



Centre for  
**UNITY IN  
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## **SASSA: MUDDLING THROUGH AS THE POOR WAIT**

*By Ms Zohra Dawood: Director, Centre for Unity in Diversity*

The last few days have witnessed a SASSA fiasco on an unprecedented scale. Outright lies, half-truths, resignation of key personnel and a fumbling, rumbling and grumbling Minister trying to save herself - and not the almost 17 million grant beneficiaries - was the order.

Wide media coverage delivering blow-by-blow accounts of the unfolding crisis has elicited outrage, yet President Zuma has the temerity to ask Ministers and their spokespersons to stop talking about social grants. In an interview from Jakarta, Indonesia, he said, "I think Ministers should stop talking, including their spokespersons. I think the point has been made. The less we talk, the better". He added in response to public outrage and a call for Minister Bathabile Dlamini to be sacked that, "there are people speaking as if the date has come and passed and that the Department has failed and the Minister has failed. But the date has not come". President Zuma, unlike the almost 17 million grant beneficiaries, is assured of where his next meal will come from. He is assured - as is evidenced by the *State Capture Report* - of wealth accumulated for himself and his family, but a key voting bloc remains in limbo.

It would behove Cabinet to ask Minister Dlamini to unpack the spider's web that the contract with Cash Paymaster Services (CPS) has proven to be, with its parent company Net1 offering a range of financial services through a myriad of subsidiaries including Moneyline (loans), Manje Mobile (airtime and electricity), EasyPay Everywhere (smart cards) and SmartLife (insurance). Net1's recent acquisition of a chunk of Cell C shares also positions it well in the cellphone starter pack market.

In response to criticism and litigation by the Black Sash, Corruption Watch, Freedom Under Law and the Democratic Alliance, Net1's CEO Serge Belamant said that his company "lawfully market and provide financial products to grant beneficiaries in line with applicable financial regulations". Belamant responded to concerns about data-sharing that CPS does not share the beneficiary data that it captures during beneficiary enrolment or received from SASSA with any third party - including NET1 subsidiaries.

The temerity to enter a further two-year contract with CPS by the Minister and SASSA, despite stern objections from Treasury, is telling. President Zuma's stated that "there was no way the State could fail to pay its pensioners". Perhaps his response demonstrates his own lack of understanding of how almost R10 billion a month in social security must be effected lawfully and procedurally.

The lack of leadership in response to the SASSA crisis has seen the Constitutional Court step into the breach - and having the Court force the hand of the Minister and SASSA to play open cards is an indictment. Chief Justice Mogoeng Mogoeng, through a detailed set of questions, is hoping to hold the Minister and SASSA's feet to the fire and extract responses about a new two-year deal with CPS but, crucially, to provide a clear - and hopefully honest - account of what steps the Agency took to operationalise the order of the Constitutional Court over a 36-

month period. The veracity of SASSA's reports to the Constitutional Court, are also under scrutiny. Enforcing the supervisory jurisdiction of the Constitutional Court appears to be the optimal requirement to ensure accountability and transparency from SASSA and the Minister in this matter.

Chief Justice Mogoeng Mogoeng has asked for, among others:

1. The date when the responsible person on behalf of SASSA first became aware that it would not be able to pay the grants by itself by end March 2017;
2. The exact dates when the responsible person on behalf of SASSA became aware that the respective time frames set out in paragraph 13 of its progress report to the court could not be fulfilled;
3. Who was the person responsible for determining on behalf of SASSA whether SASSA itself would not be able to pay the grants by the end of March 2017;
4. The reason why this Court was not immediately informed of this fact and who made the decision that it was not necessary to do so;
5. The Court also wants to know what steps were taken, or are going to be taken, to run a competitive bidding process. It also wants to know what the timelines on this are.
6. It wants to know exactly what SASSA is doing to make sure it can pay beneficiaries itself, and wants time frames for this;
7. The Court wants to know whether Dlamini has any objections to independent monitoring of these processes, and if so, to send the Court a reason for the objections.

The deadline for responses to the above is set for Monday 13 March at 4pm.

The Constitutional Court, like the South African public, awaits a response to one of the most crucial issues thrown up by both the new and impending contracts struck with CPS, that of whether these were lawful and in compliance with procurement requirements of the Constitution and applicable legislation.

For now, we seek support in having the Constitutional Court hold government to account and assume the role of guardian to almost 17 million of the poorest of the poor.