



STATEMENT: Vulnerable people will lose their grants so National Treasury can meet its R3 billion “savings” projection

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The Universal Basic Income Coalition (UBIC) expresses its deep disappointment in the 2026 Budget Speech. The significantly improved fiscal position could have translated into meaningful improvements in social spending for the most vulnerable; instead, gains have been directed primarily to the middle class and the wealthy through increased allowances and tax relief. Meanwhile, in real terms, the main non-interest expenditure has fallen, resulting in lower allocations for education, health and social protection.

For the grandmother in Khayelitsha stretching her Old Age Grant across an entire household, or the unemployed young man in Mamelodi relying on R370 to survive the month, this budget brings no meaningful relief.

Child Support Grant (CSG): Years of inadequacy not rectified

The budget announced inflationary increases to the longer-standing grants. While these increases are welcome, they are not enough to address years of below-inflation adjustments - a shortfall made even more severe by the fact that food inflation has consistently outpaced headline inflation.

The CSG, now set at R580, sits 32% below the food poverty line (FPL) - the minimum amount of money required to meet the most basic nutritional needs if all income were spent on food - which is R855. It is now also 38% below the [cost](#) of a nutritious basket of food for a child. These are not abstract percentages; they translate directly into hunger. Caregivers tell us plainly: “The grant runs out long before the month does.”

This matters acutely in a country where [one in four children is stunted](#). The CSG has long been the most powerful tool to fight malnutrition and support caregivers, but its effectiveness is being blunted by the widening gap between the grant’s value and objective measures of adequacy. Government’s failure to bring the CSG in line with actual food costs fails both the children and their caregivers.

SRD grant: No increase, no clarity, no future



Unlike all other grants, the Covid-19 Social Relief of Distress (SRD) again receives no increase in this budget, remaining at a woeful R370 per month. In five years, the grant has been increased only once, by R20. Had it received the minimum inflationary adjustments from the onset, it would be worth about R460 per month. Instead, it now sits below 50% of the Food Poverty Line.

SRD recipients describe using the grant for transport to job interviews, to buy electricity, to contribute to household food. It is not an “extra” income; it is often the only income, yet it is treated as temporary or marginal.

Once again, the SRD grant is funded only for the current financial year, with no allocation in the outer years. This perpetuates the cycle of uncertainty that leaves millions of recipients unable to plan or rely on the grant as a stable form of support, and every year brings renewed anxiety: Will it continue? Will I still qualify? It also raises serious questions about the government’s sincerity in committing to making it a permanent basic income.

The budget also provided no clarity on what has long been stated government policy: the conversion of the SRD grant into a basic income. The policy processes continue to needlessly lag. [Earlier this year](#), the Department of Social Development (DSD) told Parliament that the basic income policy would only be presented to Cabinet in March 2027. A single-year extension of the grant, therefore, does not ensure that coverage will continue until the new policy is introduced.

More alarming still are indications that the version of basic income being contemplated is a watered-down one, with work-seeking conditionalities promoted largely by National Treasury, who continue to overstep into the policymaking mandate of DSD. Attaching job-search requirements to income support is both [impractical and conceptually flawed](#). South Africa’s unemployment crisis is structural; people are not unemployed because they are not searching hard enough, they are unemployed because there are not enough jobs. As the evidence clearly shows, conditionalities will only increase exclusions while doing nothing to improve labour market outcomes.

Fraud and grant reviews: questionable savings, real risks of exclusion

UBIC notes with serious concern the prominence given to the social grants system as a target of Treasury’s Targeted and Responsible Savings (TARS) programme. Treasury claims that ‘better’ income verification (using SRD-style methods found to be unconstitutional and unlawful



by the High Court) to reduce fraud will generate R2 billion in savings in the current financial year, with an additional R1 billion in 2027/28.

This framing either fundamentally misunderstands or is deliberately dishonest about the nature of welfare fraud in South Africa. [Research](#) by UBIC member the Institute for Economic Justice demonstrates that over the past decade, the vast majority of grant fraud has been perpetrated by officials, not beneficiaries. Yet every measure being intensified to curb fraud focuses entirely on the beneficiary side, rather than interrogating the systems which allow for widespread fraud amongst government officials.

The figures themselves do not add up. The [Budget Review](#) claims 34,661 lapsed grants and 8,599 downward adjustments in value to disability and old-age grants, yielding savings of R201 million for 2025/26. Meanwhile, SASSA has separately [claimed](#) that the same reviews generated savings of R500 million from 70,000 suspended and lapsed grants. Even accepting SASSA's more generous estimate, these figures fall far short of the R2 billion projection for the current year - implying a quadrupling, at minimum, of grant cancellations. This is especially implausible given that SASSA [previously told](#) Parliament that the first batch of reviews was deliberately targeted at the cases deemed most suspicious. It is not credible that four times the savings could be found fairly from a less 'suspicious' remaining cohort.

It should also be noted that the majority of the cancellations reported to date stem from suspensions of beneficiaries who did not show up to conduct their review in the stipulated timeframe, not from cases where an official verified income and found someone ineligible. This distinction matters as SASSA is experiencing serious capacity constraints, which result in beneficiaries having to visit offices [multiple times](#) simply to get to the front of the line to conduct a review. This is compounded by the fact that SASSA's operating budget is set to fall by an average of 3.4% in real terms over the medium term, despite the increased demand Treasury has placed on them to dramatically scale up reviews. The review process is also not costless to beneficiaries; being flagged results in delayed payments, which disrupt household planning, and showing up at offices imposes travel costs on people already dealing with severe budget constraints.

What we are seeing on the ground is not the uncovering of widespread fraud. It is people missing review deadlines because they cannot afford repeated transport to SASSA offices. It is beneficiaries waiting for hours, sometimes returning multiple times, only to be told to come back again. It is payments delayed without clear communication, disrupting fragile household budgets. Being flagged can mean a delayed or missed payment, which for a household living hand-to-mouth means skipped meals or unpaid electricity.



The inaccurate income verification also presents a risk of unjust exclusion of new applicants who, unlike existing grant beneficiaries, have no opportunity to present their case to an official before a decision is made.

An intensified review process, without a clear plan to address SASSA's capacity limitations and without a credible contingency plan to support flagged beneficiaries, risks excluding millions from social protection - not because they are fraudsters leeching off of the system, but because they are too poor to navigate requirements designed around an unevidenced assumption of widespread beneficiary fraud. We are deeply concerned that government prefers to focus on blocking access to grants rather than ensuring that grants are received by those who need a lifeline to survive.

Finally, it must be noted that the rationale advanced by Treasury and SASSA officials - that removing 'undeserving' recipients will free up resources for those who are truly eligible - is directly contradicted by this budget. Allocations in the outer years are lower, not higher, meaning savings are not being put back into the system. This is happening while coverage gaps remain stark: alongside inadequate grant values, an [estimated](#) 17.4 million working-age people have incomes below the FPL, yet the SRD grant is budgeted for only approximately 8 million per month, predetermining an exclusion rate of almost half. Among the longer-standing grants, coverage is also shrinking, with CSG uptake among infants [declining](#), leaving a growing number of children without income support. This budget makes it clear that savings are not being reinvested to close these critical gaps; instead, they are being transferred to the pockets of the wealthy.

Behind every budget line is a person, behind every "saving" is a household calculating how much food they can go without. A fiscally improved position presented an opportunity to reduce hunger, restore dignity and close protection gaps. This Budget failed to seize that opportunity.

UBIC reiterates its call for:

- The government needs to honour its commitment to convert the SRD into a genuine basic income, one without conditionalities, and available to all who need it
- The SRD grant and CSG should be increased to at least the Food Poverty Line.
- The removal of National Treasury's conditions on SASSA's allocation that unfairly victimise beneficiaries.



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- Any expansion of the grant review process should be preceded by a credible plan to address SASSA's capacity constraints and be accompanied by support measures that increase access for beneficiaries to the review process.
- Transparency on the evidence base for the R3 billion savings projection, and a clear accounting of how any savings generated will be used to realise the right to social protection for all.

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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)
- Environmental Monitoring Group
- 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)
- The Family Caregiving Programme
- Women on Farms Project
- Youth Lab