

NATIONAL DEVELOPMENT AGENCY GARNERS SUPPORT TO MOVE YOUTH SOCIAL RELIEF OF DISTRESS RECIPIENTS FROM DEPENDENCY TO ECONOMIC SELF-SUFFICIENCY



NDA Roundtable panel discussion

South Africa continues to grapple with high unemployment rates, particularly among the youth. According to Quarterly Labour Force Survey for the third quarter of 2024 released by Statistics South Africa (Stats SA) in November 2024, youth unemployment rate decreased from 46,6% in the second quarter of 2024 to 45,5% in the third quarter of 2024.

To mitigate extreme poverty, the government introduced the Social Relief of Distress (SRD) Grant, a temporary financial relief mechanism currently set at R370 per month. However, this amount falls significantly below the Food Poverty Line as defined by StatsSA at R796, making it insufficient to meet basic nutritional needs. Studies indicate that social grants alone are insufficient in enabling long-term economic mobility as recipients continue to face the following challenges: skills and educational deficiencies, barriers to entrepreneurship, as well as economic exclusion, developmental opportunities and inequality. The roundtable themed “Targeting Social Grants Recipients for Poverty Eradication Initiatives” was held in Johannesburg and brought together development sector experts that will assist the National Development Agency (NDA), South African poverty eradication agency of government, crystallise initiatives aimed at moving social relief of distress (SRD) recipients from grant recipients to economic opportunities.

The South African Social Security Agency (SASSA) presented the profile and statistics of SRD beneficiaries, the bulk aged between 20 – 35 years, that receive over R6.6 million in payouts and more applications are received monthly. Overall, 49% of recipients hold matric or tertiary qualifications and 53% have never been employed. North-West and Free state provinces have the highest unemployment rate across all provinces with women being the most impacted.

Understanding Poverty in South Africa

To understand poverty in South Africa, a panel of experts shared the landscape as follows:

Mr Ashwell Jenecker, Deputy Director General at StatsSA indicated that SA population is at 63 million and poverty levels are at an all-time high with key drivers being: unemployment, low education and slow economic growth.

“Of grave concern is the youth population affected by these drivers, especially the 3.5 million youth not in employment and not in training (NEET). We need to find solutions for this sector, when they are occupied with economic activities, we will see a change in numbers and this outlook.”

Ms Namhla Mniki, DDG – Women’s Economic Empowerment and Poverty Eradication in Presidency presented the Acceleration Plan on the country’s Anti-poverty Strategy with the aim of delivering a “No Poverty Guarantee” promise. The triple challenges of poverty, unemployment and inequality cause vulnerabilities in the country, particularly among the youth population. If they stay where they are, they are likely to stay below poverty lines for most of their lives. South Africa Social Security Agency (SASSA) grants cushion this to a large degree.

“Having mapped the overall government spend of R1.3 trillion on poverty interventions, we have identified 3 reasons why it has not yielded desired outcomes: small scale interventions by government, extreme fragmentation resulting in duplication of efforts and need to focus on inputs to results and impact. Therefore, the Acceleration Plan proposes interventions to maximise impact of the 1.3 trillion social wages with holistic integrated approach to poverty alleviation on these key areas: Social protection and service delivery, housing and settlement, food security, cost of living and livelihoods and the informal sector. Key to SA, the informal sector is the entry point to poverty eradication due its unacclaimed power to improve livelihoods significantly.”

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Review of approaches

In reflecting on approaches to existing programmes that link social grants to economic opportunities, co-founder of R-LABS Mr Marlon Parker presented a pathway training programme of 2-weeks dubbed Re-Cha, that has assisted with the establishment of 52 youth micro enterprises that established 128 jobs. These youth now earn double the minimum wage from selling over 1,2 million kilograms of waste and paper. “What made this programme successful was establishing a value chain to provide a market with companies like Unilever, moreover, assisting the beneficiaries to find purpose and renew their hope was priceless as they have a fresh perspective about their own livelihoods.”

The NDA also took to sharing the case study and impact of its poverty eradication programme that provides capacity development and grant funding to civil society organisations (CSOs), including youth initiatives across the country. One such programme is MaRocks Laundry Services in Ventersdorp, North-West province. Youth graduates who could not secure gainful employment, decided to establish a laundry service in their community, having identified the demand and lack of supply, using their own resources to begin operations. Mrs Susan Khumalo, NDA Chief Operations Officer says that a grant funding contribution of around R200 000,00 to upscale their business and purchase additional machines and equipment, enabled the laundromat to double its income potential and train other youth that have also been absorbed into the business. “Skills are at the centre of what we do at the NDA, with skills transfer we have seen other beneficiaries even leave the CSOs to take up jobs in the formal sector as is the case with beneficiaries at Sozo Foundation in Cape Town that trains youths to either start their own enterprises or seek jobs in sectors including beauty, baking, confectionery and hospitality.

Ms Phumla Hlati, UNDP’s Portfolio Head on Inclusive Growth also shared the success of social enterprise including spazas in Alexandra township. A study in partnership with the Department of Social Development (DSD) and Finmark Trust have strengthened the development of Social Enterprises Ecosystems Development Support (SEEDS) that supports sustainable and innovate youth-driven and women-led start-ups and accelerating ready enterprises. The African Cooperatives Institute for South Africa also weighed in on the importance of research to build consistent knowledge and deliver responsive and impactful sustainable livelihood programmes through Cooperatives. “As producers of knowledge, our view is that models that are yielding results must be illuminated, and lessons must be taken from the not so successful execution of others. Most importantly, the initial investment must come from communities who have the capacity and capability to offset their own poverty, unemployment and inequality shortfalls. It is also critical that these entities are like-minded and inter-dependent for supply chain imperatives to become successful, for example, Cooperatives that sew school uniforms who collaborate with another that makes shoes is a winning formula for all in delivering a service to a community.



NDA Roundtable delegates

Voices of support

The DSD Acting Director General, Mr Peter Netshipale lauded the engagement saying “This is long overdue, the NDA must lead the poverty eradication agenda of the country. This gathering that has brought together the private, public and community sectors is a true reflection that government alone cannot address poverty and organisations in attendance who presented successful outcomes even without government intervention, is testament of this.” He further says that the existing persistent poverty impedes on human rights and breeds other social ills including hunger and malnutrition. “The NDA must bring all role-players on board to find impactful and lasting solutions” he says.

His sentiments are shared by Mr Nkosikhona Mbatha, the Chief Executive Officer of Small Business Enterprise Development and Finance Agency (SEDFA) who says, “We endeavour to continue working with the NDA to setup eco-systems that facilitate conducive environments for establishment and growth of small businesses and entrepreneurship. The NDA knows the lay of the land as far as community development needs are concerned, they are on the ground and together we can achieve more.”

Representing the youth, Mr Risuna Maluleke, the Chief Executive Officer of Young African Entrepreneurs Institute, emphasised the importance of involving youth in issues affecting the youth. “However, this approach is encouraging to reimagine the role of the NDA in shaping holistic and impactful socio-economic youth poverty eradication solutions. This is a huge responsibility, but the NDA must be capacitated to realise contextualised approaches that are measurable.

Participants agreed that poverty is a national crisis that requires a coordinated, collaborated and multi-sectoral approach. Critical is the bridging of skills gaps that hinder economic participation and maximising corporate social investment to realise real social impact investments that benefit SRD recipients to reduce the SASSA grants bill and unemployment.

Immediate steps will be taken to profile SRD R370 recipients by conducting a nationwide assessment that determines the geographical spread, skills levels and entrepreneurial potential of beneficiaries. Strategic working groups will be established, alongside securing of commitments from stakeholders to deliver clear deliverables within timelines.

This process will outline skills development programmes and linkages to economic opportunities coordinated by the NDA with identified role-players including establishment of a research hub that will produce evidence-based policy recommendations and generate actionable insights.

The NDA, alongside partners, will lead lobbying efforts to influence policies aimed at poverty reduction, developing a unified framework for sustainable community development and strengthening resource mobilisation.

Ultimately a pipeline of poverty eradication projects will be implemented in marginalised communities that support the growth of community owned enterprises fostering local economic participation. The monitoring and evaluation from field experience and gained insights will enhance future programmes.

“This roundtable is part of a long-term agenda feeding into an ongoing poverty eradication strategy. The NDA remains resolute and together with our partners, recognise that poverty eradication is an evolving challenge that must adapt to changing realities to reduce the SRD dependency. This initiative is designed to be dynamic, evidence-driven, and inclusive. By leveraging research, partnerships, and coordinated strategies, we can create long-term, transformative impact for South Africa” concluded Mr Thabani Buthelezi, Chief Executive Officer of the NDA.

A national CSOs conference will be hosted by the NDA from 26 – 28 March 2025 in Johannesburg to focus on skills development and entrepreneurship, among other CSO engagement imperatives.