

Granting assistance:
An analysis of the Child Support Grant
and its extension to
seven and eight year olds

by Annie Leatt, May 2004



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Abstract

This paper focuses on the Child Support Grant (CSG), the biggest poverty alleviation mechanism targeting children. The extent of poverty and increased social security provision in South Africa are examined to contextualise the CSG. Since its inception in 1998, this grant has been available to poor children from birth to six years of age. At the beginning of April 2003, eligibility was extended to children under the age of nine as a first step in extending the grant to all poor children up to the age of fourteen. This paper considers the first year of this extension. Using administrative data from the Department of Social Development and relevant development literature, the paper assesses the reach of the CSG and its extension relative to the department's own targets, and absolute poverty lines. Provincial uptake rates are calculated with a view to identifying provinces where additional support is needed to increase uptake of the CSG. The remainder of the paper identifies administrative issues in the roll-out of the grant, highlighting the cases of children whose grants have lapsed due to the age limit, only to re-register a few months later, and concerns about the very low levels of the means test thresholds. The paper then looks at the demographics of beneficiaries of the CSG, including the gender, marital status, rural or urban location and relationship of caregiver to child. The author concludes that the department came close to reaching its own targets, and was successful in reaching very large numbers of children aged seven and eight in this first year of the extension. However, low uptake rates in the Eastern Cape Province in particular are highlighted, while problems in the administrative system are pointed out, as grants lapse because of the death of a caregiver or because of shifting age eligibility.

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1. Introduction: The Child Support Grant extension in context

In April 2003 the South African government announced the extension of the age eligibility criteria for children receiving the Child Support Grant (CSG). In his 2003 State of the Nation address, President Thabo Mbeki announced that the CSG would be extended to eligible children under the age of 14. A month later, the Minister of Finance, Trevor Manuel, announced in his Budget Speech that the extension would be implemented through a phased-in approach over three years. The plan for the extension was laid down in the Regulations to the Social Assistance Act No. 59 of 1992 (Rosa, Mpokotho, 2004). According to these regulations, children aged seven and eight would become eligible for the grant from the 1st of April 2003. In the following year, from the 1st of April 2004, children aged nine and ten become eligible. The final phase of the extension to children aged eleven, twelve and thirteen was set for implementation on the 1st of April 2005.

This paper therefore seeks to assess the implementation of the first year of the extension of the CSG to children aged seven and eight during the period 1 April 2003 to 31 March 2004. Its objectives are to evaluate the reach of the extension relative to the department's own targets, and to various poverty levels both nationally and provincially. It will also deal with the administration of the phasing-in of the grant, and examine some data about the children and their caregivers who receive it. It concludes with an analysis of expenditure on the CSG extension, and a series of recommendations arising from analyses of the extension year.

The paper uses three kinds of data from the SOCPEN system of the Department of Social Development. The first are daily records for all grants disbursed by the department and include the number of successful and rejected applications; beneficiaries and recipients of Old Age Pensions, War Veterans Grants, Disability Grants, Care Dependency Grants, Child Support Grants and Grants in Aid. For the purposes of this paper, daily records are analysed at the last working day of each month for the twelve months of April 2003 to March 2004.

The second set of data is from a range of reports created specifically to monitor the extension of the CSG. There are five reports per province per month – which are not cumulative – and three of these were used in this analysis. The first report (R01) records “continued”, “new”, and “re-applications”, as well as those “not yet approved” and “rejected”. The next report (R03) presents all those recipients whose grants have lapsed by province, age of child and reason. The last of these reports (R05) reflects the numbers of applications rejected according to province, reason and age of the child.

The last data is from a demographic report compiled by the department in March 2004, and records a variety of demographic factors of primary caregivers and recipients. These include marital status, age, location, relationship to child, and gender.

2. Children in poverty in South Africa

In a recent overview of chronic poverty and development policy in South Africa, the Michael Aliber, Human Sciences Research Council (HSRC) wrote: "A common scenario in South Africa involves the coincidence between poor health, meagre education, and fractured families, on the one side, with skewed resource distribution, inadequate infrastructure, and scarce employment opportunities on the other. The combination is more than sufficient to trap many people in poverty." (Aliber 2001, ii) As he suggests, poverty is far more complex and insidious than a lack of income. Yet income obtained through employment or production is vital to accumulate assets and buy daily necessities, and lifts individuals and families from positions of extreme vulnerability. Income, assets and insurance all provide shock absorbers for incidents which push families into downward spirals, and which make meeting basic needs almost impossible.

But in South Africa, unemployment is at critical levels, and continues to rise. Apartheid policies relentlessly stripped black South Africans of access to productive resources such as land and business ownership, and systematically disenfranchised the majority from adequate education, and health care. How then are poor families, the inheritors of deprivation and unlikely to get a job, to provide for their children?

Seekings, in a forthcoming book with Natrass, has done an analysis of South African Reserve Bank data on employment. He found that "non-agricultural, formal private employment – and to a lesser extent also public employment – fell across the decade" of the 90s. Unemployment levels have continued to rise across the 10 years of democracy, and can be measured using either an official or expanded definition. Official unemployment covers those who are actively looking for a job, but have not found one. The expanded definition includes those who have stopped actively seeking employment, but want to have a job.

According to Seekings and Natrass, unemployment rates in 1993 were 12.7% using official criteria, and 29.4% using the expanded definition. By 1998, the figures for official and expanded unemployment were 25.2% and 37.5% respectively. Using the Labour Force Surveys, 2002 unemployment levels, officially defined, were at 29.4%. Using the expanded definition, a staggering 40.9% of the South Africa's potential labour force was unemployed. While the most recent labour force survey does not show an increase in unemployment, it is too early to know if this will be a sustained trend. Seekings writes; "Despite some differences in survey and sampling design, post 1993 surveys showed a remarkably consistent pattern: unemployment was higher for Africans than other population groups; higher for women than men; and higher in rural than urban areas." (Seekings and Natrass forthcoming, 325)

It is against this backdrop of poverty and increasing unemployment, that social security has become vital to the survival of many South African families. To return to Aliber's work; "The social grant system has become less of a net devised to catch an unfortunate few in times of temporary distress, than a major commitment to help a large fraction of the population over sustained periods of time." (Aliber 2001, 4) This is an appropriate response to the massive scale of unemployment and resultant poverty. The South African non-contributory pension is widely acknowledged as a significant poverty reduction mechanism. Barrientos et al. completed a study on the impact of pensions in Brazil and South Africa and conclude that "Non-contributory pension programmes reduce household vulnerability. Households with a non-contributory pension recipient show greater financial stability and lower probability of experiencing a decline in living standards." (2003, 5)

While the social security net in South Africa has proven very successful, there remain large gaps in it. There is increasing provision for younger children and a well-established Old Age Pension, but older children and the working age unemployed are not provided for at all. Children who are between the ages of nine and fourteen have been unable to receive poverty alleviation grants unless they qualify in terms of disability or the special needs covered by Foster Care Grants. For children over the age of 14, there is no current or planned social security provision. Older children of parents or caregivers unable to find jobs receive no social security unless they are able to access the benefits of an older person in the household receiving an Old Age Pension.

The close association between unemployment and poverty has important consequences for children. Judith Streak of Children's Budget Unit in the Institute for Democracy of South Africa (IDASA) recently completed an overview of some possible ways of measuring and quantifying child poverty in South Africa. Among them are poverty measured or characterised via income, food insecurity, and children's own experiences. There are other possible health indicators of child poverty, including infant mortality levels, malnutrition and stunting. Because this paper deals with a cash grant, we will focus on the number of children living in poverty as calculated using absolute poverty lines. IDASA commissioned Ingrid Woolard of the HSRC to analyse the 2000 Income and Expenditure Survey, and her findings will be used throughout.

Woolard used two poverty lines in her analysis. "An amount of R215/month per capita (in 2000 Rand) was chosen as a line for measuring the number of children living in deep poverty... R430/month per capita (in 2000 Rand) was chosen as a higher poverty line." (Streak 2004a, 5) In other words, Woolard suggests that those children living in households with less than R430 per month per person using the 2000 Rand value, are poor. Similarly, those children living where households have R215 per month per person using the 2000 Rand value, are ultra poor or living in deep poverty. These lines are of course somewhat arbitrary, and depend on a range of assumptions¹.

A comparison with other measures of absolute poverty (such as \$1 or \$2 a day per person), suggest that the lines used by Woolard might be a little high. (Streak 2004a) Also, using an income measure does not necessarily capture a child's likelihood of deprivation, as some poor families may run subsistence farms or through other mechanisms meet some level of basic needs for the children in their care without substantial cash income. Poverty lines do however provide an important tool in this kind of analysis. They allow us to answer, to the best of our ability, questions about how many children are poor, whether this number is increasing or decreasing, and how many of those poor children are receiving some form of poverty alleviation through the provision of the Child Support Grant.

Using these poverty lines, Woolard calculated the child poverty rates at provincial and national level in South Africa. Using the R430 line, Woolard found that 74.9% of children aged 0 – 17 in South Africa are poor. This works out to be more than 13 million children. Poverty is not, however, evenly distributed across the country. KwaZulu-Natal, the Eastern Cape and Limpopo together "were home to 60% of our income poor children." (Streak 2004a, 7) Even if the reader concludes that the poverty lines used in this analysis are inflated, it is still staggering that nearly 75% of South African children have access to less than R430 per month each for

¹ See Streak's forthcoming chapter for a discussion of these issues, and a comparison with other possible poverty lines.

their housing, water, electricity, clothing, shoes, schooling, educational materials, and nutrition and play needs.

Calculating the number of children who are in deep poverty, the ultra-poor, reveals a slightly different picture. With the R215 poverty line, Woolard finds that 54.34% of children across South Africa are ultra-poor. This means that some 9.7 million children from birth to age 17 are living in deep poverty. Again the Eastern Cape (72%), Limpopo (69%) and KwaZulu-Natal (60%) experience the highest child poverty rates. (Streak 2004a, 8)

3. Grants for children

“Measured by expenditure, the government’s social security system is by far the largest anti-poverty instrument in the country, and probably one of the more functional.” (Aliber 2001, 3) The following social security measures are targeted at South African children:

The Child Support Grant (CSG) is a poverty alleviation grant. It is aimed at supporting caregivers of children to see to their basic needs, and contributes some of the resources necessary for their adequate growth and development. Given the depth and breadth of income poverty in South Africa, it is an essential mechanism for ensuring that children receive adequate nutrition and have their other basic needs met. Any primary caregiver can apply for a grant on behalf of an eligible child. Parents, relatives or non-relatives are all recognised as primary caregivers, as long as they can prove that they have responsibility for the day-to-day care of the child.

The CSG was introduced in 1998 to replace the Apartheid era’s State Maintenance Grant (SMG), which had a much higher monetary value. In 1996 its maximum value was R700 per month, depending on the number of children per family and the extent of their need. In 1997 there were only about 150,000 mostly coloured and some white households receiving the SMG. The CSG was introduced in 1998 as the SMG was being phased out, at an initial monthly value of R100. The grant’s value has increased at a rate slightly above inflation, and during the period analysed in this paper, was R160 per month per child. As of the 1st of April 2004, the amount was increased to R170 per month². The department’s intention in introducing the CSG was to extend a basic poverty alleviation grant to all eligible South African children. The grant is funded through the provincial equitable share and own provincial revenue. The age extension of the CSG is being funded through a CSG extension conditional grant introduced in the 2003/04 year under review.

In addition to the CSG, which targets children by age and caregiver income, the department of Social Development administers two additional grants which target children with special needs.

The Care Dependency Grant (CDG) is given to caregivers on behalf of poor children up to the age of 18 who have severe mental and physical disabilities for which they require full-time care. The grant provision can be extended to the age of 21 if children are still in school. The disability status of the child is documented through a medical assessment, which is currently under review. The value of the grant in the period under review was R700 per month; this

² Using 1999/2000 as a base year, the real value of the CSG payment has increased from R100 to R121.51. (Streak, J. and L. Kgamphe 2004b, 5)

figure increased to R740 from April 2004. The real value of this grant using 1999/2000 as a base year, had decreased slightly from R520 to R500.³

The last grant targeted specifically at children and their carers is the Foster Child Grant (FCG). Children to the age of 18 who have been placed in the care of a foster parent by the Children's Court are eligible for this grant. In the period under review the grant had a monetary value of R500, which was increased to R530 per month from the 1st of April 2004.

4. The scope and growth of social security for children in South Africa

Social security provision to children has increased substantially over the 2003/04 year in terms of the number of children receiving grants and the total amount disbursed as grants by the Department of Social Development. There has been a steady increase in the number of children accessing the grants targeted at them as poverty alleviation (Child Support Grant) and to meet special needs (Foster Care Grant and Care Dependency Grant).

On the last day of March 2003, approximately 2.6 million children were receiving the CSG through 2 million primary caregivers. Exactly one year later, nearly 4.3 million children were getting the CSG through slightly more than 3 million primary caregivers. This is a 62% increase in the number of child beneficiaries over one year. This substantial increase is made up of a continued growth in the number of children under the age of seven accessing the grant, as well as the age extension to children aged seven and eight. There was a 29% increase in the number of children under the age of seven who received the grants, and nearly 900,000 children were reached by the first phase of the age extension. The monthly amounts paid out in grants increased concomitantly. In March 2003, the Department of Social Development, through its provincial offices, disbursed 419.5 million Rand in Child Support Grants. In March 2004, the total monthly figure disbursed had risen to 728 million Rand.

While this has been the most dramatic increase in the number of any grant disbursed in South Africa, those grants targeted at children with special needs have also increased steadily over the year in terms of numbers of beneficiaries and therefore disbursements. The CDG went to 58,140 severely disabled children in March 2003 and to 76,976 such children one year later, a 32% increase. Grant payments rose from nearly 41 million Rand to nearly 57 million Rand per month during this period.

The reach of the Foster Child Grant also widened in the year under review. During March 2003 some 86,340 court-appointed foster parents were able to access a total of 69 million Rand in grants for the 138,763 children under their care. One year later, 123,484 foster parents accessed 104.5 million Rand in grants for the 197,303 children placed in their care by the courts. This is a 42% increase in the number of children for whom grants were received, and a 43% increase in the number of court-appointed foster parents receiving FCGs. This increase was, however, of a much lower base than that of the Child Support Grant.

To put this growth into some perspective it is useful to compare it with the Old Age Pension. Over the same period the OAP increased only 2.1% in terms of the number of beneficiaries.

³ Streak, J. and L. Kgamphe 2004b, 5. This calculation shows the effect of inflation over time.

This is because virtually all persons eligible for the OAP are already receiving it. In March 2004, a little over 1.5 billion Rand was disbursed as Old Age Pensions. So, in March 2003 approximately 2 million pensioners received the OAP and 2.6 million children received the CSG. A year later, 2.05 million pensioners received the OAP, while 4.3 million children received the CSG.

IDASA's recent Budget Brief on spending on children in the Medium Term Expenditure Framework (MTEF) comes to the conclusion that "the share of child social assistance spending in total government spending is small but increasing, driven by CSG programme spending." (Streak, J. and Kgamphe, L. 2004b, 2) This can be seen in the dramatic increase in the number of children receiving the CSG in particular, and the relative stability of OAP provision.

5. What proportion of poor children receives the Child Support Grant?

There are two important ways in which it is possible to assess the effectiveness of the CSG extension in reaching children in poverty. The first is against the targets of the Department of Social Development, and the second is in relation to the poverty rates discussed above.

a. Extension targets set by the Department of Social Development

Documents prepared for the regulations governing the extension of the CSG include projections on the number of children over the age of seven that are to be added to the CSG programme over the next three years. According to the minutes of a meeting between the Children's Institute, the Alliance for Children's Entitlement to Social Security (ACCESS), the Black Sash and the Department of Social Development in April 2003, it was projected that 929 336 children aged seven and eight would be added to the programme between April 2003 and March 2004.

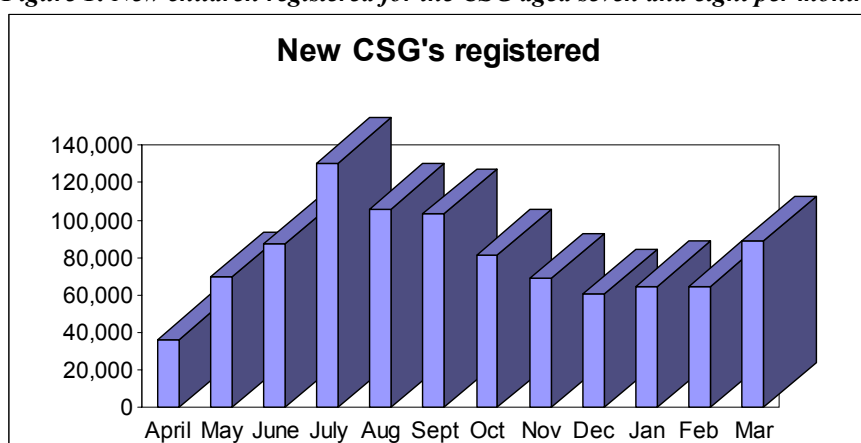
According to departmental officials, the projections are made with a slightly different kind of poverty analysis than described above. They are calculated in two stages: first estimating the number of children living in poverty using a relative poverty measure (eligibility), and then estimating the number of eligible recipients that will access the grant (uptake). The relative poverty measure in this instance is the lowest 40th percentile by income. In other words, all those children of eligible ages who are living in the lowest 40% of households by income in the country are counted as eligible for the CSG. Like any method of calculation, this one has its strengths and weaknesses. It is easy to use and can be calculated using Census and other data. Its drawbacks are two-fold. The eligibility criteria used for the estimates are not related to the means test applied to caregivers of children when they apply for a CSG. The second problem is that the data used in this estimation are the 1996 Census, which is very out of date. Given the eligibility figures, it is not clear what the department thought the uptake rates would or should be. In a perfect world, very near 100% of those eligible should access the grant. The department has shown that very high levels of uptake are possible in the effectiveness of the Old Age Pension.

Assessing the department's performance against its own targets set through eligibility and uptake is then very simple. One only has to compare how many grants have been registered by the end of the extension period with the target of 929,336 children. At the end of the period

under review, 884,026 grants were registered for children aged seven and eight. Or in other words, 95% of the department's targets for the extension were met at a national level. However, this does not give any indication as to which provinces met their targets and which not. It also doesn't take into consideration grants which were registered, but which lapsed during the period under review. It is possible to conclude however that the department came very close to meeting what was a fairly ambitious target.

Figure 1 below shows the number of new grants that were registered each month over the year under review. The first month or two were slow as early applications were processed and, presumably, caregivers heard about the eligibility of their children for the first time. By July, large numbers of grants were being registered. This trailed off until December 2003, which might also reflect the closure of offices over the Christmas period, and rose again quite sharply in the last month of this age extension.

Figure 1: New children registered for the CSG aged seven and eight per month, national



Source: SOCPEN R01 April 2003 - March 2004

b. Poverty rates and the extension of the Child Support Grant

There is another way to answer the question of how many poor children in the extension age groups received the CSG during this period. We can work out how many seven and eight year old children there are in each of the provinces, and in South Africa as a whole. This was done in the tables below, using Census 2001 provincial figures. It is then possible to calculate how many children in each province are poor using the poverty rates calculated by using the two absolute poverty lines by Woolard discussed above. Once it is known how many poor children there are in each age group, we can compare that with how many children in are registered for the CSG each province. Because we can determine the number of children in each age group, it is possible to estimate the coverage of poor children in the original 0 – 6 year category of the CSG, as well as the coverage of children aged seven and eight, the specific target of the extension. By this means we can work out what percent of the number of poor children are receiving the Child Support Grant in each province and across the country. This gives an indication of the effectiveness with which provincial administrations are serving their populations and meeting their obligations in fulfilling the rights of poor children to social security.

When interpreting an uptake figure calculated in this way, it is important to remember that even a 100 percent uptake rate does not guarantee that all poor children are receiving the grant.

There may be sections of poor people not receiving the grant, and others with a slightly higher level of income that are receiving it – and this would also be *100 percent of the number of poor children*, and not *100 percent of poor children*.

i. Children aged six and younger

The first table below shows that, according to Census 2001, there were nearly 6.4 million children, from newborns to six year olds, in South Africa. Like all Census data used in these tables, it is possible that there are more children in this age group in 2003 and 2004 than there were in 2001, but it is likely to be a very small error. The third column shows the poverty rates per province using the R430 per month per capita (in 2000 Rand) poverty line. The numbers tell us what percent of children in that province live below this poverty line.

As was mentioned earlier, the child poverty rates are highest in Limpopo (87%), the Eastern Cape (86%) and KwaZulu-Natal (79%). These very high rates are only slightly above those in the Free State, Mpumalanga and the North West. Gauteng and the Western Cape have the lowest poverty rates of 55% and 47% respectively. The last column of the table shows what percentages of the number of those below this poverty line are receiving Child Support Grants. The range is quite small. The uptake rates range from 67% to 81%, with a national rate of 71%. It is important to note that, while the Eastern Cape has a particularly high poverty rate, it has the lowest uptake rate. Limpopo Province, however, has the highest poverty rate, but an uptake rate slightly above the national average.

Table 1: Proportion of poor children age 0 – 6 receiving the Child Support Grant using the R430 poverty line

Location	Total 0 – 6 year olds	Provincial poverty rates (R430 pm poverty line)	Number of 0 – 6 year olds in poverty	0 – 6 year olds receiving grants	Percentage of poor receiving grants
Eastern Cape	978,254	85.7%	838,266	564,331	67.3%
Free State	360,930	77.8%	280,767	190,416	67.8%
Gauteng	1,002,352	54.8%	549,489	424,514	77.3%
KwaZulu-Natal	1,457,433	78.9%	1,151,081	846,242	73.5%
Limpopo	881,032	86.8%	764,383	553,997	72.5%
Mpumalanga	491,544	77.8%	382,274	276,357	72.3%
Northern Cape	115,200	70.8%	81,562	54,899	67.3%
North West	513,464	76.2%	391,311	271,257	69.3%
Western Cape	568,592	46.9%	266,954	216,606	81.1%
National	6,368,801	74.9%	4,768,321	3,398,619	71.3%

Source: Leatt (2004) SOCPEN administrative data; poverty rates by Woolard; uptake calculations by Leatt

Table 2 on the next page presents the same kind of calculation, but this time uses Woolard's ultra or deep poverty line of R215 per month per person. The number of 0 – 6 year olds remains the same. The number of 0 – 6 year olds living in poverty is calculated by multiplying the number of children per province by the poverty rates. The last column – percentage of poor receiving grants – is calculated by comparing the number of poor children in this age category with the number of children receiving Child Support Grants.

What this table says is that, on a national basis, 98% of the number of ultra-poor children are receiving the Child Support Grant. The uptake rates across the provinces again show a lot of variation. The Western Cape and Gauteng perform best once again, with

substantially more than the numbers of ultra-poor accessing the CSG. The Eastern Cape's figures are worrying. It is the province in which the highest proportion of children is living in ultra-poverty – 72%. At the same time, they have the lowest uptake rate.

Table 2: Proportion of poor children age 0 – 6 receiving the Child Support Grant using the R215 poverty line

Location	Total 0 – 6 year olds	Provincial poverty rates (R215 pm poverty line)	Number of 0 – 6 year olds in poverty	0 – 6 year olds receiving grants	Percentage of poor receiving grants
Eastern Cape	978,254	72.2%	706,593	564,331	79.9%
Free State	360,930	57.6%	208,004	190,416	91.5%
Gauteng	1,002,352	28.1%	281,561	424,514	150.8%
KwaZulu-Natal	1,457,433	59.9%	872,565	846,242	96.9%
Limpopo	881,032	69.2%	609,762	553,997	90.8%
Mpumalanga	491,544	52.1%	255,947	276,357	107.9%
Northern Cape	115,200	47.9%	55,204	54,899	99.4%
North West	513,464	53.1%	272,803	271,257	99.4%
Western Cape	568,592	19.7%	111,956	216,606	193.5%
National	6,368,801	54.3%	3,460,806	3,398,619	98.2%

Source: Leatt (2004) SOCPEN administrative data; poverty rates by Woolard; uptake calculations by Leatt

It is easy to think when reading these tables that an uptake rate of more than 100% means that all children who are classified as ultra-poor because they fall beneath the R215/month absolute poverty line, are able to access the grant. This is not the case. There are a number of barriers to accessing the grant that will be discussed below. These barriers are more likely to prevent the very poorest from being able to get registered for the CSG.

If we take the example of Mpumalanga in Table 2, we see that by Woolard's calculations, 52% or about 256,000 children are ultra poor. The uptake rate is nearly 108%, which is about 276,000 children. As a hypothetical example, it is quite possible that the poorest 50,000 children have caregivers who are not able to access the grant at all. That would mean that the poorest 50,000 don't get the grant, the next 226,000 children do get the grant, some of them counted as ultra-poor and some counted as poor. It is important to bear this in mind when interpreting these uptake rates.

ii. The Child Support Grant extension - seven and eight year olds

It is vital to assess how many poor children in the extended eligible age group were able to access the Child Support Grant. Such information will give us an indication of the ability of the Department of Social Development, through its provincial departments and national co-ordination, to administer the roll-out of the grant extension to older children living in poverty over the next two years and beyond.

Table 3 on the next page calculates the uptake rates per province per absolute poverty lines. This table reflects the total number of seven and eight year olds according to Census data, as well as the same provincial poverty rates used above. There are a little over 1.9 million seven and eight year olds in South Africa, of whom 884,026 were receiving the CSG by the end of March 2004. Using the higher poverty line, 61% of the number of poor seven and eight year olds were receiving the grant. Gauteng showed the highest uptake

rates at nearly 72% and once again, the Eastern Cape was well below national levels with only 55% of the number of poor children accessing the grant.

Table 3: Proportion of poor children aged seven and eight receiving the Child Support Grant, using the R430 poverty line

Location	Total 7 – 8 year olds	Provincial poverty rates (R430 pm poverty line)	Number of 7 – 8 year olds in poverty	Number of 7 – 8 year olds receiving grants	Percentage of poor recipients
Eastern Cape	325,193	85.7%	278,658	154,130	55.3%
Free State	108,642	77.8%	84,513	51,000	60.3%
Gauteng	262,302	54.8%	143,794	102,940	71.6%
KwaZulu-Natal	444,452	78.9%	351,028	205,545	58.6%
Limpopo	289,615	86.8%	251,270	161,089	64.1%
Mpumalanga	146,232	77.8%	113,725	77,234	67.9%
Northern Cape	33,117	70.8%	23,447	14,552	62.1%
North West	149,796	76.2%	114,160	69,813	61.2%
Western Cape	162,308	46.9%	76,204	47,723	62.6%
National	1,921,657	74.9%	1,438,745	884,026	61.4%

Source: Leatt (2004) SOCPEN administrative data; poverty rates by Woolard; uptake calculations by Leatt

The last table of this section presents the same calculations, this time using the ultra poverty line. On a national level, nearly 85% of the number of ultra-poor children were able to access the grant. The uptake rates follow the now familiar pattern of Gauteng and the Western Cape performing best, and the Eastern Cape performing substantially below the national average.

Table 4: Proportion of poor children aged seven and eight receiving the Child Support Grant, using the R215 poverty line

Location	Total 7 – 8 year olds	Provincial poverty rates (R215 pm poverty line)	Number of 7 – 8 year olds in poverty	Number of 7 – 8 year olds receiving grants	Percentage of poor recipients
Eastern Cape	325,193	72.2%	234,887	154,130	65.6%
Free State	108,642	57.6%	62,610	51,000	81.5%
Gauteng	262,302	28.1%	73,681	102,940	139.7%
KwaZulu-Natal	444,452	59.9%	266,093	205,545	77.2%
Limpopo	289,615	69.2%	200,443	161,089	80.4%
Mpumalanga	146,232	52.1%	76,143	77,234	101.4%
Northern Cape	33,117	47.9%	15,870	14,552	91.7%
North West	149,796	53.1%	79,587	69,813	87.7%
Western Cape	162,308	19.7%	31,958	47,723	149.3%
National	1,921,657	54.3%	1,044,228	884,026	84.7%

Source: Leatt (2004) SOCPEN administrative data; poverty rates by Woolard; uptake calculations by Leatt

There are a number of ways of evaluating the extension of the Child Support Grant. It was explained in the introduction that, over the period of 2003/04, approximately 1.7 million more poor children under nine years received the Child Support Grant. This 62% expansion in the reach of the CSG is significant. It is also possible to conclude that the Department of Social Development at a national level came very close to reaching its own

targets for the extension; registering 95% of the number of children aged seven and eight that they aimed at reaching

The Department should be congratulated on this significant administrative effort. While there is clearly cause for serious concern in the Eastern Cape in particular, most provinces have made substantial inroads into granting access to financial assistance to children living in poverty. It has been calculated that nearly 85% of the number of ultra-poor and 61% of the number of poor seven and eight year olds have been reached by this extension of the CSG. For this the employees of the department, as well as NGOs, community workers, literally thousands of church groups and caregivers are to be congratulated. The substantial success of this extension from the perspective of the department's administration is cause for confidence that the systems and procedures are in place in many provinces to accommodate the further successful roll-outs to nine and ten year olds in 2004/05 and to 11, 12 and 13 year olds in 2005/06.

This positive evaluation must be balanced from the perspective of every South African child who is in need as a result of their parents' or caregivers' poverty. The South African Constitution enshrines the right of every South African to social security, including social assistance for those who can't afford to support themselves or their dependents, and sufficient food, water and health services. Children are also specifically entitled to basic nutrition, basic health care services, shelter and social services. (Sections 27 and 28, Constitution of the Republic of South Africa) Since the Child Support Grant extension is a programme designed explicitly to alleviate the poverty of children aged 7 and 8 (during the period under review), all children who are eligible ought to be able to realise their right by accessing the grant.

What then of the nearly 40% of children defined as poor using Woolard's absolute poverty line that have not been able to register for a CSG during this period? Even if we decide that that poverty line is too high and we use a lower one, there are still substantial numbers of poor children who have not accessed the grant. The moral imperative is clear. It is the responsibility of South African society to make sure that no child within its borders goes hungry or unsheltered or uncared for. It is the responsibility of the Department of Social Development to reach every eligible child, with the assistance and support of civil society.

The next section of this paper therefore examines some administrative problems for children whose caregivers were able to access the grant, or whose grants were refused or lapsed. An argument about eligibility criteria for applicants will also be put forward. The purpose is two-fold. On the one hand it is important to understand which children were not able to access the grant and why. And it is also important to make recommendations in this regard so that the future roll-out of the extension is even more effective.

6. Access to the Child Support Grant and its extension

The regulations governing the administration of the Child Support Grant set out eligibility criteria. Caregivers are eligible to receive the CSG if they are South African citizens, have primary responsibility for caring for the child concerned, pass the income means test, and if the child is younger than the upper age limit for the grant at the time of application. The caregiver must also be able to prove all of this by presenting bar-coded identification documents for themselves, a 13-digit ID numbers for the children, and affidavits declaring their relationship and income.

Problems with eligibility and barriers to access can be analysed from a number of perspectives. For potential beneficiaries, a number of barriers can arise. These include problems with identification documents, the widespread problem of birth certificates, a lack of money for transport and other incidentals in accessing the grant, ill health or other circumstances that make it impossible to queue at social development and other government offices.

Barriers involving the Department of Social Development fall into two categories. The first relates to administrative justice. Are eligibility requirements being implemented in a fair, reasonable and consistent manner? The second relates to the construction of eligibility criteria themselves, and are primarily policy and regulatory considerations.

Since this paper is based on data from the Department of Social Development, some of these barriers are not amenable to analysis. It is possible though to draw on other evidence about beneficiary barriers from the administrative data, and to point out contradictions or inefficiencies and their consequences.

a. Age eligibility criteria

Children aged seven and eight became eligible for the CSG under the age extension. There are a number of problems around age eligibility in the extension. The first is that there were a number of caregivers who applied for a CSG on behalf of children over the age of nine years. This could well be because of confusion from the original announcement that the grant is extended to children up to the age of 14. There was also at least one incident in which a provincial department circulated a pamphlet with incorrect information about age eligibility. Rosa and Mpokocho (2004, 21) document the case of the North West Provincial Department of Social Development, which distributed pamphlets and posters saying: "to qualify for the grant, the child must be below 8 years old". There is also some evidence that individual officials at local offices across the country misinterpreted the eligibility criteria and excluded eight-year-old children from applying. (Rosa and Mpokocho, 2004).

However, the SOCPEN data does not provide corroborating evidence of this problem because it only records applications that have been completed and processed. In the cases recorded in Rosa and Mpokocho, many of the caregivers were turned away from the offices and not allowed to make an application, being told that their 8-year-old child was too old to qualify for a CSG. Of those submitted applications, it is impossible to tell how many were inappropriately rejected on the basis that "children have reached the prescribed age". This is because all applications are coded by age, the highest of which is 8 – 9 years.

Nonetheless, a total of 31,822 applications were refused on the basis that the child was too old.

The 884,026 grants to children in the age extension included three different kinds of registration. Some of the children were between five and six years old when the extension was announced. When their 7th birthdays came around, their grants were simply **continued** into the extension period. Other children had never before been registered for the Child Support Grant. This **new** group accessed the grant for the first time, either because they were newly eligible by age because of the extension, or heard about the grant for the first time during the substantial information campaign that accompanied the extension. Other possibilities are that their caregivers were in a position of deepened poverty, which put them below the means test income, or that they were able to acquire the necessary documents for the first time.

The third kind of registration for grants was **re-applications**. In this case, children's grant registration lapsed at some point in the past – most likely because they turned seven before the extension was announced – and they were successful in re-applying for the grant. The Children's Institute anticipated this problem, and raised it with the department when the phased-in extension of the CSG was announced (Proudlock and Rosa at a meeting with department officials, Cape Town, February 2003). While it was evident that the problem could not easily be solved for the first year of the extension, it could easily be prevented in years two and three of the roll-out. It was particularly anticipated that this problem would manifest in years two and year three of the extension when nine year olds and 11 year olds would have to re-apply. Evidence of the problem manifesting in 2003 can be seen in the cases reported to Case Alert, a joint Children's Institute and ACCESS project. (See Mvulane Z, Mpokotho C and Rosa S in the 2003 Case Alerts and Proudlock P in ACCESS Newsletter Nov. 2003.)

Evidence of the extent of re-application problem was first presented in the Children's Institute's working paper analysing the first six months of the extension (Leatt, 2003). Furthermore, the HIV/AIDS Programme at the Children's Institute and the Centre for Actuarial Research at the University of Cape Town completed a costing exercise on grant administration in 2003. It was calculated that the average cost of processing a CSG application in terms of salary and wages for administrative staff was R30.22 per grant. (Meintjes H, D. Budlender et al, 2003) This is a very conservative calculation based on the best-case scenario of smooth applications, easy verification and no return visits for lost or missing documentation.

The very conservative estimate however allows us to cost the processing these re-applications. By the end of the extension period, the number of re-application cases had increased to 218,441. Using this CI/CARE calculation, we can estimate the administrative costs of re-applications very conservatively at R6.6 million. This is equal to 41,000 grant payments at R160 per month, or an additional nearly 3,500 children receiving a CSG for the entire year. Some lapsed grants could be accounted for because they resulted from the death of a caregiver or a move to another province, in which case a re-application is a success. But, given that age eligibility is by far the single biggest reason for grants lapsing, the vast majority of cases would fall in this category. If this trend continues, a similar number of re-applications for nine and 11 year olds can be expected for years two and three of the extension roll-out.

It is argued above that all the eligibility criteria for the CSG can be problematic for the beneficiary, because of administrative irregularities, or because there is a foreseen or unforeseen error in its construction. Given that the CSG extension is to be rolled out for a further two years, this falling off and re-applying for the grant at the edge of the eligibility age seems to be a poor use of administrative resources, and highly inefficient. Beneficiaries will again experience all the barriers to applying for the grant for the first time. While many caregivers were able to get children in their care registered for a CSG a second time, many might have been unable to do so because identification documents were lost or stolen, they were too sick to get to registration offices, or because transport or documentation costs were too high.

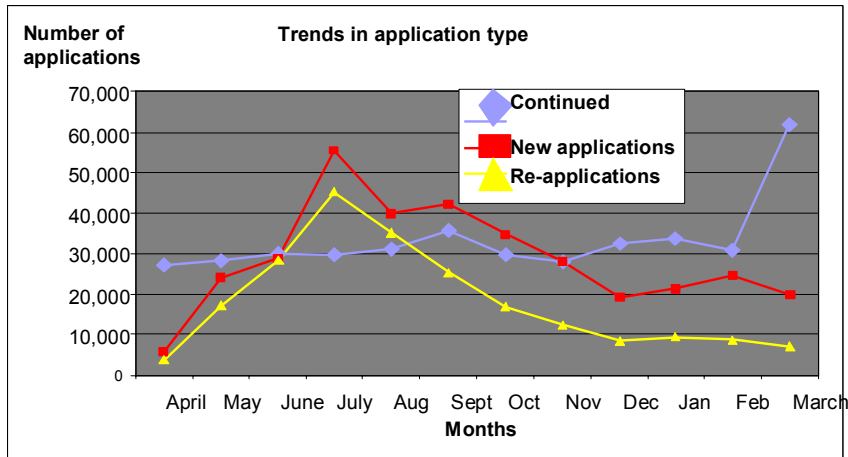
Figure 2 on the next page shows the incidences of these different kinds of registration types in the year of the extension. The **blue line** shows the number of grants that have continued without the caregiver being required to submit to a re-application process. This number remains fairly stable throughout the year, except in the last month. This last upsurge is consistent with the fact that, in the last two months of this phase of the extension, there was a dramatic decrease in the number of grants lapsed because of age. In January 2004 there were 24,000 children whose grants lapsed for this reason.

In February and March 2004 there were only 13 and three such cases respectively. Discussion with the Department of Social Development confirmed that there was an official decision not to lapse any grants on the grounds of age eligibility during March 2004, on the grounds that it would be administratively inefficient to have to reprocess their applications a month later. In other words, children who turned nine in March 2004 remained registered, despite their birthdays being before the age extension to nine and 10 year olds. This action by the department is certainly welcomed.

The Children's Institute calls upon the department to interpret the regulations in such a way to make it possible for **every** child registered for a CSG not to have their grant lapse until they reach the age of 14, since the very purpose of the roll-out is to extend financial support to poor children to the age of 14. There are strong arguments in favour of leaving the children who reach the maximum eligible age on the system and allowing them to continue to receive the CSG, including the high cost to the department as pointed out above, and costs to the beneficiaries in transport and documentation requirements. In addition, this system places a burden on families, as financial assistance is provided to them and then removed again in a short period of time.

The **yellow line** in the graph tracks the number of re-applications, which after a peak in June, declined steadily. The **red line** in the graph reflects new applications, which increased as information about the CSG eligibility extension spread, and more and more people were able to apply. After a peak in June, the number of new applications registered every month decreased at a steady rate.

Figure 2: Trends in successful CSG registration types, 2003/04



Source: SOCPEN R01 April 2003 – March 2004

It is therefore possible to conclude that the age extension appears to have been well implemented in so far as children 9 years and older have not been registered for Child Support Grants in contravention of the regulations. The Children's Institute however recommends that the department change the regulations to ensure that once a child is registered for a CSG within their age extension, they remain registered until the upper limit of the age extension.

A further recommendation is that the age eligibility continues to be extended until all children to the age of 18 are covered. This would close a substantial gap in social security provision for children. These recommendations echo the recommendations already made in the CI/ACCESS 2003 *Case Alerts* (Mvulane Z, Mpokotho C, Rosa S and Proudlock P) and the *Monitoring Report on the Extension of the Child Support Grant to Children under 14 Years*, published in April 2004 (Rosa and Mpokotho 2004).

b. Means test eligibility criteria

In terms of section 3 of the Social Assistance Act (No. 59 of 1992), and regulation 3, all applications for Child Support Grants are subject to a means test.

There are two different income levels used in the means test for the CSG. For those people who live in rural areas, or in informal housing in urban areas, a means test of R1 100 per month is applied. This income limit applies to the primary caregiver of the child as well as their spouse. This limit does not take into consideration the number of children who are the responsibility of that caregiver. Persons are only eligible for the CSG to support the child or children in their care if they can show, through an affidavit, that they have less than the stipulated amount per month in total income earned between themselves and their spouse.

The second means test level is applied to people living in formal housing in urban areas, and is even lower. In this regard the regulations stipulate that, to qualify for a CSG on behalf of a child in your care and if you live in an urban area in formal housing, you and/or your spouse would need to earn less than R800 per month in total.

Since the data used in this paper comes from the Department of Social Development, it is impossible to do any analysis on barriers for potential eligible beneficiaries created by the means test. The data also does not support any conclusions with respect to administrative justice.

SOCPEN data however does provide evidence in the applications that were rejected or lapsed on the grounds that the applicant did not meet the means test. In this first year of the extension, 5,303 applications were rejected on the grounds that the primary caregivers applying for the grants did not meet the means test. In other words, only 0.57% of applications for CSGs in the extension age were rejected on the grounds of not meeting the means test. As described above, the CSG means test is set at two levels and in the first, applied to people living in rural areas or in informal housing in urban areas, a mere 0.39% of total applications in the extension were rejected. For the second level, applied to those living in formal urban housing, only 0.18% of applications were rejected over the entire year.

It is possible to do a similar calculation on the number of lapsed grants on the grounds of the two means test levels. For all ages from 0 – 8 for the entire year, only 3,210 grants lapsed in the rural areas, an average of just 268 per month. If the cumulative total for grants lapsing on this basis is compared with the total number of grants, we find it makes up a tiny 0.07%. In other words, these figures show that the means test is not actually being used to reject or remove a large number of applications for the CSG on the grounds that they have too large an income. This is compounded by the fact that there is no standard verification of the documentation presented in the application process, as it would simply be too complicated and too costly to administer.

This still does not quite answer the question of whether the means test eligibility criteria are appropriately constructed. Do these thresholds adequately reflect situations of poverty, such that the poor fall under the threshold and the non-poor above it? Are the poorest able to prove their poverty levels so that they may be counted below the threshold?

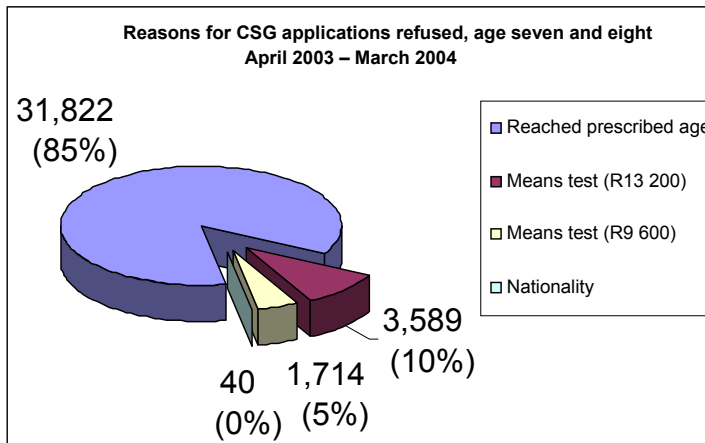
It is not possible to address these questions here. We can, however, assert that the threshold levels are very low. They have not increased with inflation since their introduction in 1998. The value of the grant has kept pace with inflation, rising from R100 in 1998 to R170 in 2004, and the Minister of Finance has undertaken to continue to raise the CSG value to keep in line with rising costs as indicated by inflation. But without raising the threshold poverty levels in line with inflation, the threshold becomes lower and lower in real terms. In other words, one substantial barrier to poor caregivers accessing the CSG is the way in which the means test is set. It is therefore imperative that there is, at the very least, an inflation-linked increase to the threshold levels so that more and more of the poor do not continue to have their eligibility negated over time.

c. The nationality criteria

According to the regulations, only South African citizens are able to apply for the CSG for children in their care. However, since the Constitutional Court ruling early in 2004, permanent residents are also eligible. (*Khosa & others v The Minister of Social Development*, CCT 12/03; *Mahlaule v The Minister of Social Development*, CCT 13/03) From the administrative data it appears that this criterion is well known, as very few people who applied for the CSG were turned away because they are not South African. During the entire extension period under review, only 40 grants were refused on these grounds.

Figure 3 shows the total number of applications refused on the grounds of age, means test and nationality during the extension period⁴. It shows what proportion of rejections for CSG applications can be ascribed to these three eligibility criteria. By far the greatest number of rejections was on the grounds of age, with means tests in a distant second place, and nationality only being applied to 40 cases throughout.

Figure 3: Percentage of refused applications by refusal type



Source: SOCPEN R05 April 2003 – March 2004

By the end of March, 884,026 children aged seven and eight were successfully registered for the CSG. A total of 37,165 applications were refused. If officials at the department captured every application, then a total of 921,191 applications were submitted for the CSG, with 4% of them rejected.

There are, as mentioned before, many screening processes that a caregiver has to negotiate before making an application. These include their physical mobility and the availability of transport money, having the necessary identification documents, and the correct knowledge about eligibility. All these screening elements require further investigation, and are not amenable to analysis through administrative data.

⁴ These totals for the entire year of the extension are calculated by adding the monthly number of applications rejected for each of these categories.

d. Caregiver mortality

Aside from age eligibility, the death of a caregiver is the single biggest reason for grants terminating. In the Children's Institute working paper, *Reaching out to children: An analysis of the first six months of the extension of the Child Support Grant in South Africa*, the issue of very high rates of mortality amongst caregivers was raised. The SOCPEN system records when caregivers are confirmed deceased as a reason for grants lapsing. There is another category of unconfirmed deaths, which nonetheless also constitutes a reason for grants coming to an end.

The levels of caregiver mortality are incredibly high. Six months into the extension, nearly 16,000 children had lost their primary caregiver and therefore their registration for assistance through the CSG. If caregivers were very old on average, this finding would be expected. But, as illustrated by the demographic profiles on the next page, the vast majority of caregivers are biological parents of the children on whose behalf they receive the grant. With respect to ages, the majority of grants are going to caregivers between the ages of 26 and 32 in every province.

Figure 4: Caregiver mortality, April 2003 – March 2004

Confirmed deaths of CSG recipient caregivers													
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Totals
EC	226	276	263	434	391	529	528	470	471	686	536	520	5,330
FS	88	109	115	263	203	258	210	192	235	296	248	241	2,458
GAU	235	229	270	358	394	487	398	449	376	560	482	453	4,691
KZN	714	789	825	1188	940	1296	1138	1061	1087	1520	1193	1210	12,961
MP	105	151	173	283	199	316	261	252	275	301	311	306	2,933
NC	25	26	40	58	33	57	44	50	49	61	67	50	560
LP	217	168	191	306	253	364	322	304	308	392	263	324	3,412
NW	129	174	174	317	253	325	297	310	289	364	333	326	3,291
WC	74	65	99	141	93	118	110	96	113	135	116	108	1,268
Total	1,813	1,987	2,150	3,348	2,759	3,750	3,308	3,184	3,203	4,315	3,549	3,538	36,904

Source: SOCPEN R03, April 2003 – March 2004

Figure 4 above shows that the deaths of caregivers continued to increase during the period of the CSG extension, roughly in proportion to the increased numbers of beneficiaries over the year. By the end of the period under review nearly 37,000 caregivers had died and their death certificates forwarded to the departmental officials for verification. The exceptionally high number of deaths in this population is congruent with the highest HIV prevalence rates in the country. According to the Department of Health 2002 Prevalence Survey, KwaZulu-Natal had a 36.5% HIV prevalence rate amongst women attending antenatal clinics, a population not dissimilar to those likely to be CSG recipient caregivers. This rate was up from 33.5% the previous year. "The province that had the second highest HIV prevalence rate among pregnant women in 2002 is Gauteng (31.6%), followed by Free State (28.8%), Mpumalanga (28.6%), North West (26.2%), Eastern Cape (23.6%), Limpopo (15.6%), Northern Cape (15.1%) and lastly Western Cape (12.4%)." (Department of Health, 2003, 7)

The current regulations stipulate that the payment of a CSG be stopped immediately upon the death of a caregiver, as can be seen from the fact that confirmed and unconfirmed deaths are reported as a function of lapsed grants. This regulation removes vital financial support at a time when the child is very likely to need it. The Children's Institute therefore calls upon the department to put into effect the necessary changes to regulations to allow grants to be continued while they are transferred into the name of another recipient. This would be in line with the new Social Assistance Act, which makes provision for a mechanism to ensure that the child is not prejudiced by the death of a caregiver and that the grant is not cancelled. However, new regulations have to be drafted before the Act comes into effect, and it is not yet known how this mechanism would work in practice.

7. The demographics of children and caregivers

The Department of Social Development also records demographic data on the recipients of the CSG; the primary caregivers accessing the grant, and the children for whom they care. With this data it is possible to compile a profile of the recipients. The section below is a very basic description of the demographic information on caregivers of all the children aged from birth to nine years receiving the CSG. It is only possible to describe in very basic terms the demographics of the recipients at national level. In addition, the sections below will explore some variability in the data between provinces.

a. Location

The demographic report compiled by the Department of Social Development includes the location of the children receiving the grant across South Africa; providing a snapshot of their residence in rural and urban areas by March 2004. The provinces themselves define rural and urban areas under their jurisdiction, so there is no guarantee that the same definition is being used across the provinces⁵.

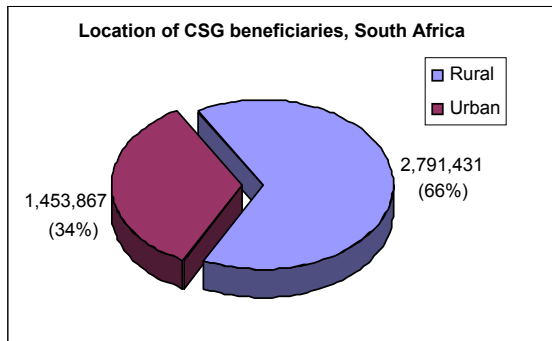
Poverty is deeper and more widespread in rural areas than urban areas in South Africa. May (2000) calculated that 71.6% of poor people reside in rural areas, and that 70.9% of all rural people are poor.

It is also more difficult to provide services in rural areas because of the relatively weaker infrastructures, greater distances to be covered by both providers and beneficiaries, and because in South Africa, many rural areas are the inheritors of previous Bantustan administrations. It is therefore not surprising that provinces with large rural areas have the highest poverty shares, and for the most part, the lower CSG coverage of poor children in their jurisdiction.

It is therefore very pleasing that the substantial majority of CSG recipients reside in rural areas. The split at a national level is represented in *Figure 5* on the next page, which shows that 66% of recipients live in rural areas, and the other 34% in urban areas.

⁵ Personal communication, Jane Jooste, SOCPEN Operations Manager.

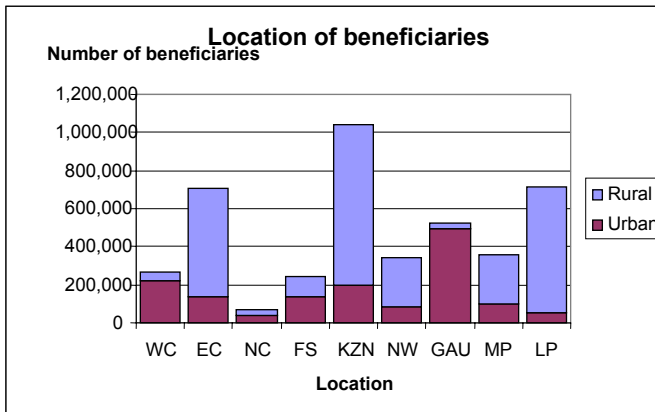
Figure 5: CSG beneficiary location, national



Source: SOCPEN beneficiary demographics data, March 2004

Figure 6 shows the numbers of recipients in rural and urban areas per province. A large proportion of the children receiving the Child Support Grant come from rural areas in the Eastern Cape (80%), KwaZulu-Natal (81%) and Limpopo (92%). On the other hand, rural recipients in Gauteng constitute only 6% of the total, and rural recipients in the Western Cape make up 18% of all those registered. Once again there is a strong correlation between high poverty levels and rural areas, and high absolute numbers of recipients. The department is to be congratulated on ensuring that such high proportions of children in rural areas have been able to access the CSG.

Figure 6: Beneficiary location by province



Source: SOCPEN beneficiary demographics data, March 2004

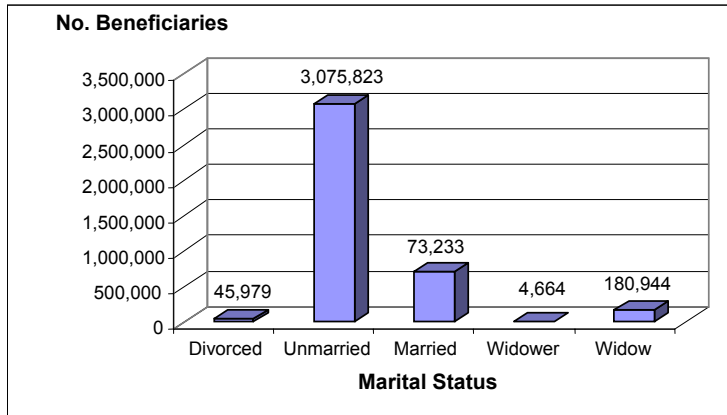
Stephen Gelb's overview of poverty and inequality uses urbanisation figures from the Development Bank of South Africa 2000 Inter-provincial Comparative Report. According to that report, the national urbanisation rate was 56% in 2002. Every one of the provinces managed to deliver Child Support Grants to a greater proportion of people in urban areas than their provincial population shares, an excellent targeting outcome.

b. Marital status

The marital status of CSG beneficiaries at national level is presented in Figure 7 on the next page. Being unmarried is by far the most common status amongst the caregivers of children receiving the Child Support Grant, which makes up 76.5% of the total number of recipients. Marital status is self-reported in all cases except for "married", which requires documentary proof and may therefore be under-reported.

Nearly 18% of beneficiaries are married, while the others are made up of widows (4.5%), divorced people (1%) and widowers (0.1%).

Figure 7: Marital status of primary caregivers, national

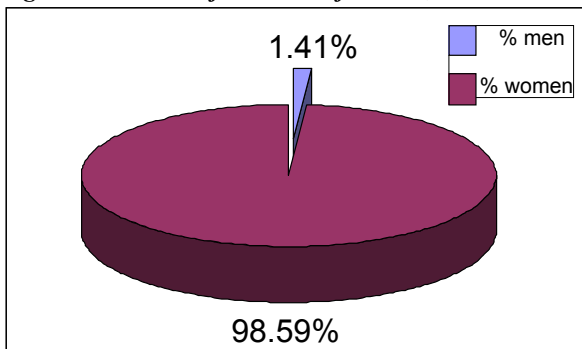


Source: SOCPEN beneficiary demographics data, March 2004

c. Gender

When viewing *Figure 8* below, there can be no doubt that the poor children of South Africa are, almost exclusively, being cared for by women. Less than 1.5% of children who are registered for a Child Support Grant have men as primary caregivers.

Figure 8: Gender of CSG beneficiaries, national



Source: SOCPEN beneficiary demographics data, March 2004

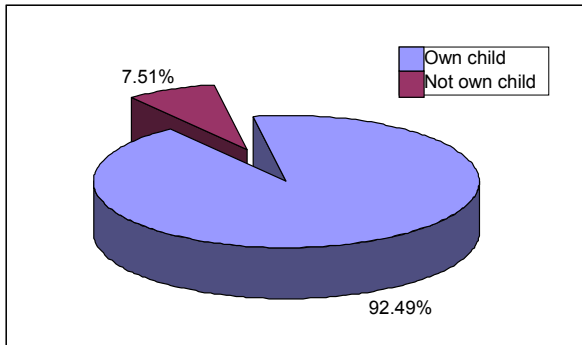
There is very little variability across the provinces in this regard. Limpopo, Mpumalanga, the North West, Gauteng, and the Western Cape all have more than 99% women recipients. The Eastern Cape (97.4%), KwaZulu-Natal (98%), Free State (98.3) and the Northern Cape (98.5%) all have marginally higher proportions of male primary caregivers.

d. Relationship of caregiver and child

At national level, the vast majority of children are the biological offspring of the person registered as the primary caregiver for the purposes of receiving the CSG. The 92.5% reflected in *Figure 9* on the next page represent the more than 3.9 million parents getting assistance in meeting the expenses of raising their children. The 7.51% represent the nearly 320,000 children whose caregivers are not their own parents, but who are receiving financial support to assist in raising them. Unfortunately we do not

have any further information about their relationships. They could include any number of kin or community members in parenting relationships with the children under their care.

Figure 9: Relationship of child to caregiver beneficiary, national



Source: SOCPEN beneficiary demographics data, March 2004

Unlike the gender category above, these categories of ‘own child’ and ‘not own child’ show up quite differently across the provinces. There are four provinces where more than 10% of recipients are receiving grants through caregivers who are not their biological parents. They are the Northern Cape (13%), North West (11.4%), Eastern Cape (10.9%) and KwaZulu-Natal (10.3%). There are only three provinces which have less than 5% of their CSG recipients receiving care from people other than their parents. They are Limpopo (97%), Gauteng (96.3%) and the Western Cape (96.1%).

These figures probably reflect a wide range of childcare and social parenting practices as well as children’s mobility between households. However, it is likely that, in the absence of a substantial roll-out of anti-retroviral medication to reduce mortality caused by AIDS, this picture will change in the next few years. We can anticipate more children being cared for by people who are not their biological parents. Gauteng, for example, had an antenatal sero-prevalence rate of 31.6% in 2002. This can only result in greater mortality and alternative care arrangements for children unless the drugs that can prolong parents’ lives become widely available.

The relatively low rates of caregivers accessing grants on behalf of children that are not their own biological offspring are problematic in light of the analysis done by Case et al (2003) on data from the Hlabisa district in KwaZulu-Natal. They found that the “probability that a child receives a grant depends in large part on the presence of a child’s mother... In fact, children whose mothers are non-resident, or dead, or whose survival status is unknown, are significantly less likely to receive a grant, holding constant the father’s status.” They note that “when a mother is absent, the children’s primary caregiver may be less able to access the relevant documents necessary for registering the child’s birth”. (Case et al 2003, 15)

8. Expenditure and financial targets

The targets set by the Department of Social Development for the 2003/04 extension phase of the Child Support Grant were discussed earlier in this paper. The financing for the growth of the CSG came from the national fiscus through two mechanisms. On the one hand, the continued expansion of CSG to children aged six and younger was funded through provincial funding allocation from the equitable share and provinces' own revenue. The extension to seven and eight year olds on the other hand was funded through the CSG Extension Conditional Grant, introduced in the 2003/04 financial year to assist provinces in rolling out the age extension.

These different mechanisms have important implications for our ability to monitor expenditure on the grant, and the administrative and information systems necessary for its implementation. Because the growth of the CSG to the 0 – 6 age group forms part of general provincial funding, it is not possible to track the exact expenditure from current data. The allocations for the conditional grant however are clear and can be monitored against departmental spending recorded in the 2004 Budget documents.

A fact sheet released by the Department of Social Development at the beginning of the roll-out of the age extension indicated the allocations for CSG conditional grants to the provinces. According to that document, 1.1 billion Rand was to be provided in the 2003/04 year for the extension to seven and eight year olds.

IDASA's Budget Brief 141 provides provincial and national estimates of expenditure on the CSG Conditional Grant as the first in a series of three publications on spending for children in the Medium Term Expenditure Framework (MTEF). It records the estimated actual expenditure in 2003/04 on the Conditional Grant as 1.227 billion Rand, a slight overspend. Further work done by IDASA will analyse actual expenditure nationally and per province against budget targets.

Extending further: looking ahead to 2004/05

The Department of Social Development has set targets for the extension of the CSG to children aged nine and 10 in the 2004/05 year. According to staff at the Social Security section of the department, it is estimated that there are a total of 2,036,250 children in South Africa in the nine and 10 year age group. Of these it is calculated that 1.2 million will be eligible for the Child Support Grant (Mothiba, personal correspondence), and it is further estimated that about 58% of them will access the grant. These targets are not finalised, and there seems to be some difference between the projections of the Department of Social Development and those of the Treasury.

Differences in the target numbers notwithstanding, the Conditional Grant allocations for the CSG extension were announced at the beginning of the roll-out. The Department of Social Development fact sheet released at the beginning of the CSG extension announced that, for the 2004/05 financial year, 3.4 billion Rand will be made available. For the 2005/06 financial year during which all poor children under the age of 14 become eligible, 6.4 billion Rand will be allocated. It appears from the MTEF projections in the 2004 Budget that the Conditional Grant allocations have been increased slightly to 3.65 billion Rand and 6.9 billion Rand respectively, increasing to 9.28 billion Rand in the 2006/07 financial year.

9. Conclusions and recommendations

Earlier reports by the Children's Institute, including the *Monitoring report on the extension of the Child Support Grant to children under 14 years*, and *Reaching out to children: An analysis of the first six months of the extension to the Child Support Grant in South Africa*, drew conclusions on the implementation of the CSG extension. At the same time recommendations were made to the Department of Social Development and the Treasury on the further roll-out of the extended CSG. The analysis of the administrative data for the full year of the extension in this paper enables us to re-affirm those conclusions and recommendations, and to add some more.

The analysis of social development administrative data and supporting poverty literature discussed above leads us to a number of **conclusions** about the Child Support Grant expansion and extension:

- The 62% total increase in the number of grants reaching children in need is very welcome and a matter of confidence in the ability of the Department of Social Development to deliver an expanding grant system to increasing numbers of South Africans.
- With respect to the first year of the age extension, we found that most provinces made substantial inroads into reaching their populations of children living in poverty. Using Woolard's R415 per capita per month poverty line, it was possible to estimate that approximately 61% of eligible children were reached in the first year of the extension.
- The Eastern Cape, KwaZulu-Natal, the Free State and the North West Provinces all performed below the national average in coverage, and Gauteng and Mpumalanga Provinces were well above average in their performance.
- Using a lower poverty line of R215 per capita per month in 2000 Rand, we estimated that nearly 85% of the number of ultra-poor children were reached.
- The Eastern Cape, KwaZulu-Natal and the Free State were, by these calculations, also below the national uptake rate, as was Limpopo Province. The Western Cape, Gauteng and Mpumalanga Provinces all performed well. The situation in the Eastern Cape Province is a particular cause for concern, with very large numbers of eligible poor children unable to access Child Support Grants.
- The brief descriptive profile of CSG beneficiaries pointed to the fact that the overwhelming majority of CSG recipients are cared for by women.
- The consistently higher uptake rates in the rural areas in each province are welcome given the higher levels of poverty in these areas, as well as the increased difficulty in making services available over long distances and sometimes poor infrastructure. Despite this, the two rural provinces of the Eastern Cape and KwaZulu-Natal had the lowest uptake rates in South Africa, and clearly more effort is needed to overcome barriers to access in these areas.

The paper also explored a number of problems in the administration of the extension, which deny large numbers of grant recipients' ongoing financial support. These include problems with the roll-out of the age extension, and children's grants being lapsed and then reinstated. They also include the situation of children whose primary caregivers have died, and whose grants therefore lapse, despite changes to the Social Assistance Act yet to come into effect. The paper also highlighted the substantial problem of the means test income threshold levels being at an inappropriately low level, and not keeping pace with inflation.

The Children's Institute therefore **recommends** that the Department of Social Development implement the following:

1. Develop policy and practice guidelines so that children, once they are registered for a CSG, do not find that their grants lapse due to an age criteria and then have to re-apply a second time. Once a child is receiving a CSG, they should continue to do so until they reach the upper age limit of its provision.
2. Change the policy that grants lapse upon the death of a primary caregiver, so that the families of children in these circumstances are more able to support the child or children through this difficult time. This would also be in line with the principle of the grant following the child.
3. Review the income thresholds of the means test for the Child Support Grant so that they reflect at least the same real poverty levels as they did when implemented in 1998.
4. Continue the roll-out of the age extension of the Child Support Grant to the age of 18 so that the right of all children to social security is realised, and a substantial gap in the social security net is closed.

The roll-out to children aged nine and 10 has already begun. The Children's Institute calls on the Department of Social Development not to delay until the start of the next roll-out to implement these recommended changes.

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