

Press Release

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South African Institute of Race Relations
The power of ideas

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Residents of Gauteng metros least reliant on grants

Households in Gauteng's three metropolitan areas rely less on social grants than those in the five metropolitan areas located in other provinces. This is according to the 2018 *South Africa Survey*, published by the Institute of Race Relations (IRR).

The proportions of households receiving social grants in Johannesburg (29.4%), Tshwane (30.3%) and Ekurhuleni (31.2%) fall below the average of 33.8% for South Africa's eight metros and are significantly lower than the national average of 44.8%. After the Gauteng metros, Cape Town is at fourth place, with 35% of households receiving social grants.

According to IRR analyst Gerbrandt van Heerden, Gauteng's metros, which account for 87% of the province's population, can attribute their relatively lower dependency on social grants to the fact that the province is the single largest contributor to South Africa's economy.

The reduced reliance on social grants in Gauteng is influenced by:

- A labour absorption rate of 52.6% in Johannesburg, 51.6% in Tshwane and 50.1% in Ekurhuleni in 2017 – higher than in any other metropolitan area except Cape Town, which has a rate of 53.9%.
- A provincial expanded unemployment rate in 2017 (this includes people who have given up looking for work) of 32.9% – far lower than in any other province except the Western Cape, which has a rate of 24.6%.
- The proportion of people spending R10 000 or more per month, which is about twice as high in Gauteng as in seven other provinces.
- The proportion of adults with a degree or higher qualification, which is 8% in Gauteng, compared to the national average of 4.9%.

Van Heerden adds: 'Two of Gauteng's metros showed a decline in households receiving social grants. The proportion of households receiving social grants in Ekurhuleni fell from 31.6% in 2015 to 31.2% in 2016, while Tshwane saw a drop from 30.9% to 30.3% during the same period. This is in contrast to metros such as Buffalo City in the Eastern Cape and Mangaung in the Free State (both with a rates above 40%) which saw increases.'

Van Heerden says the government needs to focus on re-energising the economies of South Africa's other cities in order to encourage job growth and minimise reliance on state assistance.

Ends.