection
<ul style="list-style-type: none"> <li>● Not owning a phone</li> <li>● Not owning a smartphone</li> <li>● Not having an email address</li> <li>● Not having a bank account</li> <li>● Sharing a bank account</li> <li>● Not being a CSG recipient</li> <li>● Agreeing that the application process is difficult (closely correlated with education level)</li> <li>● Having a green ID book, refugee ID or alternative form of ID (as opposed to Smart ID card)</li> </ul>	<ul style="list-style-type: none"> <li>● Being a woman (caregiver penalty?)</li> <li>● Being a CSG recipient</li> <li>● Rural location</li> <li>● Identification type = green ID book</li> <li>● Not applying on own phone</li> <li>● Responding to our survey in English</li> <li>● Having a bank account</li> </ul>	<ul style="list-style-type: none"> <li>● Education below Grade 10</li> <li>● Not applying on own phone</li> <li>● Not having an email address</li> <li>● Not having a bank account</li> <li>● Not being a CSG recipient</li> <li>● Having sporadic, or no, internet access</li> </ul>	<ul style="list-style-type: none"> <li>● Being a man</li> <li>● Not applying on own phone</li> <li>● Having sporadic, or no, internet access</li> <li>● Below tertiary education</li> <li>● Agreeing that the application process is difficult</li> </ul>

# Risk factors for...

Not applying	Not being approved despite being eligible	Not receiving payment of approved grant	Not appealing a rejection
<ul style="list-style-type: none"> <li>• Not owning a phone</li> <li>• Not owning a smartphone</li> <li>• Not having an email address</li> </ul>	<ul style="list-style-type: none"> <li>• Not applying on own phone</li> </ul> <p>Digital exclusion: Lower access to devices and the internet means greater risk of exclusion</p>	<ul style="list-style-type: none"> <li>• Not applying on own phone</li> <li>• Not having an email address</li> <li>• Having sporadic, or no, internet access</li> </ul>	<ul style="list-style-type: none"> <li>• Not applying on own phone</li> <li>• Having sporadic, or no, internet access</li> </ul>

# Risk factors for...

Not applying	Not being approved despite being eligible	Not receiving payment of approved grant	Not appealing a rejection
<ul style="list-style-type: none"> <li>• Sharing a bank account</li> <li>• Not being a CSG recipient</li> </ul>	<ul style="list-style-type: none"> <li>• Being a woman</li> <li>• Being a CSG recipient</li> </ul>	<ul style="list-style-type: none"> <li>• Not being a CSG recipient</li> </ul>	<ul style="list-style-type: none"> <li>• Being a man</li> </ul>
<p>Gender/caregiving responsibilities: Women are much more likely to receive the child support grant and other maintenance payments for children in their care; to use someone else's bank account</p>			

# Risk factors for...

Not applying	Not being approved despite being eligible	Not receiving payment of approved grant	Not appealing a rejection
<ul style="list-style-type: none"> <li>● Not having a bank account</li> <li>● Sharing a bank account</li> </ul>	<ul style="list-style-type: none"> <li>● Having a bank account</li> </ul> <p>Financial exclusion: People without a bank account were less likely to apply, more likely to be rejected despite being eligible, and less likely to receive payment of approved grants</p>	<ul style="list-style-type: none"> <li>● Not having a bank account</li> </ul>	

# Risk factors for...

Not applying	Not being approved despite being eligible	Not receiving payment of approved grant	Not appealing a rejection
<ul style="list-style-type: none"> <li>Agreeing that the application process is difficult (closely correlated with education level)</li> </ul>		<ul style="list-style-type: none"> <li>Education below Grade 10</li> </ul>	<ul style="list-style-type: none"> <li>Below tertiary education</li> <li>Agreeing that the application process is difficult</li> </ul>
<p>People with lower levels of education were more likely to find application process difficult, less likely to apply, less likely to receive payments of approved grants, less likely to appeal.</p>			

# Risk factors for...

Not applying	Not being approved despite being eligible	Not receiving payment of approved grant	Not appealing a rejection
<ul style="list-style-type: none"> <li>Having a green ID book, refugee ID or alternative form of ID (as opposed to Smart ID card)</li> </ul>	<p>Refugees, asylum seekers and special permit holders made up only 1.6% of our sample, but 3% of those who did not apply despite being eligible</p>		

# Impacts of exclusion on individuals and communities

Qualitative interview findings

# A sense of disillusionment and defeat

*“I have never appealed, I was just defeated by the R350 matter because I heard everyone else that this thing is happening to them also.”*

*“...it was upsetting to me that everyone else is checking their dates and nothing on my side. They would then say try this, and I would but still. Then I got fed up in the end.”*

*“I did not appeal, I once heard people talking about it..., ...talking about “appeal what, what” and I heard many people saying, “it is the same,” it is not helping them with anything. The appeal doesn’t change anything.”*

# Psychological impacts

*“My sister I was too much angry, all of a sudden, I was thinking of committing a suicide. So, my mother said no is not the end of life, is not the end of life you are still young. I think I was wrongfully declined. It was too much painful to me.”*

*“...because right now my heart is so broken because I can't do anything because right now is only my children's grant, my two children.”*

*“This damaged me emotionally because I needed the money to help me with lots of things. It was not easy for me.”*

*“There is a lot of difference since they stopped it, I can't do anything and I am now stressing about my children and family.”*

*“There is a huge difference, when I go there and find nothing, and the children are expecting me to bring something, that hurts.”*

# Futile and costly attempts to access assistance

*“I went to the offices and that day the queue was too long and I was not helped that day. I did not go back because I didn't have a transport fare.”*

*“Yes, I have been placed on a referred status. I did go to the offices and then they said I should do a Tyme Bank or Bank card because I was receiving it from Shoprite. But I am not yet didn't do it now because I do not have a transport fee to go to the offices.”*

*“I honestly don't know where to go for answers because as I said, if you go to SASSA offices, they tell you here is our app, go use it, everything, you will find your answers there”*

# Futile and costly attempts to access assistance

*I asked her what is really causing my R350 not to enter my account, she didn't answer me, the phone just disengaged. So I also just gave up.”*

*“I phoned the SASSA offices last year and the phone rang without an answer.”*

*“When we phone, those people don't answer phones.”*

*“I have phoned SASSA offices many times and they have not assisted me to date because they keep saying that I will receive an SMS.”*

# Digital barriers

*“Someone applied for me because I did not have a smartphone”*

*[A participant who did not own a phone]: “I went to SASSA offices to ask them why am I not receiving my grant anymore. They told me [...] to go the internet, the www what, what, since they wrote that for me and my phone”*

*“I went to SASSA offices to appeal, and they said they would send me a message that required a smartphone. I couldn't receive nor access the message because I didn't have a smartphone.”*

*“It so happens that the cell number I registered with back then, was a number I had changed. I was no longer using that number, I lost my phone and I was not able to do a SIM swap.”*

*“There was a link that they sent me to click on for them to see if it's still really me. If I click on the link they say I must capture my face to see if it's me, I do it but it doesn't approve. It just jams and says I must contact SASSA people. Maybe I have done this process three times.”*

*“I don't know how to use digital technology. ...someone applied for the 350 SRD grant for me.”*

# Demonstrating insufficient means

*“They say I am getting money in my Capitec account [...] and then they say I don’t get R350 due to that. I get confused as to whether they themselves can eat R600 for three months.”*

*“They told me that the computer cannot lie, I have an income. I asked them, which one because the only money I receive is the child support grant. They showed me on the computer and did not help me.”*

*“The fathers of my children send me money whenever they can for the upkeep of the three children. ...at times it is more than R1558.”*

*“Last year when I went to SASSA offices, they said I had an income which I did not have and they did not help me. The father of my children used to send money for them for school transport, it was not mine.”*

*“There is a younger sibling from home, my mother was sick and needed an amount of about R300 to go see a doctor. I had money at that time. I took the money and deposited it into the younger sibling’s bank account and he got seriously angry. He said to me, you were not supposed to deposit the money, I won’t be able to get my R350 anymore. I didn’t understand what he was saying. And it seems like his R350 really didn’t come through.”*

# Impact of exclusion on accessing food and other necessities

*"I wasn't yet employed when my R350 stopped. [...] It was the only money I could manage to live off because I was living by myself. When things were short in the house, I would fill up the fridge, buy electricity with R350."*

*"I used to buy food and electricity with the R350."*

*"R350 helped me a lot because I could buy the maize meal, toiletries, sugar and meat."*

*"I used to buy toiletry, 10kg of maize meal, and cheap veggies to take care of the three of us."*

*"The R350 helped me to buy meat and maize meal, it was little but I bought food for my children."*

*"Siyakwazi u ku lala singatyanga [There are days we sleep hungry]."*

*"...I am now suffering without the grant because there are times when we sleep hungry when my neighbour is not there."*

*"...there are times when we don't have food and the children are hungry."*

*"This life of begging in the township is not nice because for you to eat, you have to visit one household to another with a bowl for one to dish for you. It is not a nice life."*

# Impact of exclusion on livelihoods, finances

*“My financial situation is not looking good at all because I was relying on the R350 [...] It helped me to start a small business to survive. Ever since it was stopped I don't have an income.”*

*“I used the grant to buy stock and care for my family with the proceeds.”*

*“I once used R350 for umjikelezo [community savings scheme]. There is a umjikelezo that I am still part of even today, it's a weekly one. Times are not the same, it sometimes gets difficult because it does happen that a week comes and you don't have the money. So it's going to force you to borrow money from someone in order to pay the designated person that everyone is paying.”*

*“If I was getting R350, I would have been able to use it to pay, I wouldn't even be borrowing money.”*

# What can be done about it?

Recommendations for action arising from our findings

# Key takeaways

- A very high proportion of exclusions of those below the UBPL are erroneous
- Those ‘correctly’ excluded still report a high level of need
- A proportion of our sample - whilst having experienced exclusion in at least one month, have also experienced erroneous *inclusion*.
  - This suggests that the grant criteria and verification systems are simply not fit for purpose
- Bank verification is the biggest driver of erroneous exclusion—because it treats all bank account inflows as “income” and “financial support”
- Biometric identity verification likely to also become a very significant driver
- Application, verification, payment and appeal all present distinct barriers to access to the grant for different groups...
- But those already vulnerable to marginalisation are more likely to be excluded from the grant, based on:
  - Digital, financial, administrative, spatial exclusion, gender, age and education level
- Narrow poverty-targeting penalises financial inclusion, income-generating activities, reinforces poverty trap.
- **The SRD grant design and infrastructure, far from being well-targeted towards the most vulnerable, tends to exclude the most vulnerable, and perpetuate existing inequities.**

# Policy recommendations

- Poverty targeting is always exclusionary, usually of those most in need. Work to phase out poverty targeting by progressively increasing the means test to reach universal eligibility amongst the 18-59 age group.
- Regular and clear provision of information on the grant, in multiple languages. Make the application questionnaire clearer, and available in all official languages.
- Provide non-digital options for grant application and administration, including identity verification.
- Much greater oversight and accountability when automated systems are used for providing entitlements. Use of automation should be proportionate, transparent, warranted and not unduly invasive of people's' privacy.
- End bank surveillance. Assessment of insufficient means should be based on self-reporting, which can be accompanied by random audits to ensure robustness.

# Policy recommendations (cont.)

- Means should also be assessed based on an average over six months, and on a household per capita, not individual basis.
- Allow the submission of new information and evidence on appeal.
- Income support should not be provided month-to-month but on a longer term basis, recipients should receive adequate advance notice if it is to be removed.
- The SRD grant value should be increased to at least the food poverty line, and should reach the UBPL in the long term. The CSG must maintain parity with the SRD, to ensure caregivers are not disadvantaged.
- The budget allocation for the grant must be informed by official estimates of need. The grant must be adequately resourced to enable it to meet its constitutional mandate.