

# Launch of the Regional Strategy for extending Social Protection

## Financing Social protection to building towards Agenda 2030

Department of Social Development  
17 November 2021



Building a Caring Society Together.

[www.dsd.gov.za](http://www.dsd.gov.za)



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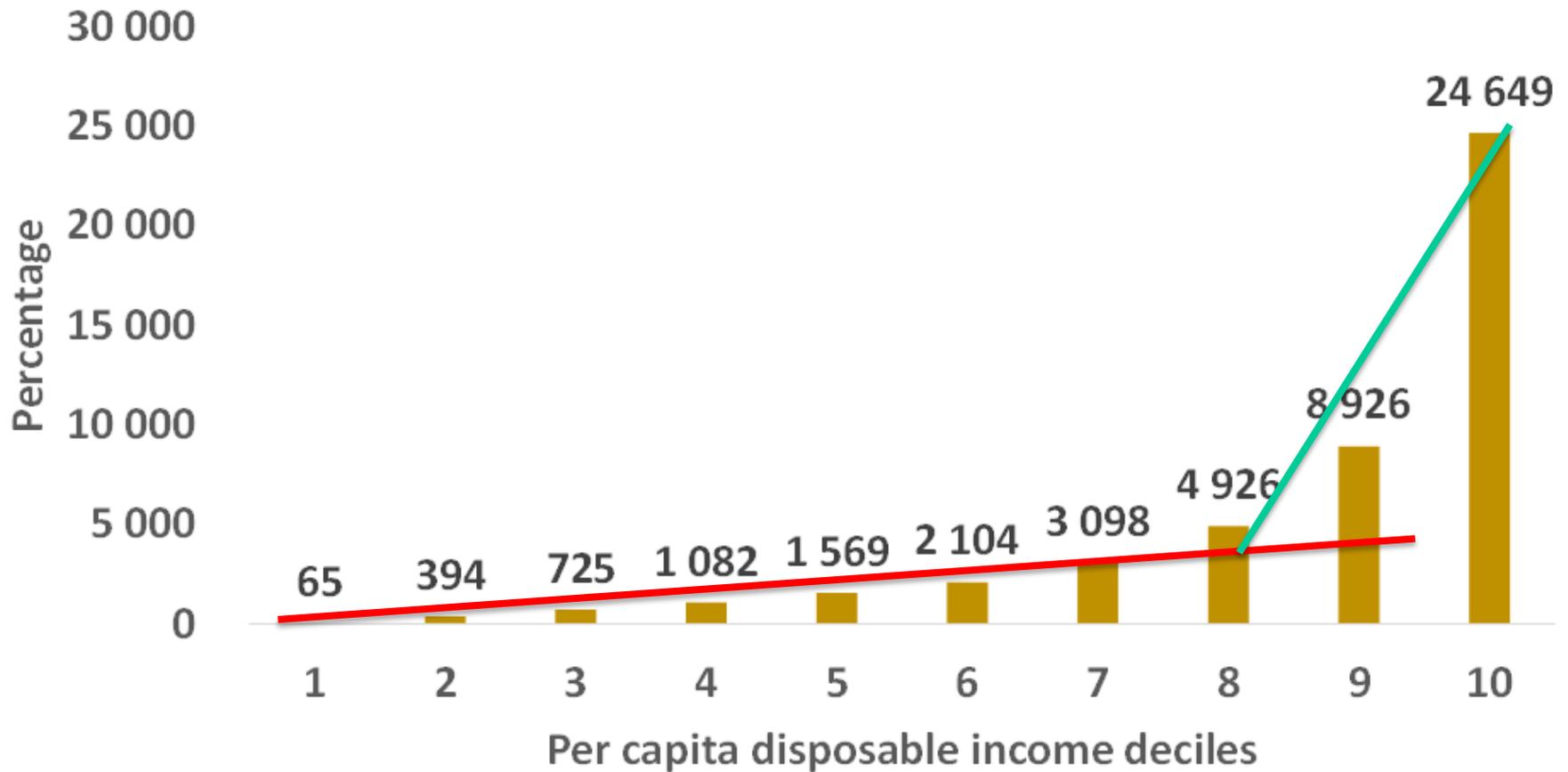


# Overview of South Africa

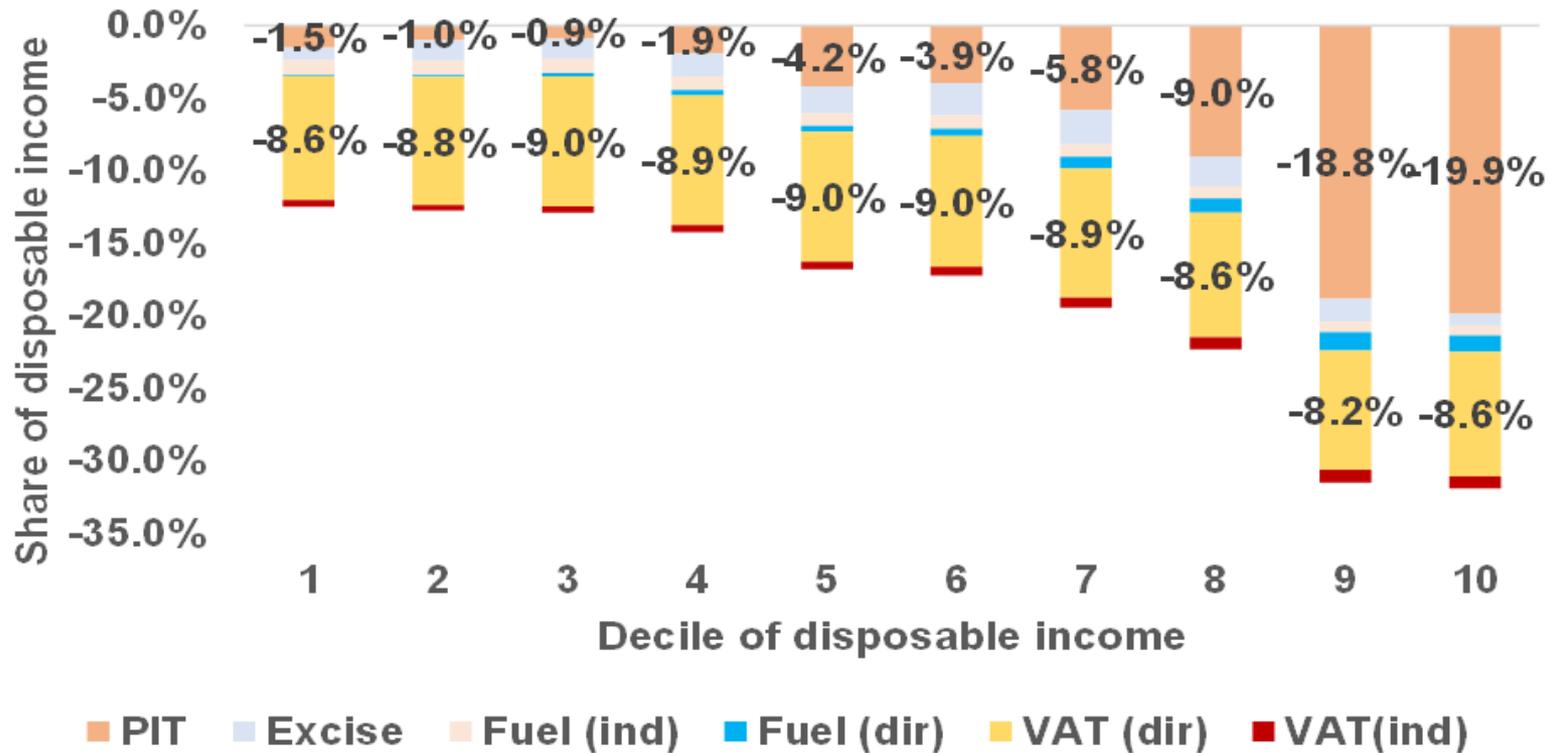
- UMIC – GDP R8 000/capita
- 58 million people
- Poverty:
  - 20.6% - 32.1% @ FPL
  - 32.6 – 45.2% @ LBPL
  - 48.2% - 59.3% @ UBPL
- Unemployment:
  - 34.4% narrow definition (7.8 million)
  - 44.4% expanded definition
- Inequality: Gini 0.65
- Social wage
  - health, education, social assistance, housing and basic services
    - ~ 60% of budget.
    - ~ 13.5% of GDP
- Social assistance
  - ~16% of budget
  - ~3.5% of GDP



**Figure 2: Mean monthly household disposable income, by per capita household disposable income decile**

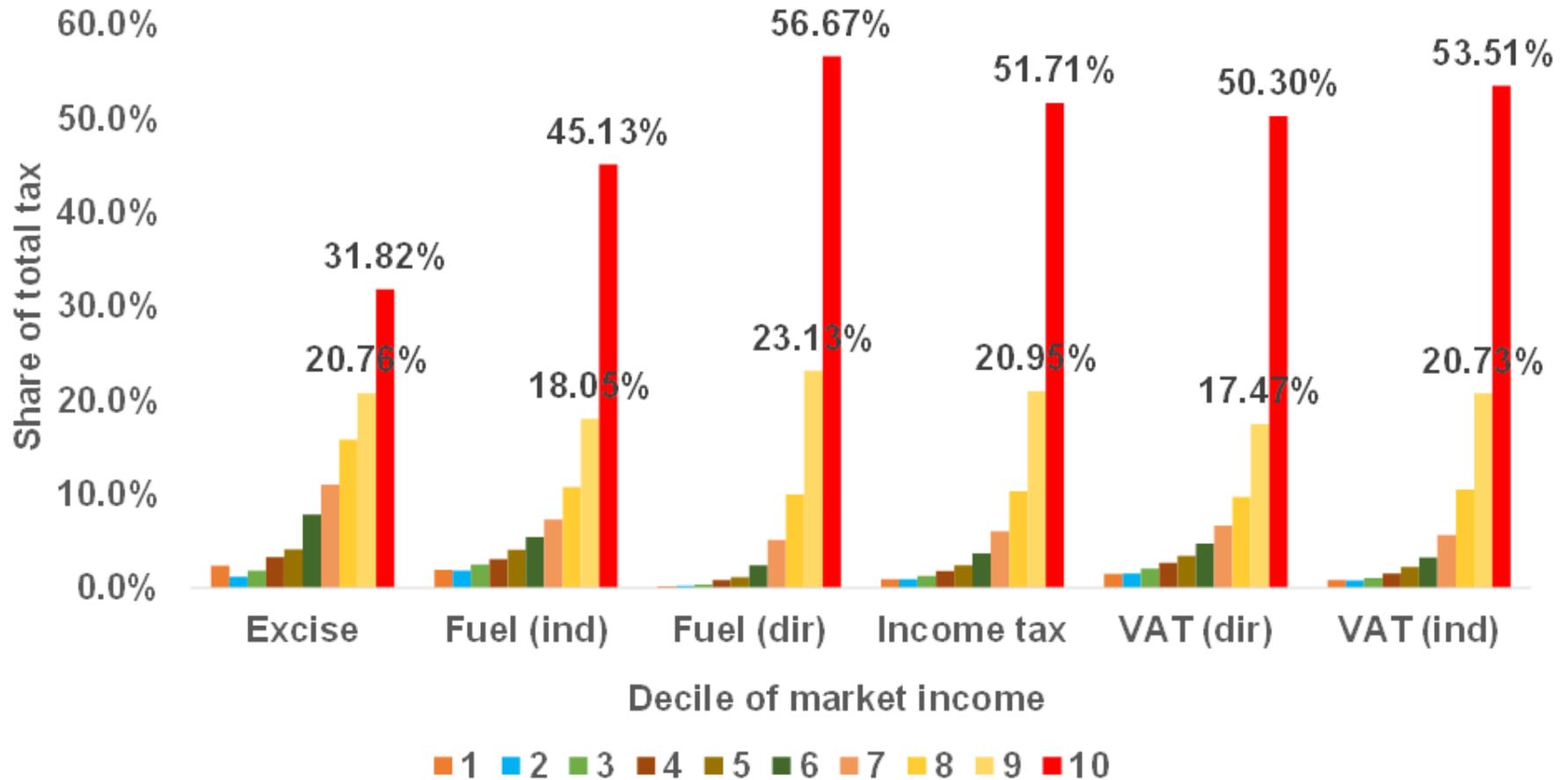


**Figure 6: The incidence of direct and indirect taxes across the income distribution**



Source: Calculations by Maya Goldman using the 2014 Living Conditions Survey (see Goldman, Woolard, & Jellema, 2020).

**Figure 7: Share of total tax revenue paid for different taxes, by per capita household disposable income decile**

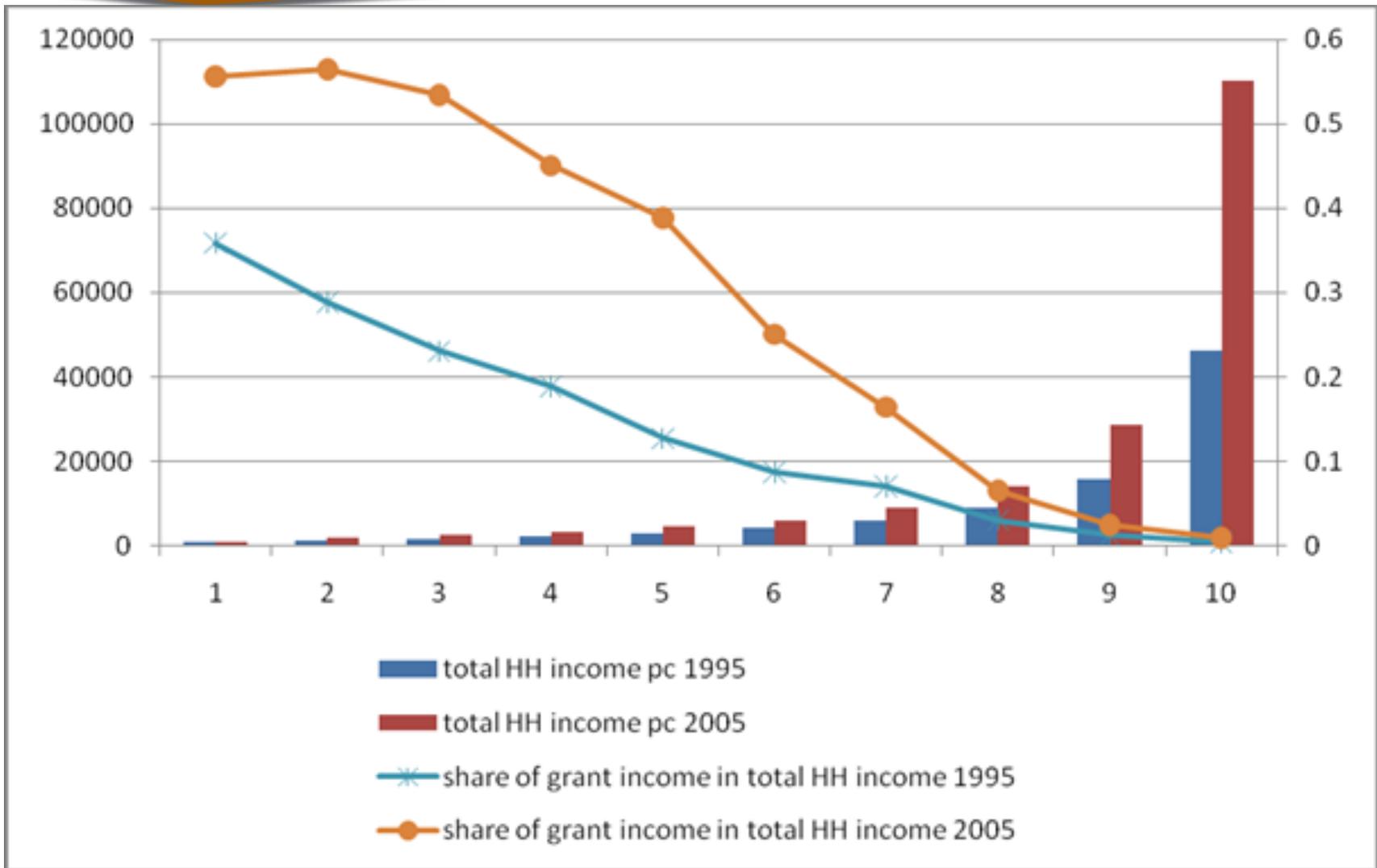


**Table 9: Number of social grants beneficiaries by grant type, 2021**

Social grant	Beneficiaries	% of total	R/month
Child Support Grant (CSG)	12,992,589	70.5%	460
Older Person's Grant (OPG)	3,722,675	20.2%	1,890
Disability Grant (DG)	997,752	5.4%	1,890
Foster Care Grant (FCG)	309,453	1.7%	1,050
Grant in Aid (GIA)	267,912	1.5%	460
Care Dependency Grant (CDG)	150,151	0.8%	1,890
War Veteran Grant (WVG)	40	0.0%	1,910
<b>Total</b>	<b>18,440,572</b>	<b>100.0%</b>	

Sources: SASSA 2021, **Table 2** (Beneficiaries, as of end March 2021); Mboweni 2021 (Rands per month, from April 2021)

- R185 billion per year
- COVID Social Relief of Distress – R350; 9.5 million individuals



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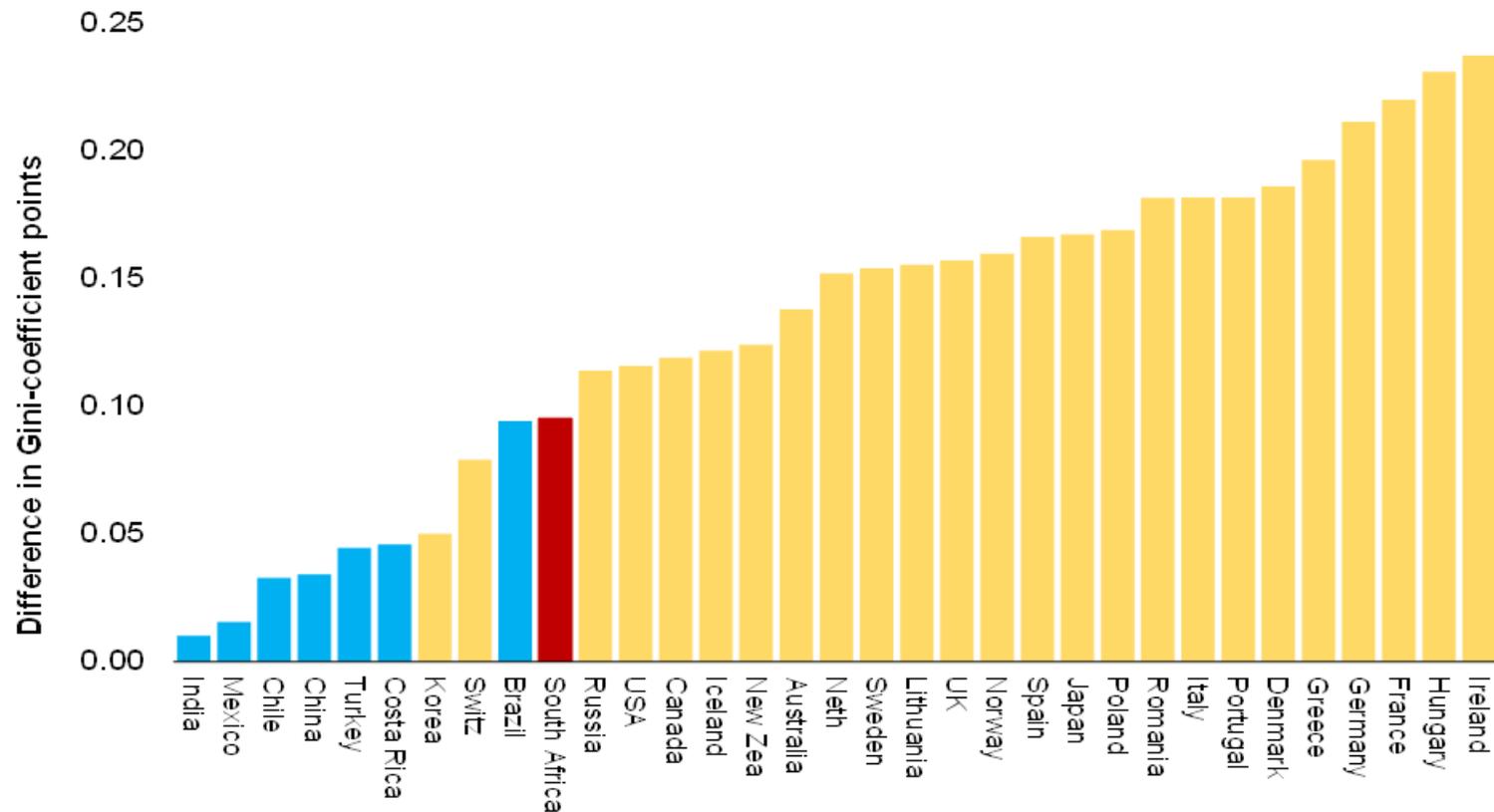


Bhorat and Van der Westhuizen, 2011



It is quite possible to grow, develop and become and “efficient” while engaging in significant fiscal redistribution.

**Figure 10: Fiscal effort (percentage point change in the Gini coefficient resulting from taxes and transfers)**



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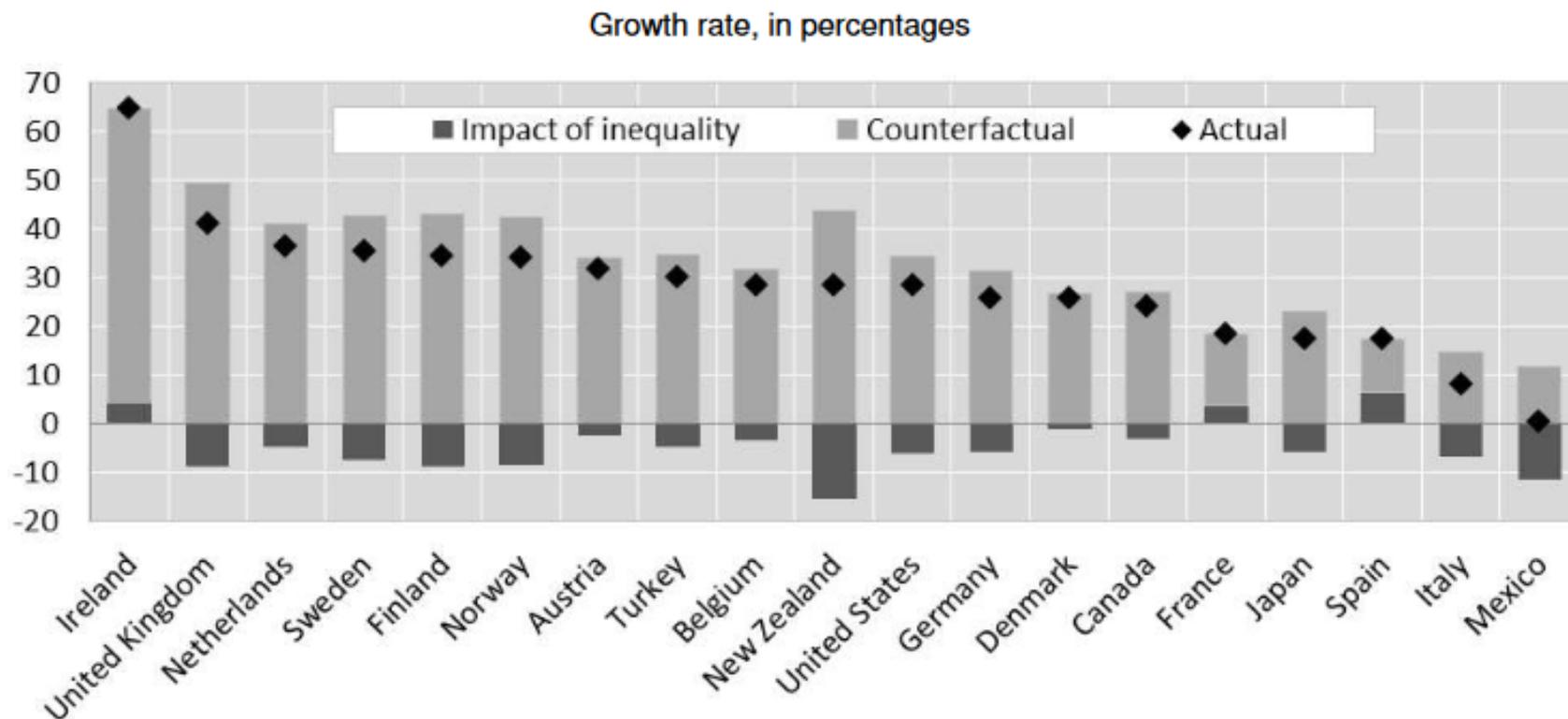
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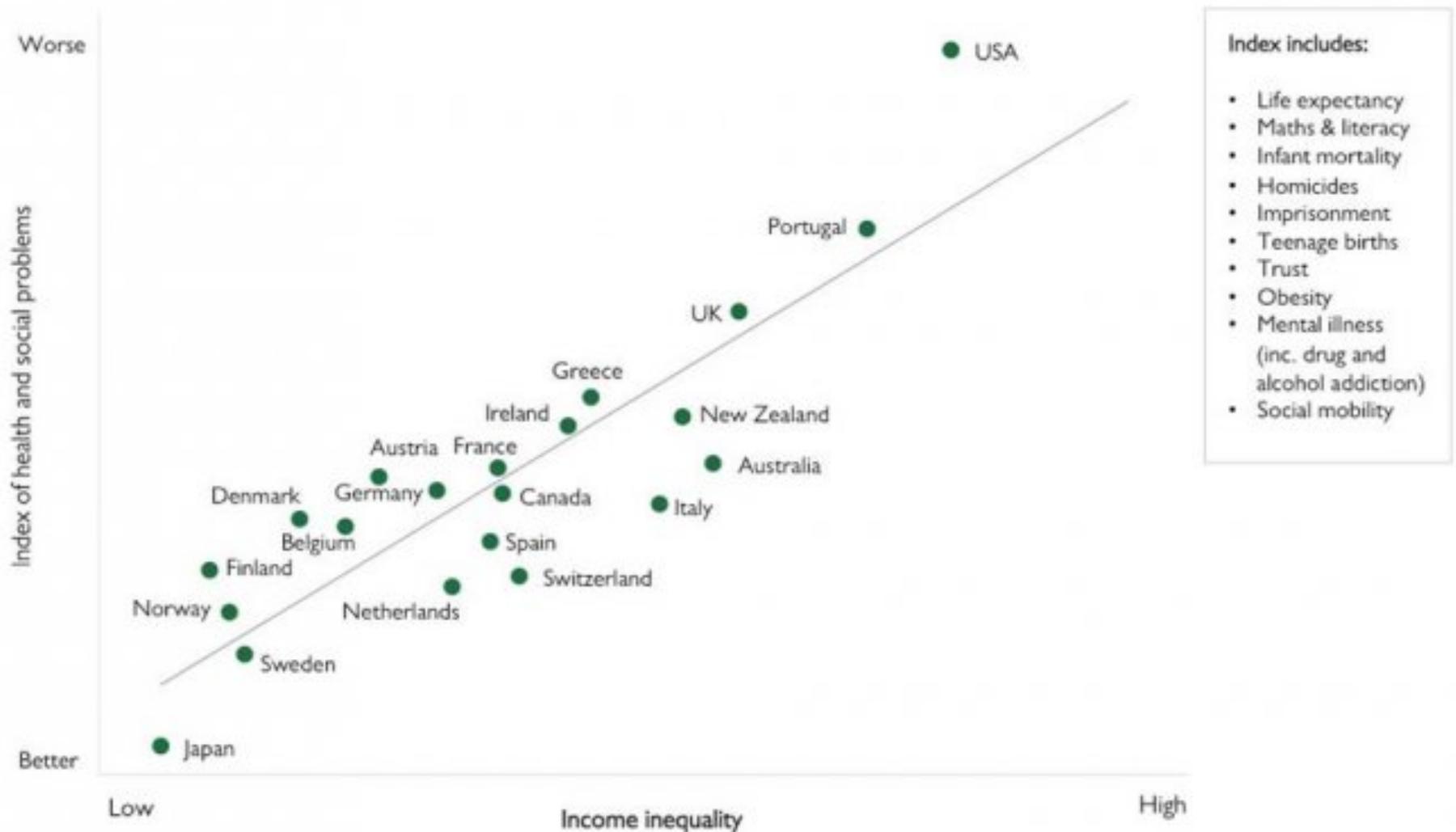
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**Figure 3. Estimated consequences of changes in inequality on cumulative per capita GDP growth (1990-2010)**

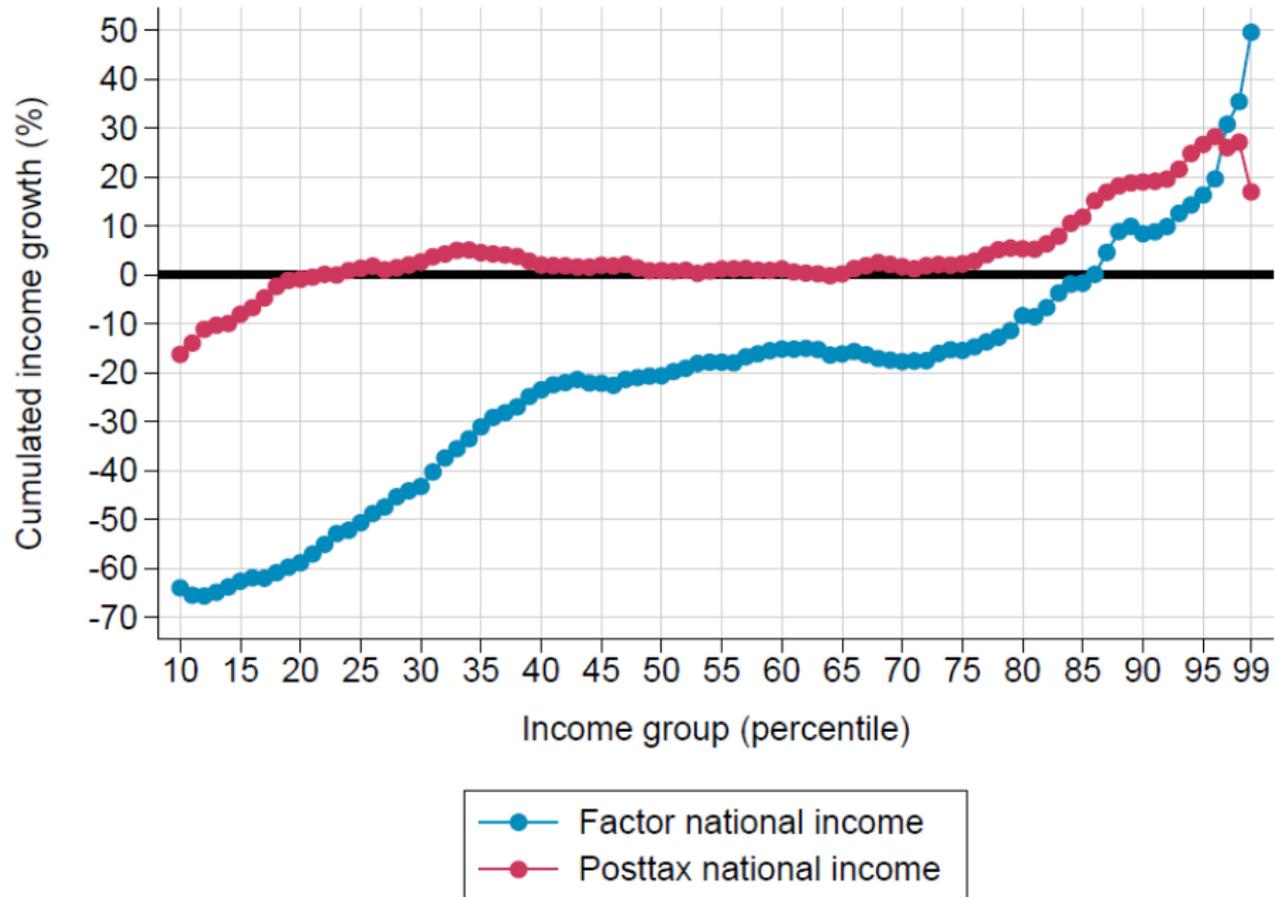


# Health and social problems are worse in more unequal countries



# Figure 11 – Redistribution, inequality, and growth

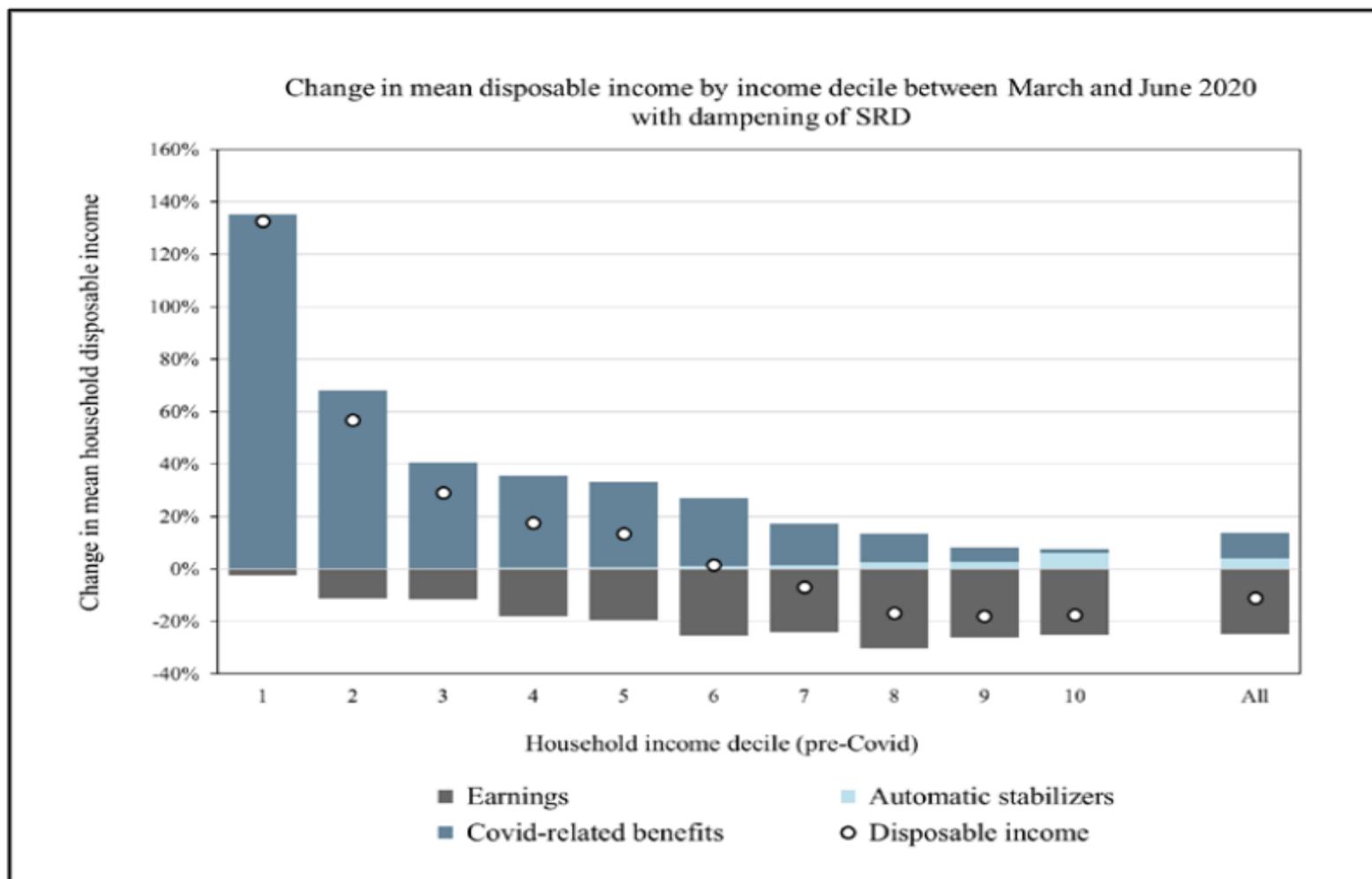
## (A) Cumulated income growth by percentile, 1993-2019

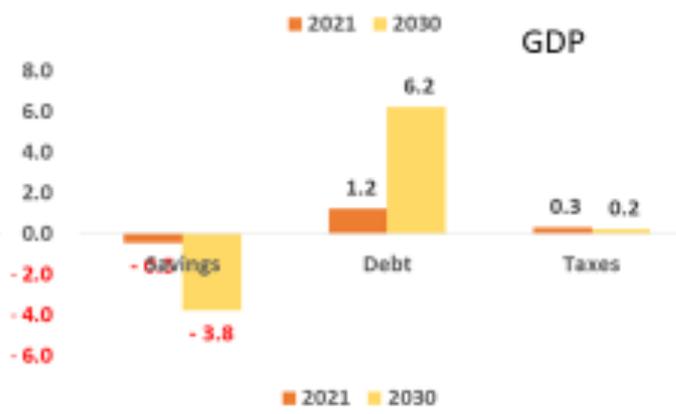
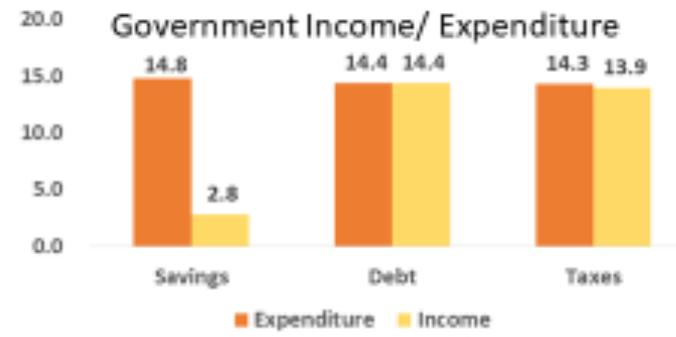
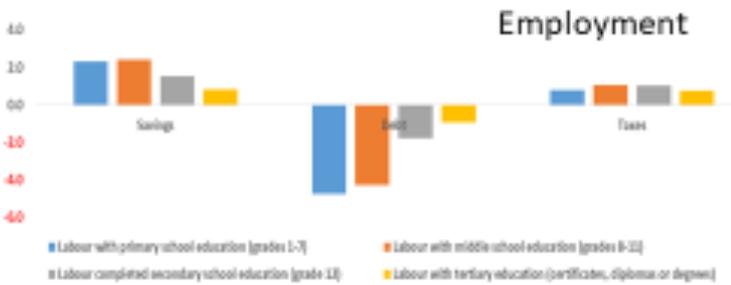
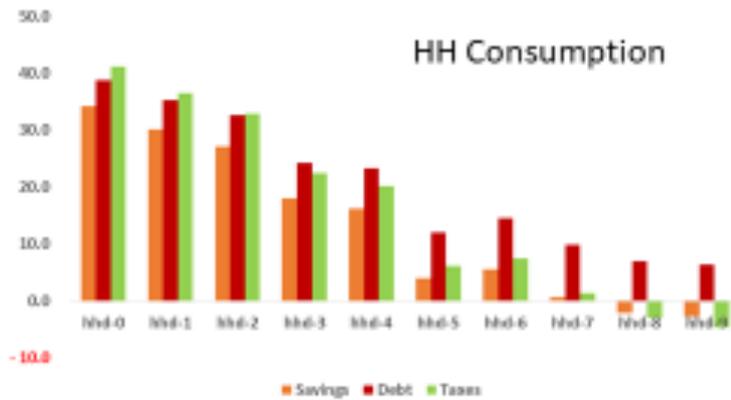
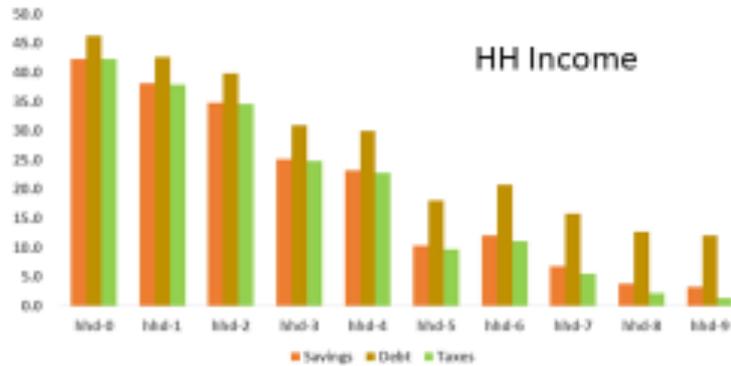


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September 2021

# Addressing the 18-60 age group gap





# Key ingredients to the SAn SP story

- Constitution / NDP
- Fiscal instruments
- Data
- Political Will
- Active Civil Society

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# Thank You!



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