

# FreeFACTS

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## Welfare safety net necessary but is it sustainable?

**South Africa is often described as having one of the most comprehensive welfare safety nets in the developing world.**

In 2021/22, there were about 18 million social grants being paid out to 11 million people – this number increases when the Social Relief of Distress (SRD) grant (also known as the Covid grant) is included.

This edition of *FreeFACTS* looks at the issue of social grants in South Africa.

It shows that the number of people receiving social grants has grown at a rapid pace in South Africa. The social grant dependency ratio (the number of people employed compared to the number of social grants paid out) has also changed significantly.

In 2001 there were over 300 working people for every 100 social grant paid out. In 2002 there were 53 working people for every 100 social grants. This number was slightly skewed because of the SRD grant, but in 2021, without the SRD grant the ratio of employed people to social grants was 81 to 100.

However, this is simply not sustainable.

While it is laudable that South Africa has a safety net for the less fortunate the number of social grants and the number of people who receive them should be declining, not increasing.

Social grants in South Africa are barely enough to keep someone out of poverty. The only truly sustainable way of lifting and keeping people out of poverty is through employment.

Jobs are not only a way of letting someone provide for themselves and their family but is often the key to seeing someone move up the socio-economic ladder. Being in work can often see other opportunities open to people, through learning new skills and so on.

The fact that South Africa has a social welfare system which helps people to survive is laudable but it should not be thoughtlessly celebrated.

South Africa will have a reason to celebrate when the number of people on social grants starts decreasing at a rapid rate because they are receiving income from an employer, rather than the government.

— **Marius Roodt**

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The IRR is an advocacy group that fights for your right to make decisions about your life, family and business, free from unnecessary government, political, and bureaucratic interference. FreeFACTS publishes evidence that communities are better off when individuals are free to make decisions about how they want to live, be educated, work, access healthcare, think, speak, own property, and protect their communities. If you agree with the issues we stand for, welcome to the team. There are millions of people just like you who are tired of South African politicians, activists, and commentators attempting to rein in your freedom to decide. Take control and make sure your voice is heard by becoming a friend of the IRR.

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## Social Grants

Grant types and beneficiaries								
Social grants, 1996/97-2022/23								
Year <sup>a</sup>	Old-age pension	War veterans	Disability	Grant-in-aid	Care dependency	Foster care	Child support	Total
1996/97	1 637 934	13 473	711 629	—	2 707	42 999	—	2 408 742
1997/98	1 697 725	10 525	660 528	9 183	8 172	43 520	—	2 429 653
1998/99	1 812 695	9 197	633 778	8 496	16 835	46 496	21 997	2 549 494
1999/2000	1 848 726	7 908	607 537	8 570	22 789	49 843	150 366	2 695 739
2000/01	1 900 406	5 617	655 822	10 107	33 574	66 967	1 111 612	3 784 105
2001/02	1 903 042	5 336	694 232	10 332	34 978	67 817	1 277 396	3 993 133
2002/03	1 943 348	4 638	840 424	12 625	42 335	83 574	1 998 936	4 925 880
2003/04	2 050 572	3 996	1 228 231	17 528	76 494	120 571	2 996 723	6 494 115
2004/05	2 124 984	2 963	1 293 280	25 667	86 917	195 454	4 165 545	7 894 810
2005/06	2 146 344	2 817	1 315 143	26 960	90 112	317 434	7 075 266	10 974 076
2006/07	2 195 018	2 340	1 422 808	31 918	98 631	400 503	7 863 841	12 015 059
2007/08	2 229 550	1 924	1 408 456	37 343	102 292	454 199	8 189 975	12 423 739
2008/09	2 390 543	1 500	1 286 883	46 069	107 065	474 759	8 765 354	13 072 173
2009/10	2 546 657	1 216	1 264 477	53 237	110 731	510 760	9 570 287	14 057 365
2010/11	2 678 554	958	1 200 898	58 413	112 185	512 874	10 371 950	14 935 832
2011/12	2 750 857	753	1 198 131	66 493	114 993	536 747	10 927 731	15 595 705
2012/13	2 873 197	587	1 164 192	73 719	120 268	532 159	11 341 988	16 106 110
2013/14	2 969 933	429	1 120 419	83 059	120 632	512 055	11 125 946	15 932 473
2014/15	3 086 851	326	1 112 663	113 087	126 777	499 774	11 703 165	16 642 643
2015/16	3 194 087	245	1 085 541	137 806	131 040	470 015	11 972 900	16 991 634
2016/17	3 302 202	176	1 067 176	164 349	144 952	440 295	12 081 375	17 200 525
2017/18	3 423 337	134	1 061 866	192 091	147 467	416 016	12 269 094	17 509 995
2018/19	3 553 137	92	1 048 255	221 989	150 001	386 019	12 452 072	17 811 745
2019/20	3 676 791	62	1 042 025	273 922	154 735	355 609	12 787 448	18 290 592
2020/21 <sup>b</sup>	3 711 169	27	1 054 288	272 637	148 295	342 318	12 910 451	18 439 185
2021/22 <sup>c</sup>	3 782 522	25	1 015 315	287 259	153 746	301 806	13 164 611	18 705 284
2022/23 <sup>d</sup>	3 886 708	15	1 035 437	328 507	156 982	274 130	13 147 937	18 829 716

Source: The Presidency, *Development Indicators 2008*, p28; SASSA, *Fact Sheet: Issue no. 1 of 2022*, 30 April 2022, *Issue no. 3 of 2023*, 31 March 2023

<sup>a</sup> As at 31 March of each year.

<sup>b</sup> As at 30 September 2021.

<sup>c</sup> As at 30 April 2022.

<sup>d</sup> As at 31 March 2023.

**Old-age pensions** provide income support to persons above the age of 60 earning an annual income below R97 320 (R8 110 per month) if single and R194 640 (R16 220 per month) if married, and whose assets do not exceed R1 379 400 if single and R2 758 800 if married. Beneficiaries must not be maintained or cared for in a state institution, and should not be in receipt of another social grant.

**War veterans grants** provide income support to persons who fought in World War II and/or the Korean War earning an annual income below R97 320 (R8 110 per month) if single and R194 640 (R16 220 per month) if married, and whose assets do not exceed R1 379 400 if single and R2 758 800 if married. Beneficiaries must not be maintained or cared for in a state institution, and should not be in receipt of another social grant.

**Disability grants** provide income support for persons with permanent or temporary disabilities earning an annual income below R97 320 (R8 110 per month) if single and R194 640 (R16 220 per month) if married, and whose assets do not exceed R1 379 400 if single and R2 758 800 if married. Beneficiaries must not be maintained or cared for in a state institution, and should not be in receipt of another social grant. Foster care grants are for children placed in foster care through court orders in terms of the Children's Act of 2005.

**Care dependency grants** provide income support to parents and caregivers supporting a child who is mentally or physically disabled where they earn an annual income below R250 800 (R20 900 per month) if single and R501 600 (R41 800 per month) if married.

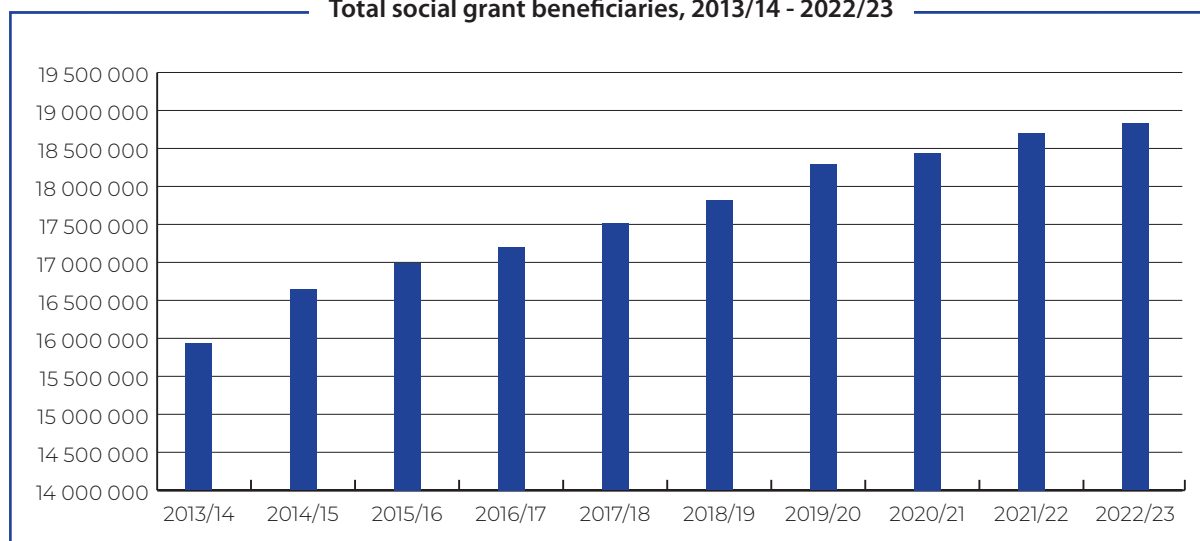
**Child support grants** provide income support to primary caregivers of children under the age of 18 where the caregiver earns an annual income below R61 200 (R5 100 per month) if single and R122 400 (R10 200 per month) if married.

**The grant-in-aid** is an additional grant to the recipients of the old-age pension, disability grant, and war veterans grant who require regular attendance from another person owing to their physical or mental condition.

All beneficiaries of social grants must be South African citizens or permanent residents, and must be resident in South Africa.

## Social Grants

Total social grant beneficiaries, 2013/14 - 2022/23



Change in social grants (year-on-year), 1999/2000 - 2022/23

Year <sup>a</sup>	Old-age pension	War veterans	Disability	Grant-in-aid	Care dependency	Foster care	Child support	Total
1999/2000	2,0%	-14,0%	-4,1%	0,9%	35,4%	7,2%	583,6%	5,7%
2000/01	2,8%	-29,0%	7,9%	17,9%	47,3%	34,4%	639,3%	40,4%
2001/02	0,1%	-5,0%	5,9%	2,2%	4,2%	1,3%	14,9%	5,5%
2002/03	2,1%	-13,1%	21,1%	22,2%	21,0%	23,2%	56,5%	23,4%
2003/04	5,5%	-13,8%	46,1%	38,8%	80,7%	44,3%	49,9%	31,8%
2004/05	3,6%	-25,9%	5,3%	46,4%	13,6%	62,1%	39,0%	21,6%
2005/06	1,0%	-4,9%	1,7%	5,0%	3,7%	62,4%	69,9%	39,0%
2006/07	2,3%	-16,9%	8,2%	18,4%	9,5%	26,2%	11,1%	9,5%
2007/08	1,6%	-17,8%	-1,0%	17,0%	3,7%	13,4%	4,1%	3,4%
2008/09	7,2%	-22,0%	-8,6%	23,4%	4,7%	4,5%	7,0%	5,2%
2009/10	6,5%	-18,9%	-1,7%	15,6%	3,4%	7,6%	9,2%	7,5%
2010/11	5,2%	-21,2%	-5,0%	9,7%	1,3%	0,4%	8,4%	6,2%
2011/12	2,7%	-21,4%	-0,2%	13,8%	2,5%	4,7%	5,4%	4,4%
2012/13	4,4%	-22,0%	-2,8%	10,9%	4,6%	-0,9%	3,8%	3,3%
2013/14	3,4%	-26,9%	-3,8%	12,7%	0,3%	-3,8%	-1,9%	-1,1%
2014/15	3,9%	-24,0%	-0,7%	36,2%	5,1%	-2,4%	5,2%	4,5%
2015/16	3,5%	-24,8%	-2,4%	21,9%	3,4%	-6,0%	2,3%	2,1%
2016/17	3,4%	-28,2%	-1,7%	19,3%	10,6%	-6,3%	0,9%	1,2%
2017/18	3,7%	-23,9%	-0,5%	16,9%	1,7%	-5,5%	1,6%	1,8%
2018/19	3,8%	-31,3%	-1,3%	15,6%	1,7%	-7,2%	1,5%	1,7%
2019/20	3,5%	-32,6%	-0,6%	23,4%	3,2%	-7,9%	2,7%	2,7%
2020/21 <sup>b</sup>	0,9%	-56,5%	1,2%	-0,5%	-4,2%	-3,7%	1,0%	0,8%
2021/22 <sup>c</sup>	1,9%	-7,4%	-3,7%	5,4%	3,7%	-11,8%	2,0%	1,4%
2022/23 <sup>d</sup>	2,8%	-40,0%	2,0%	14,4%	2,1%	-9,2%	-0,1%	0,7%

Source: The Presidency, *Development Indicators 2008*, p28; SASSA, *Fact Sheet: Issue no. 1 of 2022*, 30 April 2022, *Issue no. 3 of 2023*, 31 March 2023

<sup>a</sup> As at 31 March of each year.

<sup>b</sup> As at 30 September 2021.

<sup>c</sup> As at 30 April 2022.

<sup>d</sup> As at 31 March 2023.

## Social Grants

Type of grant as a proportion of total <sup>a</sup> , 2001-2022/23				
Type of grant	2001	2005	2010	2022/23 <sup>b</sup>
Care dependency	1,0%	1,1%	0,9%	0,8%
Child support	23,0%	48,6%	68,1%	69,8%
Disability	19,0%	18,6%	9,4%	5,5%
Foster care	2,0%	2,0%	3,6%	1,5%
Grant-in-aid	N/A	N/A	N/A	1,7%
Old-age pension	55,0%	29,5%	18,1%	20,6%
War veterans	0,0%	0,0%	0,0%	0,0%
<b>Total<sup>c</sup></b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>

*Source:* Department of Social Development, personal communication from Jane Jooste, 23 May 2005; National Treasury, *Estimates of National Expenditure 2001*, p404; SASSA, *Fact Sheet: Issue no. 1 of 2022*, 30 April 2022, *Issue no. 3 of 2023*, 31 March 2023

<sup>a</sup> IRR calculations.

<sup>b</sup> Figures as at March 2023.

<sup>c</sup> Figures should add up vertically but may not, owing to rounding.  
N/A — Not available.

Social grant beneficiaries <sup>a</sup> by province, 2021/22				
Province	Number of beneficiaries	Share of total <sup>b</sup>	Share of provincial population <sup>c</sup>	Share of national population
Eastern Cape	1 720 429	14,8%	25,8%	11,0%
Free State	675 744	5,8%	23,1%	4,8%
Gauteng	1 959 018	16,9%	12,2%	26,6%
KwaZulu-Natal	2 459 911	21,2%	21,3%	19,0%
Limpopo	1 599 249	13,8%	26,9%	9,8%
Mpumalanga	963 201	8,3%	20,4%	7,8%
North West	807 226	6,9%	19,3%	6,9%
Northern Cape	303 109	2,6%	23,2%	2,2%
Western Cape	1 130 678	9,7%	15,7%	11,9%
<b>South Africa<sup>d</sup></b>	<b>11 618 565</b>	<b>100,0%</b>	<b>19,2%</b>	<b>100,0%</b>

*Source:* SASSA, *Statistical Report: Payment System*, December 2022, Table 8, p18; Statistics South Africa (Stats SA), *Mid-year population estimates 2022*, Statistical release P0302, 28 July 2022, Table 11, pp31-32

<sup>a</sup> As at July 2022.

<sup>b</sup> IRR calculations. For example, in 2021/22, 14.8% of all grant beneficiaries in South Africa were living in the Eastern Cape.

<sup>c</sup> IRR calculations. For example, in 2021/22, the number of grant beneficiaries in the Eastern Cape accounted for 25.8% of that province's population.

<sup>d</sup> IRR calculations. Figures should add up vertically but may not, owing to rounding.

## Social Grants

Social grants by province <sup>a</sup> , 2020/21				
Province	Number <sup>b</sup>	Share of total grants <sup>c</sup>	Share of provincial population <sup>d</sup>	Share of national population <sup>e</sup>
Eastern Cape	2 848 158	15,4%	42,7%	11,1%
Free State	1 042 416	5,7%	35,5%	4,9%
Gauteng	2 848 069	15,4%	18,0%	26,3%
KwaZulu-Natal	4 074 180	22,1%	35,4%	19,1%
Limpopo	2 649 452	14,4%	44,7%	9,9%
Mpumalanga	1 557 505	8,4%	32,8%	7,9%
North West	1 270 537	6,9%	30,8%	6,9%
Northern Cape	501 618	2,7%	38,5%	2,2%
Western Cape	1 647 250	9,2%	23,2%	11,8%
<b>South Africa</b>	<b>18 439 185</b>	<b>100,0%</b>	<b>30,7%</b>	<b>100,0%</b>

*Source:* SASSA, *Statistical Report: Payment System*, September 2021, Table 2, p8; Statistics South Africa (Stats SA), *Mid-year population estimates 2021*, Statistical release P0302, 19 July 2021, Table 11, pp27-28  
<sup>a</sup> As at September 2020/21.

<sup>b</sup> Figures on grants are obtained from different sources. Therefore, there are discrepancies as a result of different source methodologies. However, these are only slight and the similarity in trends remains evident.

<sup>c</sup> IRR calculations. For example, in 2020/21, 15.4% of all grants in South Africa were allocated to people living in the Eastern Cape.

<sup>d</sup> IRR calculations. For example, in 2020/21, the number of grants in the Eastern Cape accounted for 42.7% of that province's population.

<sup>e</sup> IRR calculations. Figures should add up vertically but may not, owing to rounding. have an average of 2.91 children each, if they bear children.

## Social Grants

### Social grants as a proportion of the total population, 1996-2021/22

Year	Number <sup>a</sup>	Proportion <sup>b</sup>	Households benefitting from social grants
1996	2 420 538	6,0%	N/A
1998/99	2 540 998	5,9%	N/A
2001	3 993 133	9,0%	N/A
2002	4 925 900	10,8%	N/A
2003	6 494 115	14,0%	29,9%
2004	7 894 810	16,9%	34,6%
2005	10 974 076	23,4%	37,4%
2006	12 015 059	25,4%	37,6%
2007	12 423 739	26,0%	39,4%
2008	13 072 173	26,8%	42,5%
2009	14 057 365	28,5%	45,3%
2010	14 935 832	29,9%	44,3%
2011	15 595 705	30,1%	44,1%
2012	16 106 110	30,8%	43,6%
2013	15 932 473	30,1%	45,5%
2014	16 443 196	30,4%	44,5%
2015	16 780 488	30,5%	45,5%
2016	17 094 331	30,6%	44,8%
2017	17 229 386	30,5%	43,8%
2018/19	17 811 745	30,9%	44,3%
2019/20	18 290 592	31,1%	45,5%
2020/21	18 439 185	30,7%	50,6%
2021/22	18 705 284	30,9%	—

*Source:* National Treasury, *Estimates of National Expenditure 2013*, 24 February 2013; SASSA, *Fact Sheet: Issue No. 2 of 2016*, 29 February 2016; *Fact sheet: Issue no.4 of 2018*, 30 April 2018; SASSA, *Fact Sheet: Issue no. 1 of 2022*, 30 April 2022; Stats SA, *General Household Survey 2021*, Statistical release P0302, Figure 7.1, 23 June 2022

<sup>a</sup> Figures on grants are obtained from different sources. Therefore, there are discrepancies as a result of different source methodologies. However, these are only slight and the similarity in trends remains evident.

<sup>b</sup> IRR calculations.

N/A — Not available.

### Households receiving social grants by metropolitan area, 2015-21

Metropolitan area	2015	2018	2019	2020	2021	Change 2015-21
Buffalo City Metropolitan	43,2%	47,9%	53,7%	54,2%	62,2%	44,0%
Cape Town Metropolitan	33,3%	35,4%	32,6%	42,3%	37,3%	12,0%
Ekurhuleni Metropolitan	31,6%	30,8%	33,8%	42,2%	36,6%	15,8%
eThekweni Metropolitan	40,3%	41,7%	36,3%	40,0%	41,3%	2,5%
Johannesburg Metropolitan	29,1%	29,0%	29,4%	39,1%	39,1%	34,4%
Mangaung Metropolitan	41,6%	43,1%	51,5%	42,5%	42,4%	1,9%
Nelson Mandela Bay Metropolitan	50,1%	45,4%	45,0%	48,0%	48,0%	-4,2%
Tshwane Metropolitan	30,9%	27,5%	28,8%	34,3%	36,1%	16,8%
<b>All metropolitan areas</b>	<b>34,1%</b>	<b>34,0%</b>	<b>33,9%</b>	<b>40,5%</b>	<b>38,9%</b>	<b>14,1%</b>

*Source:* Stats SA, *General Household Survey 2015*, Statistical release P0318, 2 June 2016, Figure 26, p27; *General Household Survey 2018*, Statistical release P0318, 28 May 2019, Figure 7.3, p31; *General Household Survey 2019*, Statistical release P0318, 17 December 2020, Figure 7.3, p31; *General Household Survey 2020*, Statistical release P0318, 2 December 2021, Figure 7.6, p29; *General Household Survey 2021*, Statistical release P0318, 23 June 2022, Figure 7.4, p28

## Social Grants

Social grants and government expenditure, 2001/02-2022/23			
Year	Grant <sup>a</sup> expenditure	Consolidated government expenditure	Grant expenditure as a proportion of total government expenditure
	—Rbn—		
2001/02	32	257	12,5%
2011	98	979	10,0%
2012	105	1 060	9,9%
2013	113	1 150	9,8%
2014	121	1 250	9,7%
2015	147	1 350	10,9%
2016	154	1 381	11,2%
2017	165	1 445	11,4%
2018	178	1 558	11,4%
2019	193	1 665	11,6%
2020	208	1 844	11,3%
2021	257	2 052	12,5%
2021/22	259	2 077	12,5%
2022/23	264	2 169	12,2%

*Source:* South Africa Survey 2001/02; National Treasury, *Budget Review 2010*, February 2010; *Budget Review 2011*, February 2011; *Budget Review 2012*, February 2012; *Budget Review 2013*, February 2013; *Budget Review 2014*, February 2014; *Budget Review 2019*, 20 February 2019, Table 5.6, p54; *Budget Review 2021*, 24 February 2021, Table 5.6, p58; *Budget Review 2023*, 22 February 2023, Table 5.4, p58

<sup>a</sup> Excludes South African Social Security Authority administration costs.

## Social Grants

Social grant dependency, 2001-22				
Year	Employed people <sup>a</sup>	Unemployed people <sup>b</sup>	Number of social grants	Social grant dependency ratio <sup>c</sup>
2001	12 494 000	4 081 000	3 993 133	313 to 100
2002	11 995 000	4 603 000	4 925 900	244 to 100
2003	11 666 000	4 843 000	6 494 115	180 to 100
2004	11 823 000	4 231 000	7 894 810	150 to 100
2005	12 503 000	3 993 000	10 974 076	114 to 100
2006	13 237 000	3 984 000	12 015 059	110 to 100
2007	13 236 000	4 119 000	12 423 739	107 to 100
2008	14 584 000	4 267 000	13 072 173	112 to 100
2009	14 357 000	4 341 000	14 057 365	102 to 100
2010	13 809 000	4 622 000	14 935 832	92 to 100
2011	13 922 000	4 782 000	15 595 705	89 to 100
2012	14 330 000	4 721 000	16 106 110	89 to 100
2013	14 692 000	4 972 000	15 932 473	92 to 100
2014	15 094 000	5 154 000	16 443 196	92 to 100
2015	15 657 000	5 230 000	16 780 488	93 to 100
2016	15 545 000	5 634 000	17 094 331	91 to 100
2017	16 100 000	6 177 000	17 229 386	93 to 100
2018	16 288 000	6 083 000	17 811 745	91 to 100
2019	16 313 000	6 655 000	18 138 552	90 to 100
2020	14 148 000	4 295 000	18 290 592	77 to 100
2021	14 942 000	7 826 000	18 439 185	81 to 100
2022 <sup>d</sup>	15 562 000	7 994 000	29 340 572	53 to 100
<b>2001-22</b>	<b>24,6%</b>	<b>95,9%</b>	<b>634,8%</b>	—

Source: SASSA, *Statistical Report: Social assistance*, September 2022, Table 1, p6

<sup>a</sup> From 2001 to 2007 the data is based on the *Labour Force Survey Historical Revision March Series*. From 2008 to 2015 the data is based on the *Quarterly Labour Force Survey Historical revisions* of the QLFS 2008 to 2014, and refers to the second quarter.

<sup>b</sup> Based on the official definition of unemployment.

<sup>c</sup> IRR calculations. For example, in 2001, there were 313 employed people per 100 social grants and in 2021, 81 employed for every 100 social grants.

<sup>d</sup> This figure includes the total number of SRD grant applications approved by March 2022.