

Social Grants and Livelihoods

An analysis of NIDS waves 1 and 5 (2008 and 2017) and NIDS-CRAM wave 1 and wave 5 (2020 and 2021)

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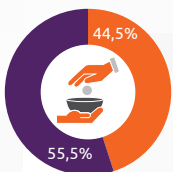


Nearly one fifth of the people living in developing countries receive at least one form of social assistance, according to the World Bank¹.

South Africa has one of the largest social assistance programmes in Africa². Grants play an important role in reducing income poverty and hunger and are mainly used to buy food. They improve child health, nutrition, schooling, and the financial empowerment of caregivers. An emerging body of evidence also suggests that grants are used to search for jobs, provide seed money to generate income, to make investments in education, for savings in stokvels and burial societies and limit the stress people experience as a result of economic hardships.

This infographic provides statistical data on the employment status of social grant beneficiaries, unemployment and engagement in informal employment.

An overview of grant recipients in South Africa



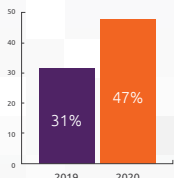
Despite the extensive coverage of the grants, nearly 55,5% of the population live below the national upper bound poverty line of R992³ in 2018.



10.5 million people receive the Social Relief of Distress Grant of R350 per month in 2022. In total more than 28 million people received social grants, which equates to 47% of the population.



The old Age Pension is provided to 3,7 million people in 2022.



31% of South Africans depended on grants for their basic needs (18 million people) before the Covid-19 pandemic and with the introduction of the SRD grant, 47% of the population rely on social grants.



The highest number of grant beneficiaries are in **KwaZulu-Natal (22%)**, **Limpopo (14%)** and **Eastern Cape (15%)**



The Child Support Grant has the highest number of recipients with 13 million children receiving this grant in 2022.

¹ World Bank. 2018. *The State of Social Safety Nets 2018*. Washington, DC: World Bank. Accessed October 16, 2018. <https://www.sipotra.it/wp-content/uploads/2018/02/The-State-of-Social-Safety-Nets-2018.pdf>

² World Bank. (2020). *Poverty and Equity Brief Sub-Saharan Africa: South Africa*. https://databankfiles.worldbank.org/data/download/poverty/33EF03BB-9722-4AE2-ABC7-AA2972D68AFE/Global_POVEQ_ZAF.pdf

³ South African Social Security Agency. (2022). *Annual Performance Plan 2022-2023*. Department of Social Development. https://static.pmg.org.za/SASSA_2022-23_Annual_Performance_Plan.pdf

⁴ South African Social Security Agency. (2019). *Annual Report 2018-2019*. Department of Social Development. https://static.pmg.org.za/SASSA_A-REPORT_20182019_WEB.pdf



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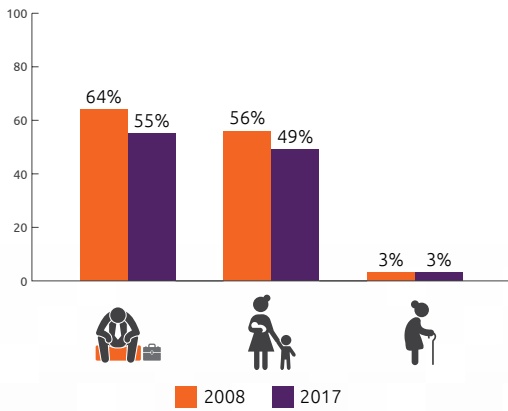
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Looking at the employment status of grant recipients

Using panel data from the National Income Dynamics Survey (NIDS) which has five waves conducted from 2008 to 2017 we have studied the livelihood activities of social grant beneficiaries in South Africa.

We define formal work as a job with a written contract, and if the individual is self-employed, their business is registered for tax. Informal work is a job without a written contract⁵.

Unemployment



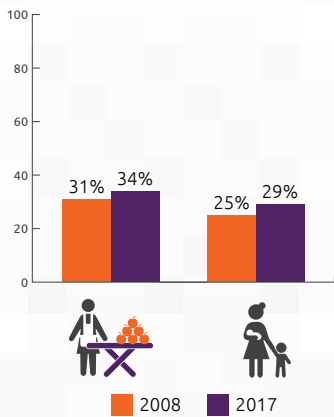
2008

- 64% of all grant beneficiaries were unemployed
- 56% of Child Support Grant recipients were unemployed
- 3% of Old Age Grant recipients were unemployed

2017

- 55% of all grant beneficiaries were unemployed
- 49% of Child Support Grant recipients were unemployed
- 3% of Old Age Grant recipients were unemployed

Informal employment



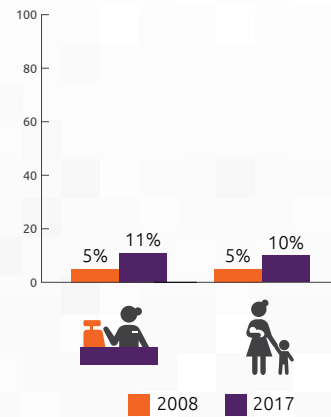
2008

- 31% of all grant beneficiaries were informally employed
- 25% of Child Support Grant recipients were informally employed

2017

- 34% of all grant beneficiaries were informally employed
- 29% of Child Support Grant recipients were informally employed

Formal employment



2008

- 5% of all grant beneficiaries were formally employed
- 5% of Child Support Grant recipients were formally employed. This means they have a regular job with benefits and have an employment contract.

2017

- 11% of all grant beneficiaries were formally employed
- 10% of Child Support Grant recipients were formally employed

Occupation type



- Two thirds of all employed beneficiaries work in elementary occupations.

Urban livelihoods



There is an increase in the number of grant beneficiaries employed in formal and informal work from 2008 to 2017.

2008

- 300% increase in formal employment of CSG recipients in urban areas from 2008 to 2017.









2017

- 88% increase in informal employment CSG beneficiaries in urban areas from 2008 to 2017.

⁵ The NIDS and NIDS CRAM data is based on the authors own analysis

How did Covid-19 impact the employment of grant recipients?

We studied the livelihood activities of grant beneficiaries in South Africa during Covid-19 and report on unemployment, informal employment and employment in 2020-2021.

Wave 1 NIDS-CRAM	Indicator	Wave 5 NIDS-CRAM
April 2020		March 2021
Unemployment		
61% of all grant beneficiaries were unemployed		51% of all grant beneficiaries were unemployed
40% of Child Support Grant recipients were unemployed		26% of Child Support Grant recipients were unemployed
8% of Old Age Grant recipients were unemployed		2% of Old Age Grant recipients were unemployed
Informal employment		
23% of all grant beneficiaries were employed		31% of all grant beneficiaries were informally employed
14% of Child Support Grant recipients were informally employed		14% of Child Support Grant recipients were informally employed
Formal employment		
16% of all grant beneficiaries were formally employed		18% of all grant beneficiaries were formally employed
14% of Child Support Grant recipients were formally employed		14% of Child Support Grant recipients were formally employed
0% of disability grant recipients were employed formally		5% of disability grant recipients were employed formally

For more detailed analysis read the full research brief on the [CSDA website](#) or the website of the [South African Research Chair in Welfare and Social Development](#) website.

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