

Strategies to Overcome Inequalities



Black Sash's Hands Off Our Grants [HOOG] Campaign – a case study in defending, promoting, advancing S27(1)(c) – Right of access to social security (Social Assistance) – wrt overcoming inequality



BLACK SASH
MAKING HUMAN RIGHTS REAL

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The Black Sash – impact of its work wrt inequality

- 62 year old organisation – established 1955, formerly a federal, member-based organisation
- Worked towards ending apartheid – pre 1994 – largely civil rights issues – formerly disbanded in 1995, but established the Black Sash Trust.
 - Has been instrumental in establishing many organisations, including the Parliamentary Monitoring Group (PMG) – wrt access to information (Legislature)
 - Key player in the Basic Income Grant Campaign (2004) – co-publishing the [Financing the Basic Income Grant](#) publication (summary of 4 SA economists work who all stated that it is necessary and affordable at the time)
 - Was known for its work in [Extension of the Child Support Grant to 18](#)
 - Stopped providing paralegal advice at regional offices – but continues to provide a HelpLine
 - Helped incubate NADCAO (National Association of Democratic Community Advice Offices) → Association of Community Advice Offices in South Africa (ACAOSA)
- Since 2013 was the lead organisation in the Hands Off our Grants Campaign
- Aspects of its work was critical and related to addressing issues of income inequality (through social assistance) – worked in the political space – where some argued that its work promoted “nanny state,” “dependency” (wrt grants) → another view that recognized its work towards a “developmental state”, and others expressing views that it was not sufficiently critical of the macro-economic policy and agenda of South Africa in the late 1990’s onward.
- Work by Prof Servaas (Univ Stell) and others– impact of social grants on income inequality – and that [SA’s Gini Coefficient would have been much worse if this had not been for impact on grants.](#)
- Millenium Development Goals – in particular MDG1 and effect of access to grants on MDGs 4,5
- Disproportionate impact of food inflation and transport costs in the SA context.
- Unique characteristics of SA context – unemployment, inequality, poverty – poor health and developmental outcomes wrt other middle income countries
- However – we appear to be on the low road – in terms of the Dinokeng Scenarios
- Along came a spider.....



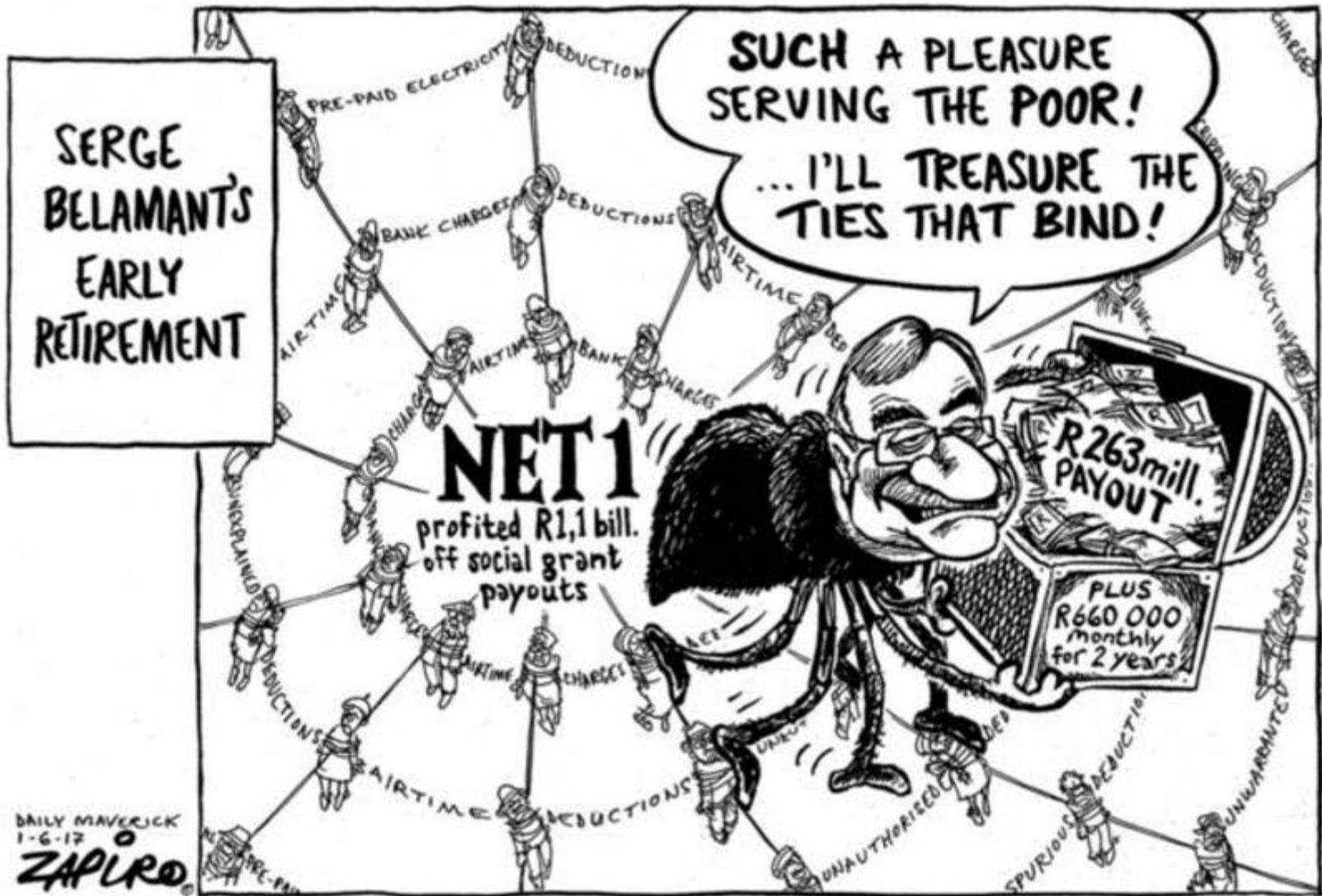
Section 27 of the Constitution

Health care, food, water and social security

1. Everyone has the right to have access to
 - a. health care services, including reproductive health care;
 - b. sufficient food and water; and
 - c. social security, including, if they are unable to support themselves and their dependants, appropriate social assistance.

2. The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights.

3. No one may be refused emergency medical treatment



Serge Belamant's retirement

Scope of developmental impact

- 17 Million SASSA beneficiaries (total pop 55 million)
- 10,5 million bank accounts
- Annual Budget of R157 billion Rand for a range of grants – SOAP, CSG, Disability Grant, Foster Care Grants and others
- Huge consequences if allowed to continue – gains made by the State will be eroded in many ways – social determinants of health and well-being hugely impacted
- MDG and SDG Goals negatively impacted

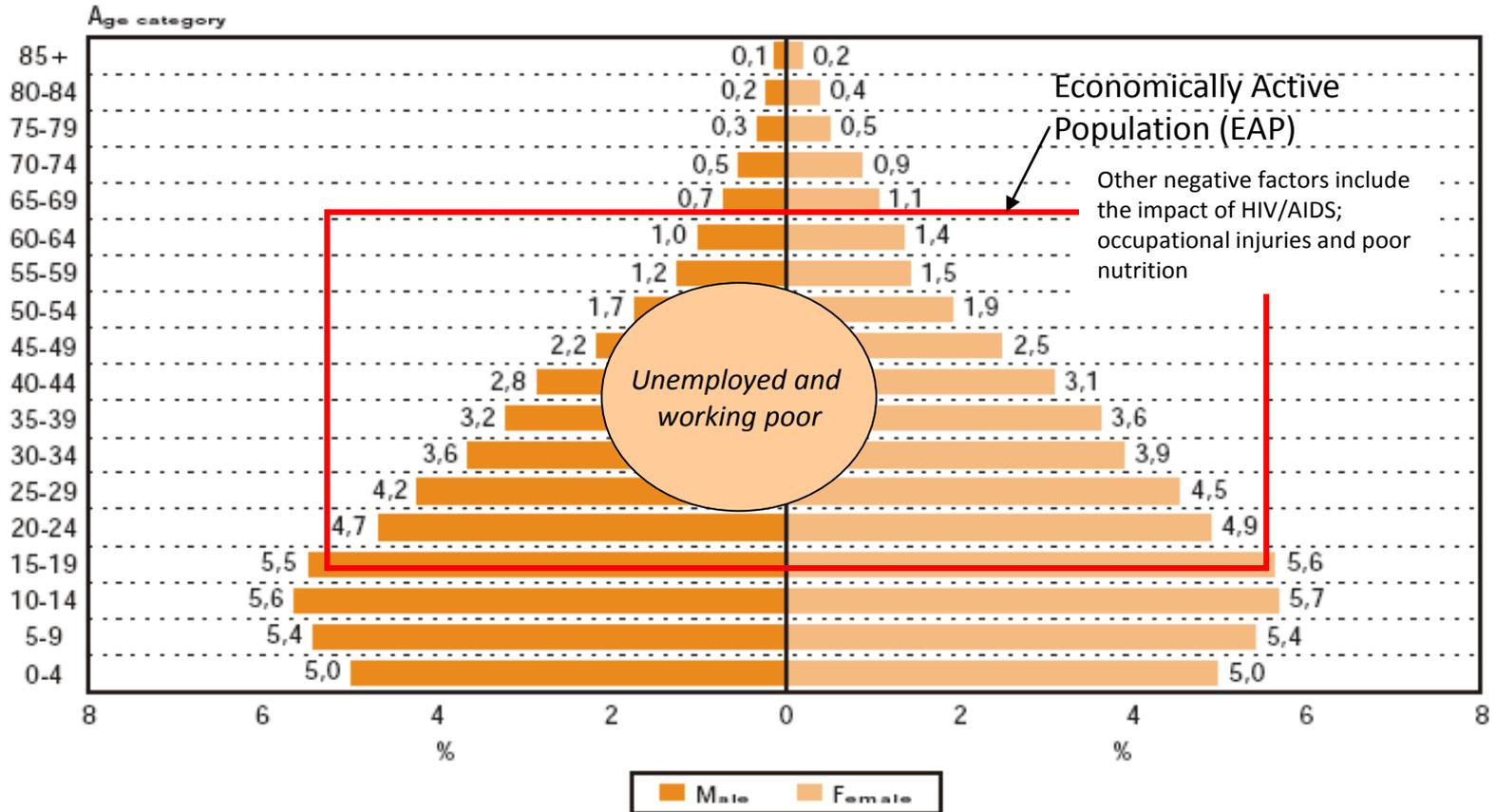
PROBLEM Identification

- In 2012 our monitoring work identified debit deductions from grant beneficiaries' SASSA bank accounts as a major issue.
- e.g. KOOR in Keimoes, NC alerted us to women, covered in blankets, at ATM points at midnight to draw cash from their SASSA bank account, before 3rd parties deduct claims.
- In 2013 the Black Sash, launched the Stop SASSA-CPS debit deduction Campaign, now known as the Hands Off Our grants (HOOG) Campaign.

PROBLEM identification

- We identified 5 demands:
 - SASSA, DSD & 3rd party service providers to be held individually & institutionally accountable for debit deductions
 - Amend Social Assistance Act to criminalise lenders using social grants as collateral for loans
 - SASSA owned & controlled recourse system
 - SASSA to in-source national administration of social grants
 - Establish Inspectorate to ensure integrity of social assistance frameworks and systems; investigate fraud and corruption.

South African Population Pyramid (10 years ago – not much has changed – arguably worsened)



Total population mid-2006 estimated to be 47.4 million people.

43% are under age 20 and 62% are under age 30.

Only 5% of the population are over age 65.

Source: StatsSA Census 2001 and mid-year 2006 population estimate;

Alex van den Heever; 13 November 2007

PROBLEM identification

- The RFP, Contract & Service Level Agreement are interpreted by CPS/Net1 to permit deductions (e.g. airtime & electricity advances, loans etc.) from the Grindrod owned SASSA bank accounts in violation of the Constitution, Social Assistance Act and Regulations
- Net1 with Grindrod bank created a (current) bank account for grant beneficiaries to facilitate EFT, debt & stop order deductions by 3rd parties -
“BIG SHARKS, FROM SANDTON WITH SUITS IN THE TANK”

CONTEXT: Applicable Laws & Regulations

SA Constitution:

27. Health care, food, water and social security

- (1) Everyone has the right to have access to –
 - (a) health care services, including reproductive health care;
 - (b) sufficient food and water; and
 - (c) social security, including, if they are unable to support themselves and their dependants, appropriate social assistance.***
- (2) The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights.

195. Basic values and principles governing public administration

- (1) Public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles:.....
 - (f) Public administration must be accountable.
 - (g) Transparency must be fostered by providing the public with timely, accessible and accurate information.

CONTEXT: Applicable Laws & Regulations

Social Assistance Act 13 of 2004

Restrictions on transfer of rights and payments of social assistance

20. (1) A grant may not be transferred, ceded, pledged or in any other way encumbered or disposed of unless the Minister on good grounds in writing consents thereto.

(2) Any act in contravention of subsection (1) is void and if the Minister becomes aware of any such act, he or she may order that payment of the relevant grant be terminated or suspended immediately and the Agency must, in writing by registered mail at the last known address of that beneficiary or procurator, as the case may be, inform him or her in the official language of the Republic in which he or she made the application for the grant-

(a) of the Minister's decision; (b) of the reasons for that decision; and (c) that he or she has a right of appeal contemplated in section 18 and of the mechanisms and procedure to invoke that right.

(3) A beneficiary must without limitation or restriction receive the full amount of a grant to which he or she is entitled before any other person may exercise any right or enforce any claim in respect of that amount.

(4) Despite subsection (3), the Minister may prescribe circumstances under which deductions may be made directly from social assistance grants: Provided that such deductions are necessary and in the interest of the beneficiary.

(5) An amount that accrues or has accrued to a beneficiary or his or her estate in terms of this Act may not be attached or subjected to any form of execution under a judgment or order of a court or by law, or form part of his or her insolvent estate.

(6) Notwithstanding the provisions of subsection (1), in the case of death of a parent, procurator or primary care giver receiving a grant on behalf of or in respect of another person or child as the case may be, the Agency must appoint a person to receive the grant on behalf or in respect of such person or child, and to use it for his or her benefit without suspending the grant, subject to prescribed conditions.

CONTEXT: Applicable Laws & Regulations

- (1) The Agency may allow deductions for funeral insurance or scheme to be made directly from a social grant where the beneficiary of the social grant requests such deduction in writing from the Agency.
- (2) Subject to the provisions of sub regulation (1), the Agency may only allow deductions to be made directly from a social grant where the insurance company requiring such deduction or to whom the money resulting from the deduction is paid, is a financial services provider as defined in section 1 of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002) and authorised to act as a financial services provider in terms of section 7 of that Act.
- (3) Notwithstanding the provisions of sub-regulation (1), **the Agency may only authorise one deduction for a funeral insurance or for a funeral scheme not exceeding ten percent of the value of the beneficiary's social grant.**
- Promulgation of Amended Regulations to the Social Assistance Act 6 May 2016 that amongst **other prevents deductions from temporary and children's grants** and currently a matter that is hotly disputed – with civil society supporting government's attempts to prevent unlawful deductions from unscrupulous businesses

CONTEXT: Prior relation with SASSA

- Prior to Hands Off our Grants Campaign (HOOG), Black Sash had an established relationship with SASSA via an MOU through its [Community Monitoring and Advocacy Project](#) (CMAP)
- Black Sash is identified as a critical stakeholder in SASSA's 5 year plan

CONTEXT: AllPay2 April 2014

- The ConCourt in AllPay2 matter:
 - Declared 2012 CPS/SASSA contract, to administer social grants, invalid
 - Suspended invalidity, as beneficiaries must be paid grants monthly
 - Ordered a new tender process
 - If tender is awarded, contract runs for 5 years
 - If not awarded, CPS continues 5-year term (ending March 2017), after which SASSA take over

CONTEXT: AllPay2 April 2014

- ConCourt further ruled:
 - CPS is performing an “organ of state ” function due to social grants
 - SASSA to protect personal and confidential data of social grant beneficiaries

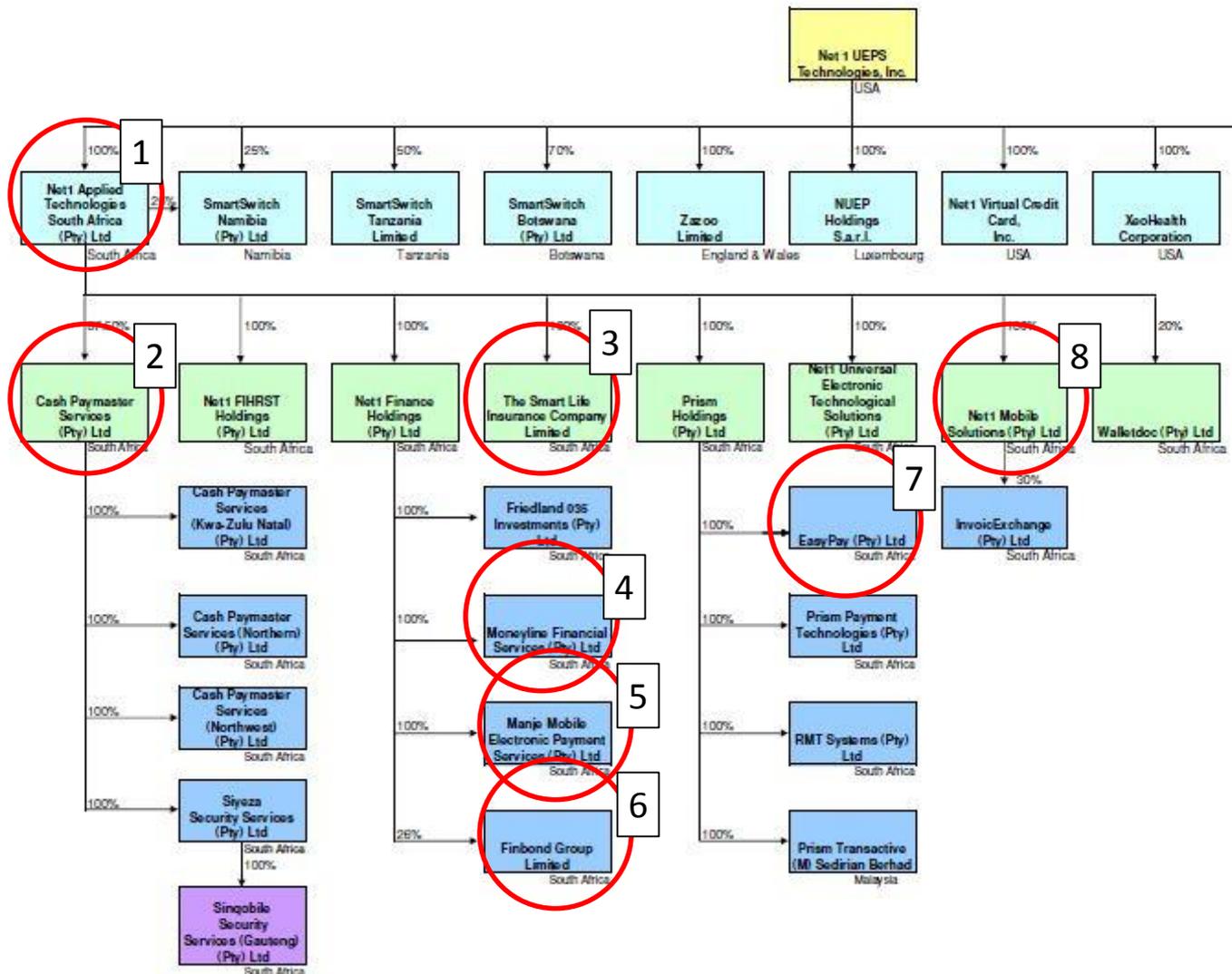
ROLE PLAYERS

- Social grant beneficiaries
- SASSA (Implementation)
- DSD (policy)
- Cash Paymaster Services (CPS)
- Grindrod Bank
- Net1 & subsidiaries such as Moneyline, Manje Mobile, Smartlife, Easy Pay (see organogram – next slide)
- Funeral Insurance underwriters, brokers
- Civil Society: Black Sash, ACAOSA, Independent Advice Offices, NGOs, CBOs, social movements with support from COSATU

ROLE PLAYERS

Extract of Organogram – Group Structure of Net1 - April 2016

Net 1 UEPS Technologies, Inc. Group



Net1 Companies effecting deductions:

1. Net1 Applied Technologies SA (Pty)Ltd
2. Cash Paymaster Services (Pty) Ltd
3. The SmartLife Insurance Company Ltd
4. Moneyline Financial Services (Pty) Ltd
5. Manje Mobile Electronic Payment Services (Pty) Ltd
6. Finbond Group Ltd
7. EasyPay (Pty) Ltd
8. Net1 Mobile Solutions (Pty) Ltd

Net1' s business strategy

- Net1's first wave/second wave" approach to expand into new markets
www.net1.com/about/strategic-direction-our-strategy/
- **"First wave/Second wave" approach to market expansion:**
 - **"First Wave"** - identify an application for which there is a demonstrated and immediate need in a particular territory and then sell and implement its technology to fulfill initial need
 - **Results** → deployment of the required technological infrastructure and the registration of a critical mass of cardholders or customers
 - Generate revenues from the sale of software and hardware devices and ongoing revenues from transaction fees, maintenance services and use of our biometric verification engine.
 - Once infrastructure has been deployed and a critical mass of customers is achieved,
 - Net1 then focuses on the **"second wave"** – enabling them to use this infrastructure to provide users, at a low incremental cost, with a wide array of financial products and services for which fees are charged based on the value of the transactions performed.

SASSA and EasyPay Everywhere Cards



Easy Pay Everywhere “Green” Card

- New problem since 1st quarter of 2015 - Easy Pay Everywhere (EPE) bank card, dubbed ‘green card’, is product of Grindrod bank & Moneyline, a Net1 subsidiary. Serge Belamant is an EPE director
- Civil Society tabled cases on how grant beneficiaries’ are coerced & “tricked” into opening EPE bank accounts.
 - Some were told they need EPE to receive social grants.
 - Others were told they need EPE account to access loans.
 - Some found out afterwards they have a Smartlife funeral policy.
 - Beneficiaries pay extra bank charges.
 - EPE Term and Conditions is only available in English, which many do not understand
- Beneficiaries are asked to provide their ID & SASSA card. Funds from the SASSA card is automatically transferred to EPE account.
- Closing the EPE accounts are near impossible and many are struggling to migrate back to the SASSA card – see Aletta Bezuidenhout case study.
- Social grant money in the EPE account is game for predatory behaviour, keeping beneficiaries in a debt trap and/or fuelling indebtedness.



Unlawful Airtime Deduction by Net1 Mobile Solutions

Ma Grace – Grant Beneficiary– Makwassie, Wolmarasestad, Gaurberg
Lobaling Advice Office with Black Sash Gaurberg Regional Office

Ma Grace is a retired woman living in Makwassie, a small, rural town near Wolmarasestad, southwest of Johannesburg. As a recipient of a State Old Age Pension, it relies solely on her grant to survive.

In November 2013, R90 was unlawfully deducted from her SASSA account for airtime. From there, the deductions began to overwhelm Ma Grace, with R60 deducted in December and R90 deducted in January 2014. All of these deductions occurred despite Ma Grace not owning a cellphone.

Ma Grace contacted the Lobaling Community Advice Office and, with their help, called SASSA North West Office and Cash Payment Services (CPS), demanding that the deductions stop. Ma Grace persisted, in spite of ludicrous accusations from both CPS and SASSA officials that relatives of Ma Grace were stealing her grant money. The Black Sash and the Advice Office joined forces to help Ma Grace file an affidavit with SAPS. In January 2014, Ma Grace, join by others, spoke to officials from various government departments, the Office of the Public Protector, the South African Human Rights Commission and civil society organisations about her case.

In February 2014, Ma Grace presented her airtime deduction case to Minister Dlamini in person – as part of a delegation led by the Black Sash. The Minister ordered SASSA to refund Ma Grace for all unlawful airtime deductions. Ma Grace received her refund only three months later, due to administrative delays. *“We applaud you Ma Grace for your persistence!”*



Dignity in Life, not only in death:

1 Life brokers misrepresenting SASSA

Dorena and Jacob Juries are retired farm workers from Franschhoek, Western Cape. Both receive State Old Age pensions. In November 2014, Mr. Calvin Festus from Emerald Wealth Management (a 1Life broker) sold them funeral policies, claiming he had SASSA's permission. Dorena and Jacob's objections, that they already have funeral cover, fell on deaf ears. After acquiring their details - ID Number, SASSA Card number and fingerprints – Festus left in a hurry. He did not give them time to study the policy or ask questions. Doubtful of Festus's claim, they ask a friend (Leverne) to phone SASSA to verify. SASSA knew nothing about these activities. Leverne also phone Festus to stop the funeral deductions from their SASSA bank accounts. After putting down the phone on her several times, Festus instead questioned why Leverne was meddling in other people's business. The Paarl Advice Office collected the Juries case together with 17 others in the Franschhoek and Paarl areas.



Dorena and Jacob Juries were interviewed for the Special Assignment documentary titled Grantgrabs, shown on SABC 3 in March 2015. The Black Sash and Paarl Advice Office



Nothing left to steal

“Nothing left to steal”, a big loan shark in the tank

At the time of visiting Ma Gloria in the Eastern Cape, she was reading Mzilikazi Afrika's “Nothing left to steal”.

A stroke in April 2012 left Ma Gloria unfit to work. When a temporary grant was suspended in September 2013, she reapply and now benefits from a permanent disability grant.

In the three months waiting for her grant to be processed she took out a loan of R1 000, but could not keep up with the instalments.

On 1 January 2014 when she received a payment of R3 090 (back dated for 3 months), Ma Gloria was shocked to learn that Importel (with Moneyline as the aggregator) deducted the entire loan amount

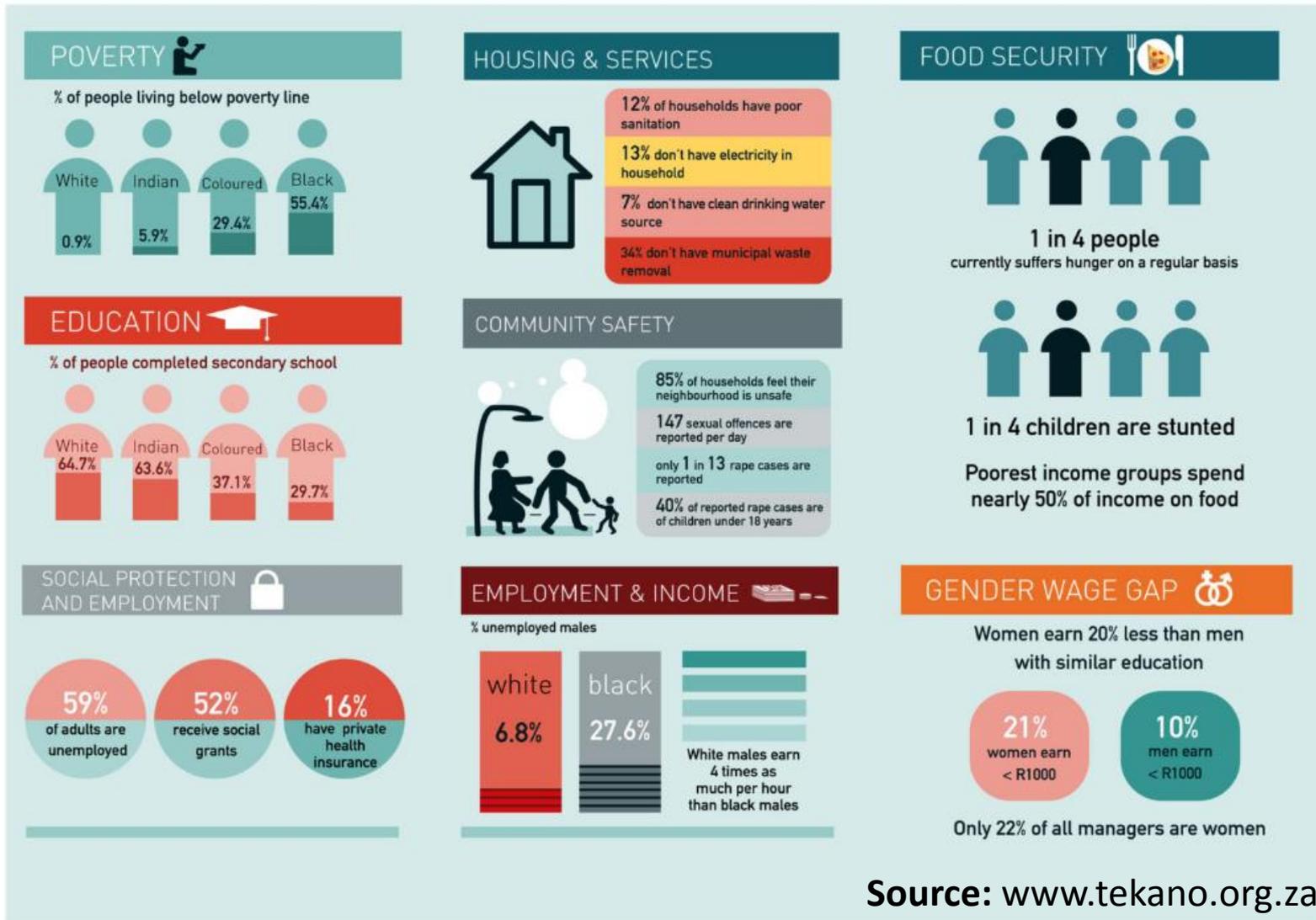


GHINDROD BANK

Branch Data		Branch Name	
Branch	Branch Code	Branch Name	Branch Code
Branch	Branch Code	Branch Name	Branch Code
Detailed Account Details			
R1 000.00			
Interest			
Rate	Term	Rate	Term
10.00%	12 Months	10.00%	12 Months
Total Repayment			
R1 000.00			

Determinants of health are well documented – but not determinants of effective social determinants of social security – for the SA context

SOCIAL DETERMINANTS OF HEALTH



Source: www.tekano.org.za



1
ERADICATE EXTREME
POVERTY AND HUNGER



2
ACHIEVE UNIVERSAL
PRIMARY EDUCATION



3
PROMOTE GENDER
EQUALITY AND
EMPOWER WOMEN



4
REDUCE
CHILD MORTALITY



5
IMPROVE MATERNAL
HEALTH



6
COMBAT HIV/AIDS,
MALARIA AND OTHER
DISEASES



7
ENSURE
ENVIRONMENTAL
SUSTAINABILITY



8
GLOBAL
PARTNERSHIP FOR
DEVELOPMENT

The gains made by the State towards reducing poverty and inequality have been seriously compromised – however it stills requires quantification – these effects are emerging based on dialogues, affidavits, evidence-based monitoring

Premium content from before 2016 is now available for everyone!

Committees / Finance Standing Committee / Committee Meetings

Illicit Financial Flows, Base Erosion & Profit Sharing, Panama Papers: Treasury, SARB, Financial Intelligence Centre, SARS inputs

Finance Standing Committee

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25 May 2016

Chairperson: Ms J Fubbs; Mr Y Carrim; Mr S Luzipho (ANC)

Meeting Summary

This was a joint meeting with the Portfolio Committees of Trade and Industry and Mineral Resources.

National Treasury introduced the presentations. On illicit flows, the difficulty was hard evidence. The media put out a lot of information but it would be helpful if people went directly to the authorities with evidence so that it could investigate. This was a difficult issue. Coordination and sharing of information amongst state agencies was emphasised.

The South African Reserve Bank said it had increased enforcement action under the Exchange Control Regulations and FICA, and had identified high risk areas. From January 2015, about R307 million was blocked and there were 77 new investigations. An important consideration was that South African individuals could invest up to R10 million out of jurisdiction plus take out R1 million for discretionary purposes.

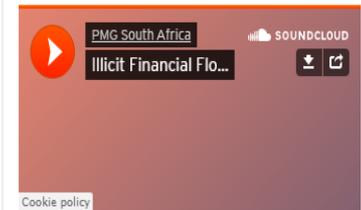
The Financial Intelligence Centre said that it made information available within the constitutional framework to various stakeholders in government. In 2014/15 they had received 6.9 million suspicious transactions and in 2015/16 9.4 million transactions. They had set up a research project to try and fully understand illicit flows and the illicit economy. A lot of work was done with DPIC and NICOC. FIC would be conducting investigations on entities that had enabled the Panama Papers to occur.

SARS had attended a social Panama Papers meeting in April of the Joint International Tax Shelter Information and Collaboration Network (JITSIC) where an action plan was devised aimed at attaining information and sharing more efficiently. SARS had identified 79 of the total 560 offshore entities that matched their databases.

SARS went through BEPS action items. Out of the 15, four were related to transfer pricing. They dealt mainly with substance, contractual allocation of risk and capital, high risk transactions and re-characterisation. In December 2015 they had issued a notice enhancing the document and record keeping requirements for transfer pricing, and amended the Tax Administration Act. SARS said that currently it had a challenge finding experienced human resources.

Follow this committee

Audio

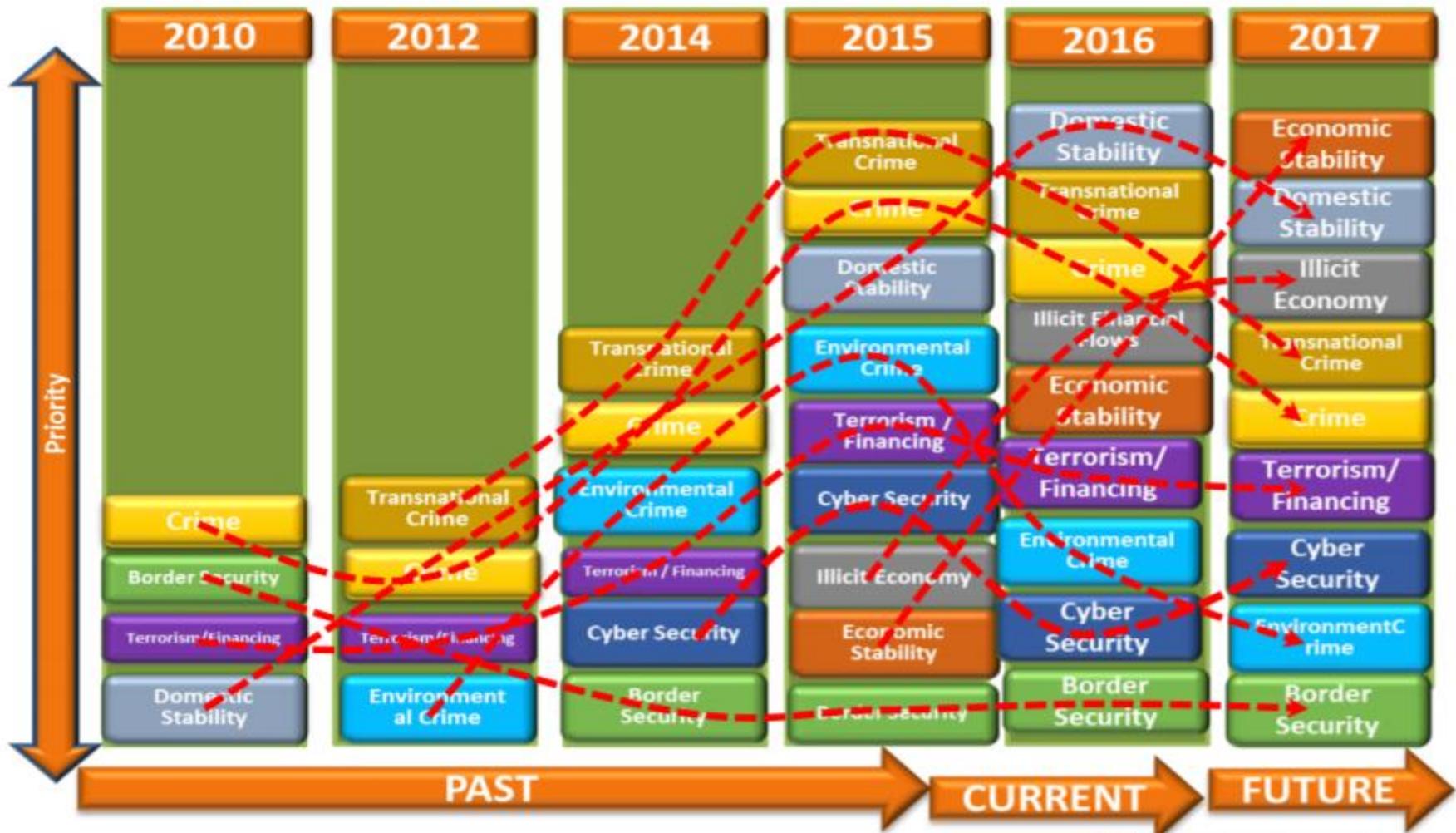


- [Illicit Financial Flows, Base Erosion & Profit Sharing, Panama Papers: Treasury, SARB, Financial Intelligence Centre, SARS inputs](#)

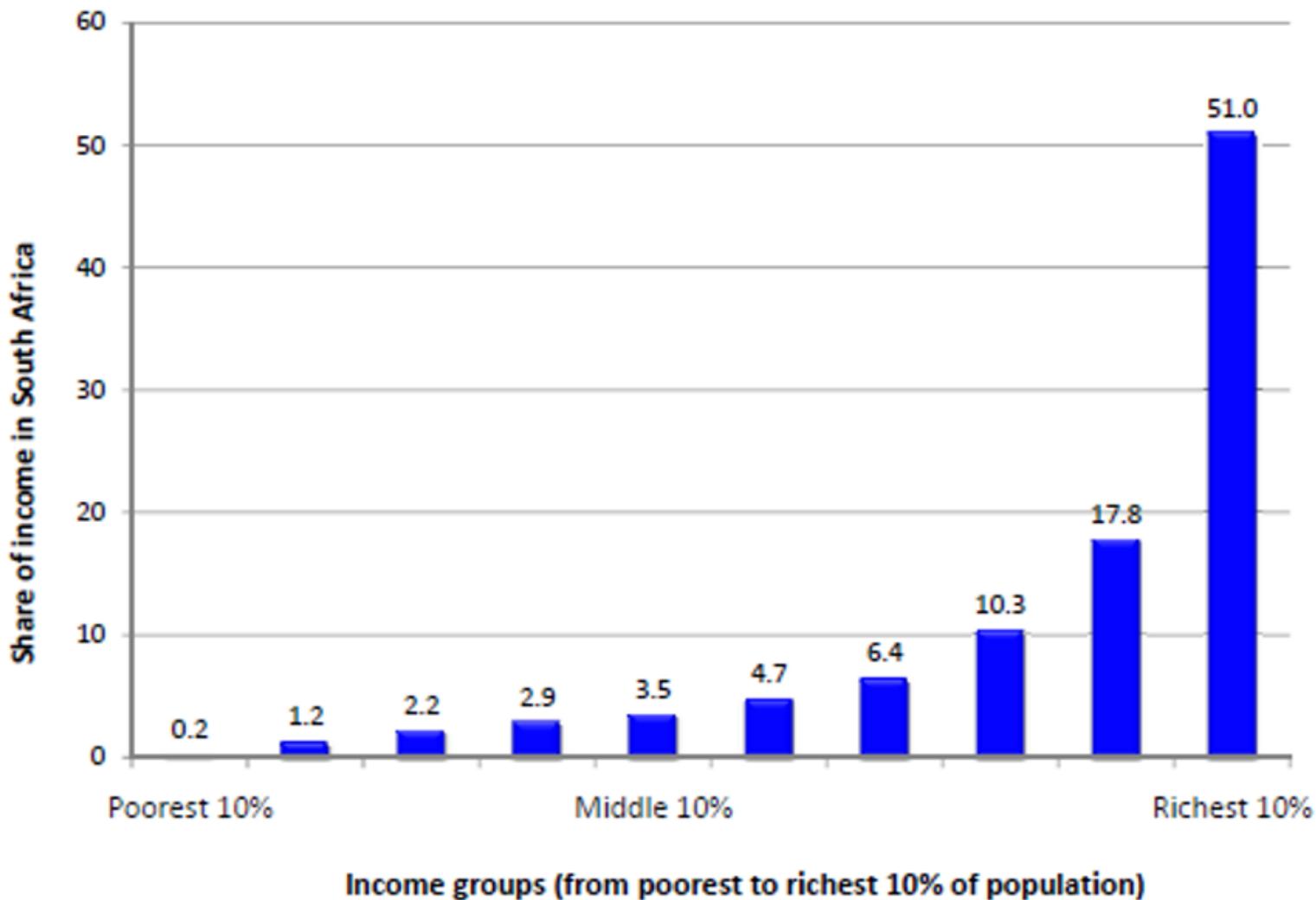
Documents

- [Financial Intelligence Centre presentation](#)
- [Illicit Financial Flows Presented by Financial Surveillance Department of South African Reserve Bank](#)
- [SARS Presentation Joint Parliamentary Committees](#)
- [Base Erosion & Profit Sharing \(BEPS\) presented by National Treasury](#)
- [Illicit Financial Flows Presented National Treasury](#)
- [BEPS: Transfer Pricing & Misinvoicing and Panama Papers presented by SARS](#)

FINANCIAL INTELLIGENCE PRIORITIES



Income distribution in SA – what has impact been of grants – and belatedly disputed, unlawful deductions from SASSA bank accounts?



Source: Health Economics Unit (HEU) – UCT – see “Eliciting public preferences for health system reform incl NHI” – Black Sash, HEU (UCT) and Health-e (2012)

The impact of this form of extractive practices – exacerbation of inequality

When we began the full scope and impact of deductions nationally – we heard from a range of quarters that:

- People were not able to access recourse to dispute deductions due to travel costs, and the cost of the burden to provide proof – SAPS affidavits, statements of SASSA grants – provided by CPS (bizarrely) – see organogram
- Tensions and accusations in families – at one stage the stock response was “these are unintended consequences” – poor choices by beneficiaries “either a daughter or family member” that made the deduction
- Unable to eat most basic food. Worse if medication is taken – people unable to buy food
- Fuelling consumptive lending at very high interest and admin fees
- The more rural – the more difficult to access recourse, repayment
- Rolling back the gains made by the State

DIFFERENT INTERVENTIONS

- **Rights Education**
- **Contextual research** – in particular citizen based monitoring – see cbm.code4sa.org – collecting evidence ourselves and with our partners
- **Use of media** – in particular social media – its critical role www.groundup.org.za **Later** – impact of press coverage of Bloomberg Africa - in terms of corporate governance, shareholder activism
- **Citizen based monitoring** – building on CMAP and MAVC – the cbm.code4sa.org platform
- **Ministerial Task Team** and
- **Litigation** – (ConCourt) amicus curiae, supporting government (North Gauteng High Court 2 x) , or litigating against SASSA and DSD (Concourt)
- **Advocacy** – Hands off our Grants Campaign

Stopping Deductions via New Tender Process

- Civil society working with government changed tender specifications of new Request for Proposals (RFP) issued in October 2014:
 - Ring fenced bank account
 - No EFT, debit & stop order deductions from SASSA bank account
 - No marketing of financial & other products by 3rd parties
- CPS challenges RFP via AllPay2 court matter, but unsuccessful to change ring fenced account & other gains

New Tender Process... continue

- Black Sash intervened as Amicus Curiae demanding timeframes from SASSA for new tender process
- In March 2015 ConCourt ruled:
 - April 2015: SASSA issues finalised RFP
 - May 2015: Submissions by potential bidders
 - 15 October 2015: SASSA appoint new service provider
- In May 2015 CPS/ Net1 announced publically it will not make a submission as SASSA/ government obligations onerous & restrictive

New Tender Process... continue

- June 2015, Net1 subsidiary Moneyline & Grindrod Bank launch Easy Pay Everywhere (EPE) bank account, transferring money from the SASSA bank account. 1.1 million SASSA beneficiaries with EPE bank accounts by June 2016. Concerns – how the business was obtained & the EPE account T&C
- 15&16 October 2016: Mass action in CT, JHB & Pretoria, SASSA to announce new tender outcome.
- New Tender not awarded in Oct, CPS continue until 2017
- The reworked tender specifications will be used in the new model being developed by SASSA

SASSA owned & controlled recourse system

- CPS/Net1 administered social grants. It also controlled recourse in an arbitrary manner. CPS/Net1 both player & referee. SASSA was reluctant to take on recourse system as it blindly outsourced this component too, with no regard for the beneficiaries.
- Deductions framed as individual behaviour & not a systemic problem. CPS & SASSA blamed beneficiaries & relatives for deductions, fuelling household conflict.
- Civil Society (CS) via MTT, with support from Minister Dlamini, forced SASSA to develop & implement Recourse mechanism, independent of CPS/Net1...e.g. SASSA issue instructions for refunds. Still an ongoing challenge.

SASSA owned & controlled recourse system

- Parts of 2014/15 was spent on developing recourse system including Beneficiary Affidavit form. CS provided feedback
- CS brought cases studies of deduction types, harm suffered & implications of Recourse
- CS forced SASSA to make available statistics on deductions, delivered for the 1st time in 2016 → CS noted under reporting due to a range of challenge

SASSA Reported Disputed Deductions				
Disputed deduction	Feb 2016	Mar 2016	Apr 2016	TOTAL
Enquiries	46700	35307	29244	111 251
Funeral insurance	59	60	46	165
EFT (incl loans)	34	85	69	188
Prepaid Electricity	543	5	367	915
Airtime	2436	3457	51	5 944
Combined	12466	7001	4477	23 944
Bank Charges	38	11	400	449
Beneficiary refunds	1732	1189	6790	9 711
Possible refunds	7558	7193		14 751
No refunds	60	105	91	256
Refunds poss pending affidavits	259	327	50	636
Statement requests	6048	4445	1903	12 396

- Unresolved cases were escalated to SA Reserve Bank & Payment Association of SA (PASA) via MTT
- CS continually monitors recourse of repayments & system → in 2016 we experienced spikes in deductions

New Regulation – May 2016

■ Section 26A – Funeral deduction challenges

1) Lion of Africa case was forcing SASSA to effect funeral deductions from children's & temporary grants;

2) Channel Life case legally challenged SASSA's Sect 26A Funeral clean-up project. The project was placed temporary on hold, but is back in operation

■ New Regulations rendered both Channel Life (Pretoria High Court and Lion of Africa (ConCourt) cases moot.

■ New regulations outlaws deductions from children's and temporary grants, with 6 month transition period.



New Regulation – May 2016

- Section 21 – Method of Payment:

- 1) New Regulation require beneficiaries to lodge consent with SASSA if they want to transfer funds to own bank account or to the account of an institution where beneficiary resides

- 2) SASSA payment mechanism will have no deductions other than Sect 26A funeral cover

(1 deduction not exceeding of 10% of grant value)

- But the new Regulations are being challenged.

New Regulation – May 2016

- During June 2016 separate court interdicts from 1) Net1, Moneyline & Manje Mobile; 2) Smartlife; 3) Information Technology Consulting; & 4) Finbond
- to not restrict beneficiary bank accounts (financial inclusivity)
- claims that DSD Minister has no jurisdiction over the banking system, pitting SARB/PASA & DSD/SASSA mandate against each other
- Section 21 of New Regulation challenge the Net1 core business strategy – 1st wave, 2nd wave – EFT, debit & stop order deductions from the account is key
- BS joining as Amicus alongside others.
- Cases will be heard on 17 & 18 October.

Attempts at establishing an Inspectorate

- Inspectorate Mandate - to ensure integrity of social assistance frameworks & systems; investigate fraud and corruption.
- Inspectorate organogram & budget of R70million was presented
- A unit would be incubated from within DSD. SASSA fraud unit to be assimilated into Unit. 3 senior managers were appointed.
- Establishment of Inspectorate stalled. Unit does not have the appropriate powers to function.
- May have to evolve SASSA fraud unit into Inspectorate or change the Social Assistance Act – longer process

Lessons/ Questions on government & Civil Society relations

- The outsourcing of grant payments (Social Assistance) nationally to CPS/ Net1 made grant beneficiaries open game for predators. Was SASSA naive, captured by business or adhering to political party policies with so-called unintended consequences?
- Can a Section 27 right particularly social security to a vulnerable section of the population be performed via an outsourced arrangement with a commercial company with profit as its primary motif?

Lessons/ Questions on government & Civil Society relations

- Government has appropriated commercial language “banking the unbanked”, “financial inclusivity”, “cost savings & recovery” at the expense of a culture and practice of human rights, particularly socio economic rights.
- Government was not very explicit in the procurement documentation.
- Corporates tend to have deep pockets and their lawyers help them to string out cases to buy time.

Recent developments – SASSA, Social Development and Net1 - Governance, and leadership – ethical choices made

- The favourable outcome of 17 March Concourt judgement (and events from October 2016 – current) – wrt insourcing plan of SASSA and further continuation of an unlawful and invalid contract are associated with/contributed to:
 - Resignation of Zane Dangor – Director General of Dept Social Development
 - Contradictory affidavits of CEO Thokozani Magwaza against Minister – reporting on parallel reporting structures
 - Evidence of poor governance, non-compliance, wasteful and fruitless expenditure – through hearings in Parliament – Standing Committee on Public Accounts (SCOPA) and Portfolio Committee on Social Development
 - Minister of Social Development having to prove to Concourt why she should not be held liable for legal costs in her personal capacity
 - Net1 – 2 largest shareholders – Allan Gray and IFC World Bank – put pressure on Net1 Board –
 - 2 days ago CEO CPS, Net1 resigns – changes to Board demanded
 - Green Card closure demanded by SASSA beneficiaries

Insights /CSO relationship to society and to the state (wrt inequality)

- CS operates as equal partner with government. Black Sash is co-chair of MTT. CS do not take any funds from government for HOOG work. MTT ToR explicit on BS/CS advocacy role. All documents/information are public unless indicated.
- MTT gave CS access to other entities – SARB, PASA, Treasury & regulatory bodies such as NCR, FSB etc.
- Both CS & government have learn how to use the media strategically to advance the campaign e.g Lion of Africa actuary study, Net1 share price dropped by 10%
- It is critical to take organized community with you, especially in such a large and complex Campaign, both big and small stakeholders



RECOURSE – SASSA Refunds (April 2016- date)

Month	Number of refunds	Amount in rands
Apr-16	1 362	Amount not provided
May-16	1502	R714 249
Jun-16	4629	R324 942
Jul-16	207	R44 172
Aug-16	177	R31 649
Sep-16	458	R101 185
Oct-16	0	0
Nov-16	0	0
Dec-16	0	0
Jan-16	0	0
Feb-17	1732	Amount not provided
Mar-17	Not yet available	Not yet available
TOTAL	10 067	R1 216 197

Source: Dianne Dunkerley – Exec Head Grant SASSA Grant Administration 24 Apr 2017

**Keeping public involved, promoting
agency and working collaboratively
with community partners and SASSA
Beneficiaries**



Call to Action!

Hands Off our Grants (HOOG)



Evidence of civil society efforts to keep issue in public domain



Thank you!

“Hide nothing from the masses of our people. Tell no lies. Expose lies whenever they are told. Mask no difficulties, mistakes, failures. Claim no easy victories...” — Amílcar Cabral