



Summary: SCIS working paper 5

‘Traversing the cracks – social protection toward the achievement of social justice, equality and dignity in South Africa’

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Background to the case study

Despite having one of the most expansive social protection systems in Africa, South Africa remains one of the most unequal countries in the world. The increase in the structural inequality of wealth and income has occurred despite the establishment of a constitutional democracy founded on the redistributive principles of dignity, equality and social justice, and the guarantee of civil, political, and socio-economic rights for everyone in post-1994 South Africa.

📍 **South Africa’s Gini coefficient fluctuates between 0.66 and 0.696.** Official statistics released by Statistics South Africa have consistently highlighted the gendered and racialized nature of poverty. In **2015, the proportion of black African women living below the lower-bound (extreme) poverty line of R758 per month (approximately US\$44) was 49.2%**, whilst for black African men this proportion was 44.8%.

📍 A conservative estimate of the country’s **unemployment rate is 30%**. Unemployment remains a significant barrier to the attainment of decent work and social justice.

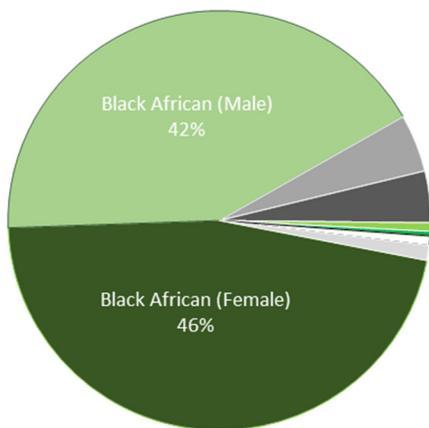
📍 The **Covid-19 pandemic** has exposed the devastating impact, and the political, social and economic implications, of deeply entrenched global and domestic socio-economic inequalities. Since the start of South Africa’s ‘hard lockdown’ in March 2020, **women have accounted for around two-thirds** of the approximately three million **net job losses**, thus increasing the gender gap in the formal and informal economy.

📍 **Youth** (aged 15 to 34) account for more than **two-thirds** of the total number of **unemployed persons**, the majority of whom are young black African women.



Despite being means-tested and targeted at individuals, the social grant system supports 44% of South Africa's multigenerational households, with female-headed households being the predominant beneficiaries. But the vast majority of South African women continue to survive under precarious economic conditions. Thus, the social grant system exists alongside systems that reproduce patriarchy, socio-economic inequalities and gender-based discrimination.

The majority of grant beneficiaries in 2018 were black women



- Black African (Female)
- Black African (Male)
- Coloured (Female)
- Coloured (Male)
- Indian / Asian (Female)
- Indian / Asian (Male)
- Other, incl. White (Female)
- Other, incl. White (Male)

Source: StatsSA General Household Surveys (author's calculations)

📍 HIV/Aids continues to affect women disproportionately. In 2018, **4.7 million** of the 7.5 million **adults living with HIV** were **women**, with new HIV infections among young women aged 15 to 24 more than double those of young men.

📍 The emergence of **the on-demand economy** through the use of digital mobile technologies has been marketed as a flexible work option that can provide better remuneration for younger workers who are in precarious economic circumstances. Yet in South Africa, the legal measures to improve paid work, which include **social protection benefits, are undermined when workers are not classified as employees, as is often the case for platform economy workers.** The growing popularity of on-demand digital platforms (largely because of their convenience) for consumers who often constitute society's elite has further reconfigured structural barriers to women's economic autonomy. Debates around the benefits of work in the digital age pay insufficient attention to global inequalities in the structures of governance, flow of information, financial capital, economic opportunities, technologies and human capital that will shape the nature and availability of work, particularly for African women, in the future.

📍 With a view to addressing South Africa's historical inequalities, the **state has introduced an expansive social grant system, with at least two-thirds of all unconditional cash transfers going to those in the bottom 40% of income** distribution.

- 📍 Grants include:
- 📍 a child support grant for children under the age of 18;
 - 📍 a care dependency grant
 - 📍 a foster child grant
 - 📍 a disability grant
 - 📍 an older person's grant
 - 📍 the war veteran's grant
 - 📍 the grant-in-aid.



Workers in the formal economy are able to access short-term unemployment insurance and compensation for occupational health and diseases as stipulated by the Labour Relations Act of 1995, the Employment Equity Act of 1998, and the Basic Conditions of Employment Act of 1997. **However, access to the unemployment insurance fund (UIF) is limited to short-term relief at a maximum of 60% of previous remuneration for persons who were employed** but have been dismissed or are unable to work because of maternity leave, adoption leave or illness. It includes domestic workers and seasonal workers.

Similarly, **claims for occupational injuries** or diseases are limited to the employee's course of employment and are capped based on a sliding scale dependent on the severity of the injury.

While the promulgation of the 2018 National **Minimum Wage** Act was a significant advance in protecting all workers from historical exploitation and unreasonably low wages, its application is also limited to recognised employment relationships in the formal sector of the economy.

Research problem and question

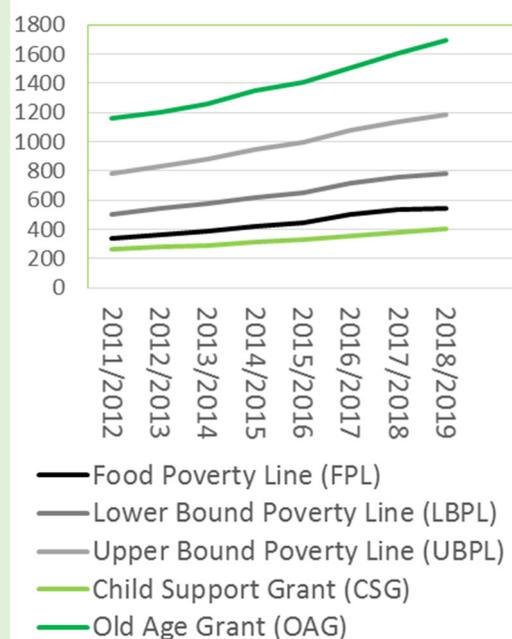
Through an interdisciplinary lens, the paper investigates the gendered nexus between social policy and constitutionally protected socio-economic rights to analyse how multiple forms of discrimination perpetuate exclusion of historically marginalized groups, particularly black African women, in post-apartheid South Africa.

How does the conceptualization and implementation of social protection policies serve to simultaneously confront and reproduce the power structures that sustain structural inequality in South Africa?

Key arguments and main findings

Social protection programmes have helped millions of households to not fall deeper into poverty. From 1994 to **2019, social assistance in the form of cash transfers increased from roughly two million to more than 17.8 million beneficiaries, benefitting 31% of the population.** An additional 2.1 million beneficiaries were added during the 2017/18 financial year alone. The child support grant has the most beneficiaries (more than 12 million) followed by the older person's grant (just over 3.5 million beneficiaries).

The child support grant has consistently fallen below the food poverty line



Unfortunately, **the level of social grants is insufficient to meet households' reproductive needs** and thus undermines the grants' very objectives. In March **2019, the grant increased by 1.72%** from the previous financial year – **significantly less than the inflation rate of 4%** over that period.



📍 **UIF payments cover fewer than 5% of all unemployed people.** Many are excluded from UIF, or have not worked long enough to accumulate meaningful compensation. The proportion of the UIF's wealthier claimants exceeds that of their poorer counterparts. Women, youth, and those with lower education levels remain under-represented.

📍 **Digitalisation of cash transfers combined with the 'marketisation of governance'** has trapped grant beneficiaries in **cycles of credit and debt.** With the centralisation of the social protection system, the 'marketisation of governance' has led to outsourcing state functions to private multinational corporations without meaningful public consultation around the associated financial implications for beneficiaries.

📍 **Black African women** in particular have been **vulnerable to predatory credit regimes** enlisted by third-party contractors. **By distributing beneficiary biometric data,** rather than servicing basic needs and providing for their families, the **social grant system has become a tool to exploit marginalised communities** who are sold **disadvantageous financial goods and services.**

📍 This is **despite government investing extensive state resources** towards realising its constitutional obligations and international development goals. Instead of enabling equitable participation in society, the credit relationships facilitated through the grant system significantly undermine the gains the state seeks to achieve.

Considerations and relevant policy recommendations

📍 Comprehensive social protection requires an approach that is not only efficient and pragmatic, but also substantively inclusive, equitable and participatory. It needs to be driven by the aim of dismantling power relations that reproduce structural inequalities. Social protection alone is insufficient to address the complexity of challenges associated with structural inequality. It needs to be linked to labour market policies which aim to improve conditions of work and remuneration for black African women in South Africa.

📍 There are calls for a **Universal Basic Income Grant (UBIG)** which would benefit the market economy via increased consumption, thus expanding the potential for further job creation. In the digital economy, UBIGs are considered essential to supplement citizen income to compensate increasing job losses. However, their effectiveness depends on broader reforms that include labour, social and consumer protections beyond mere technocratic and pragmatic interventions.

📍 **A UBIG cannot be an effective mechanism to confront poverty and inequality within the context of austerity,** despite protections afforded by the South African constitution, which obligates the state to advance dignity, equality and social justice for all.

📍 A UBIG therefore needs to be **universally accessible without being subject to means-testing** or other conditions.

📍 Access to **gainful employment should not remove eligibility** for the UBIG.

📍 **Tax earned above a threshold** from individuals **ought to be redistributed** to ensure a reduction in income inequality and adequately confront the numerous and intersectional structural inequalities in South Africa.

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