

# South Africa's social protection response to the COVID-19 pandemic

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**The COVID-19 pandemic** and the associated economic crisis severely impinge on the livelihoods of millions of households and threaten to leave lasting scars on countries' socio-economic landscapes. To combat the fallout for the most vulnerable people in society, South Africa initiated one of the largest social protection initiatives in sub-Saharan Africa. This One Pager summarises the key components of South Africa's social protection response to COVID-19, as well as the specific challenges posed by the pandemic.

After the first case of COVID-19 in South Africa was detected on 5 March 2020, the President announced a full nationwide lockdown starting on 26 March. The comparatively strict measures included the closure of all non-essential businesses, resulting in job losses in the formal sector. Further, citizens were not permitted to leave their homes, except for essential tasks, which shut down much of South Africa's informal economy. According to United Nations Development Programme (UNDP) estimates, the country's overall gross domestic product (GDP) could contract by up to 8 per cent in 2020, and up to 34 per cent of households are likely to exit South Africa's emerging middle class as a result of the pandemic (UNDP South Africa 2020).

Social protection has been an integral component of South Africa's response to the crisis. Building on the country's long-standing and well-developed social protection framework, the government adopted a two-pronged and largely cash-based approach, consisting of both social security and social assistance measures.

For workers in the formal sector, the existing Temporary Employee Employer Relief Scheme (TERS) was revised and extended to provide financial support to employees who had been laid off due to the pandemic. Initially launched in 2019 and administered by the Unemployment Insurance Fund, TERS permitted businesses in financial distress to lay off workers temporarily while they received professional training and were paid a training allowance. Under the new scheme, employers could claim financial support for their employees amounting to up to 60 per cent of their regular salary, calculated on a sliding scale. Initially disbursed through employers, payments were later made directly to employees in response to irregularities and delays in the payment process. As of October 2020, a total of ZAR51 billion (USD3.46 billion) had been disbursed to workers of over 1 million companies. In light of the prolonged impact of the pandemic, the scheme was extended until 31 December 2020.

As for social grants, South Africa's 11.3 million social grant recipients benefited from top-up payments, starting in May 2020. Recipients of the Child Support Grant received an additional ZAR300 (USD20)

per child in the first month and ZAR500 (USD34) per caregiver for an additional five months, whereas recipients of other grants received a ZAR250 (USD17) monthly top-up for a period of six months. Using existing beneficiary lists and payment channels, the top-up payments were rolled out quickly and effectively.

Further, South Africa introduced a new temporary cash transfer for unemployed working-age individuals in response to the pandemic. The COVID-19 Social Relief of Distress (SRD) grant, amounting to ZAR350 (USD24) per month, was implemented by South Africa's Social Security Agency, which also administers the country's other social grant programmes. The grant was paid to South African citizens, permanent residents and registered refugees over the age of 18 who were unemployed and not receiving unemployment benefits, social grants or any other form of government support. Announced on 21 April 2020 and set to run for six months, the programme was later extended until 31 January 2021. Initially, the scheme suffered from various 'teething problems' related to its online application portal, its complex verification process and its payment system, leading to payment delays and the rejection of eligible beneficiaries. However, by the end of October 2020, South Africa's first temporary basic income grant had successfully been rolled out to 6 million individuals.

Additional social protection measures included relief funds for artists, athletes, technical personnel and registered tourist guides, implemented through the respective government departments. Credit restructuring, payment relief and additional loans were made available to individuals and businesses through the banking sector, although take-up was lower than expected. Finally, food parcels were distributed by the South African Social Security Agency and the Department of Social Development to bridge the gap until the launch of the SRD grant. However, the country's overall food aid response was limited, especially in light of the suspension of the school feeding scheme (which provides daily meals to 12 million pupils) during several months of lockdown-related school closures.

In summary, South Africa's social protection response to COVID-19 was comprehensive in comparison to most other African countries, although it largely relied on cash-based measures. Unlike other African countries, in-kind aid and subsidies did not play a significant role in South Africa's pandemic response. By leveraging existing social protection structures, the government managed to reach a considerable number of vulnerable citizens with cash-based relief measures, some of which have already been extended beyond the initial emergency response.

*Reference:*  
UNDP South Africa. 2020. *COVID-19 in South Africa: Socio-Economic Impact Assessment*. Pretoria: United Nations Development Programme.