

South Africa's Old age Pension (OAP) and Child Support Grant (CSG)

Introduction:

OAP and CSG are the main South Africa's social assistance programmes directed to the most deprived. They are known as the Grant System, which includes seven grants and covers old age, disability, child support, foster care, care dependency, grant-in-aid, and war veterans' grants.

Background:

The Grant System is part of South Africa's Constitutional guarantee of social security for everyone. It is based on a progressive system, which is realised according to the availability of resources. The system has been restructured since 1994 to expand eligibility for those most in need and increasing programme budgets. Some of the most distinct features of South Africa's Grant System is the reliance on the judicial system to require the government to pay a benefit and on a mean-tested social assistance with a broad range of risks that these benefits cover.

Details of the Intervention:

Since 2006, the Grant System has been centrally administered by the South African Social Security Agency (SASSA), with oversight by the Department of Social Development. Advancements in the application procedures have been introduced, with streamlined and simplified processes. However, there are challenges in unequal treatment of applicants and programme participants based on gender, race, and age, and delays in resolving disputed decisions under appeal processes. In addition, the Grant System faced similar issues as India in the the grant approval, sanction and payment of pensions, despite relevant achievements in the application procedures. To cut costs and avoid errors, fraud and corruption, South Africa introduced in 2012 a biometric system in which all beneficiaries started to be registered.

Impact:

In the FY 2013-14, the Old Age Pension covered 69 percent of the elderly population with limited income and assets, which comprised of 2.9 million elderly or almost 6 percent of the total population of 50 million. The allocations corresponded to almost 1.3 percent of their GDP,

equivalent to US\$ 4.9 billion. Also, they spent 5.9 percent of total budget in administrative costs. The Grant System reaches nearly one third of the country's population of 50 million people.

Source: Fultz, E., and Francis, J. (2013). Cash transfer programmes, poverty reduction and empowerment of women: A comparative analysis. Experiences from Brazil, Chile, India, Mexico and South Africa. Geneva: International Labour Organisation.