

14 MARCH 2017

SPEAKING NOTES

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**SPEAKING NOTES FOR MINISTER BATHABILE DLAMINI, MP ON THE OCCASION OF THE NATIONAL ASSEMBLY DEBATE ON THE SOUTH AFRICAN SOCIAL SECURITY AGENCY (SASSA)**

Madam Speaker,

Thank you for giving us this opportunity to set the record straight and in the process allay the concerns and fears of social grant beneficiaries and ordinary South Africans who have been confused by the prophets of doom that “social grants may not be paid on April 1, 2017”.

Madame Speaker,

From the outset, I would like to reiterate the assurance of the President of the Republic of South Africa, Mr Jacob Zuma that there is **NO CRISIS AT SASSA: ALL ELIGIBLE SOCIAL GRANTS BENEFICIARIES WILL RECEIVE THEIR MONEY ON 1 APRIL AND BEYOND.**

This Government inherited a social security system that was fragmented, uncoordinated and skewed towards meeting the needs of the selected few. The mandate to reform our social security system arises from Section 27 of the Constitution, which states that: “everyone has the right to access social security, including, if they are unable to support themselves and their dependants”.

Twenty three years into our democracy, it is important to ask ourselves: “how far has this Government gone towards progressive realisation of the right to access to social security as the Constitution clearly provides?”

We have, without fail been paying the right social grant, to the right person, at the right time and place since SASSA's establishment ten years ago. We will continue doing so without fail come 1 April this year and beyond.

The mandate of SASSA is to ensure the provision of comprehensive social security against vulnerability and poverty within the Constitutional and legislative framework of our country.

In the last ten years, the Agency has touched and changed many lives of our people for the better. Despite the challenges the Agency experienced in its infancy stage, it has and continues without fail, to deliver on its core mandate of providing a cushion for the poor against the economic shocks and exogenous factors beyond their control.

Today, South Africa is ranked as one of the countries with the most extensive and progressively targeted social security system. The number of people receiving grants increased from 2.4 million in 1998 to over 17 million to date. This represents approximately 30% of the population. Majority of these grants are Child Support Grants (CSG) which exceed 11 million.

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Madame Speaker,

There is a story of hope behind each single beneficiary currently on the social assistance programme. One such is the story of uMama uNogeyithi Maya who lives elalini yase Mqanduli in the Eastern Cape. She receives her Old Age Grant of R 1 530 at the Mzamomhle service office. In the past, the 110 year old pensioner would need to travel more than 32 kilometres to Umthatha to receive her social grant from the bank or use the only Post office situated in Mqanduli.

She may have been forced to borrow the R40 return fare, sit at the back of a van, with neither protection nor dignity. Today, uMama uNogeyithi can choose to receive her social grant in one of many paypoints in Mqanduli. She only needs her thumb as proof of life to receive her Old Age Grant.

uMama uNogeyithi's story is one of many stories of hope - a story of improving the quality of life and restoring the dignity of our people that SASSA has brought to many rural people throughout the country, from Muyexe in Limpopo, Jozini in KwaZulu-Natal to Schoemansdal in Mpumalanga.

The opposition's claims that there is a crisis at SASSA is therefore nothing more than a mere self-serving propaganda and political grandstanding of the highest order. They must stop with their scare campaign which has caused public panic and anxiety.

Madame Speaker,

By their own admission, the South African Post Office (SAPO) conceded that they will not be able to offer a convenient payment solution anytime soon without the assistance of the current service provider. More importantly, the Post Office does not have a technological or operational solution to deliver the grants to beneficiaries without limitation or inconvenience.

SAPO wishes to implement a voucher system that will require beneficiaries to present their Identity Documents at selected post offices to claim their grants. There will be no proof of life nor any indication of how duplicate payments will be managed.

The solution yet again requires the assistance of the current service provider for payment at pay points. Similarly, the banking infrastructure requires beneficiaries to travel approximately 22km to receive their social grant instead of the 5 kilometres stipulated in the norms and standards by SASSA.

The banking system requires on-line capability, therefore people living in rural areas will not be able to collect their grants in the areas they live. This in turn will destroy the thriving economic activity that pay points provide to the rural areas.

Most banks including SAPO do not have a technical solution and do not speak to the needs zika Mama uNogeyithi. We cannot reverse the gains of SASSA and we will not back down on biometric verification authentication. It has saved the fscus R2 billion as highlighted by the Minister of Finance in Parliament. In addition, it has cleaned up the social grants system of fraud and corruption.

The banking solution does not have a biometric solution that is a prerequisite for proof of life and safety of the poorest of the poor.

We will not support a solution that puts our constituents at risk by enforcing PIN verification. The utilisation of PIN as authentication methodology is the primary reason for fraud and theft, not only for social grant

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beneficiaries but all other banking accounts. The system currently in place provides for social grant beneficiaries to enter the formal banking environment by CHOICE.

When the Request For Proposals and the subsequent Request For Information was advertised towards the end of 2014, the banks did not bother to submit bids. Why would they vaguely be interested in assisting the poorest of the poor?

We cannot afford another failed attempt by the banks to bank the unbanked – at least not with the social grant beneficiaries. What happened to the Mzansi account?

**SOCIAL GRANTS BENEFICIARIES ARE NOT FOR SALE!!!**

Today, South Africa has a biometric standard through this process. The Taylor Commission recommended that biometric verification should be utilised for social grants beneficiaries and we are following up on that.

Do we really believe that the banks are going to spend billions of rands upgrading rural infrastructure to accommodate poor people?

Madame Speaker,

Taking service delivery to our constituents has always been an important vision of this Government. The 10 000 pay points that we utilise to distribute social grants in the most rural parts of South Africa is proof of this commitment.

Not only do we service more than three million people at these sites, we have created an economic hub for those living there.

On any given pay day, these points are a service hub of activity, where communities gather to sell their wares, ranging from fresh produce, vegetables, clothes etc.

Notwithstanding the above, the very people we want to serve no longer need to travel long distances with exorbitant fees to receive their social grants. We need to change the face of banking and accommodate even uMama uNogeyithi eMqanduli!

To illustrate that banks are not yet ready to serve the needs of social grants beneficiaries, Grindrod stated that it has always relied on the infrastructure and technology by the current service provider. Currently, banks get R70 million every month just by beneficiaries swiping cards.

Madame Speaker,

This Government has committed itself to advance the radical socio-economic transformation agenda. In this regard, we want to use the social assistance programme to stimulate rural economic development. For instance, in the area of Umthatha we leave R21 million every month and eMqanduli where uMama uNogeyithi lives, we leave R9, 2 million.

This is an indictment on us that R11, 5 million of the social grants money goes to big white owned retailers to buy the most basic needs.

As the Minister of Social Development, I can only use this muscle to contribute to the radical economic transformation agenda that the ruling party has committed itself to.

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The Department of Social Development through SASSA can AND WILL, with the R140 billion social assistance which goes directly to beneficiaries help equalise and change the lives of the majority of people in our country. Currently, the money revolves around the same retailers. It leaves communities the minute beneficiaries get the money.

**THIS HAS TO CHANGE!  
AND THIS IS WHERE THE FIGHT IS: IT IS NOT AS INNOCENT AS PEOPLE WANT TO BELIEVE!!**

Madame Speaker,

April 1, 2017 begins a new era in continued development. As has been the case, wonke umuntu ohla impesheni uzakusithola isibonelelo sakhe esisuka kuHulumeni. Sithi kubantu bakithi sicela kungabibikho ukudideka, lapho uyithola khona imali yakho, ngosuku ohola ngalo, siyathembisa ukuthi imali izobe ikhona. Ngiyabonga!

ENDS

**ISSUED BY THE NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT**