



Social assistance: Investing in children

The South African Child Gauge

The South African Child Gauge is the only publication to track the status of South Africa's children annually.

It aims to make the latest research evidence accessible to policy-makers and practitioners and to contribute to more effective policy design and implementation for children.

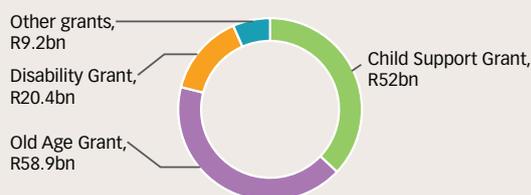
It includes an overview of the latest legislative developments, child-centred indicators, and a collection of short essays by experts in the field.

South African Child Gauge® 2016

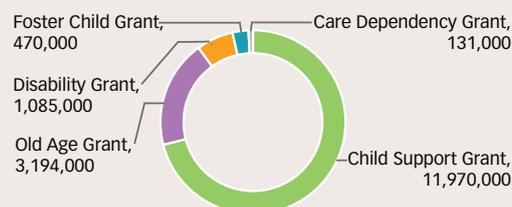
Almost twenty years after the Child Support Grant (CSG) was introduced, it is clear that the grant has had a beneficial impact on the lives of millions of children in South Africa. This policy brief draws on a series of essays published in the *South African Child Gauge 2016*. It outlines the benefits of the CSG and considers how to build on this foundation to contribute to the progressive realisation of children's right to social assistance. The brief considers recent proposals to expand and strengthen social assistance and raises questions for consideration in order to inform and stimulate critical engagement and debate. It also provides a framework for evaluating these proposals in order to promote children's best interests.

The evolution of the Child Support Grant¹

- The CSG replaced the racially and geographically skewed State Maintenance Grant. It was introduced in 1998 at an amount of R100 to support the nutrition of children under seven years of age.
- The Lund Committee for Child and Family Support proposed the CSG as a more equitable approach to supporting children living in poverty, and the development of the grant was informed by a strong evidence base.
- The design of the CSG is responsive to the realities of family life in South Africa. It is targeted at the child's primary caregiver (rather than biological parents only) and is designed to "follow the child".²
- The grant amount, age and income thresholds have increased over time, largely through engagement and contestation between government and civil society. In 2016, the CSG is available to all income-eligible children under the age of 18 at an amount of R360 per month.
- Although the budget allocation for the CSG is less than for the Old Age Grant, the CSG reaches almost four times as many beneficiaries.³ In 2016 the CSG reached 12 million children and is recognised as one of South Africa's most effective poverty alleviation programmes. It is also acknowledged internationally as a successful social policy innovation for children in the Global South.⁴



Social grant spending (2016/17)



Number of beneficiaries (March 2016)

A long-term investment in children

Growing up in poverty compromises children's survival, growth, education and employment chances. Social grants not only contribute to meeting children's basic needs, but are also an investment in human development in the long term. Child poverty is widespread: 6 out of 10 children live below the upper bound poverty line, in households with a per capita monthly income of less than R923 (in 2014 prices).⁵ Child poverty is linked to adult unemployment, and unemployment remains stubbornly high. The official unemployment rate stands at 27%, and increases to 36% if one includes discouraged work seekers.⁶ As a result, 30% of children (or 5.5 million) live in households with no working adult.⁷ Where there is little or no income from work, social grants help families meet children's basic needs.

What are the benefits?

The CSG is associated with a range of positive outcomes for children. Early and sustained receipt of the grant strengthens these outcomes.

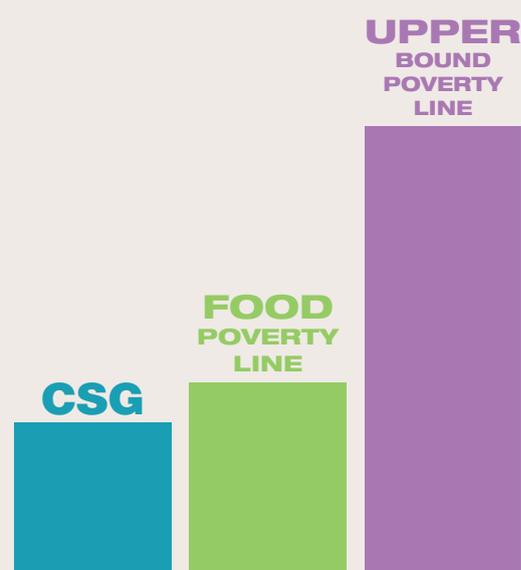
- The CSG enables households to increase expenditure on food⁸ and improve child nutrition.⁹
- Access to the CSG is associated with improvements in school attendance¹⁰, while early and continued receipt of the CSG may have a positive effect on grade progression and learning outcomes.¹¹
- The CSG has a protective effect in adolescence, where the grant helps reduce risk behaviours. For example, early receipt of the CSG is associated with reduced alcohol and drug use and delayed sexual debut among teenage girls.¹²
- Social grants also enable caregivers to seek employment, by contributing to education, child care, and travel costs.¹³
- Social grants are well targeted with 75% of government spending on social assistance going to the poorest 40% of households.¹⁴

Remaining challenges and gaps

While the reach of the CSG has expanded, a number of implementation challenges and gaps in coverage remain.¹⁵ These are particularly concerning given South Africa's high levels of inequality.

- The grant value of R360 (or R12 a day) is low relative to children's basic needs. Nearly 1 in 3 children (30%) still live below the food poverty line – a measure of extreme poverty.¹⁶
- About 18% of children who are eligible for the CSG still do not receive it.¹⁷ Children whose caregiver's income falls above the income threshold of the means test – yet are still living in poverty – are excluded from the benefits of the CSG.
- Take-up of the grant is lowest amongst infants under the age of one year.¹⁸ Poverty and poor nutrition at an early age has a negative impact on children's survival, health and development.
- The use of the foster care system for poverty alleviation for orphaned children in the care of relatives has led to an unmanageable demand on the child protection system with negative impacts for orphans and children who have been abused and neglected.
- Once children reach 18 years their access to social assistance ends, as there are no grants for adults aged 18 – 59 (unless they qualify for a Disability Grant).

In addition, a large proportion of the adult population is excluded from formal social insurance because of high levels of unemployment and informal employment. There are also limited synergies between social security and other forms of support for children.



In 2015, the CSG was valued at R330, which fell below the food poverty line (R415) and was substantially below the upper bound poverty line (R965). See essay by Hall and Budlender on children's contexts in the *South African Child Gauge 2016*.

Expanding social assistance for children

Government has explored a number of policy options in an effort to create a more comprehensive approach to social security and to progressively realise this right for children. The following analysis outlines a series of policy proposals that respond to the challenges outlined above, together with some critical reflections. These proposals are not exhaustive, and there are many ways in which the system can be further strengthened in support of children.

For more detail on these proposals and further analysis, see the *South African Child Gauge 2016*.

Research shows that despite the low amount, the CSG has positive impacts on children's nutrition, health and education. Increasing the value is likely to improve these positive outcomes, but this would also require accompanying improvements in access to quality early childhood development programmes and education, health and social services, among others.

1

Increasing the amount of the CSG¹⁹

The current value of the grant is not based on an objective measure of the cost of raising a child, although this formed part of the recommendations of the Lund Committee on Child and Family Support in 1996. The financial constraints at the time, and the need for a more equitable grant that would reach more children, meant that the initial grant amount was low relative to the cost of meeting the basic needs of a child.

Although the grant amount is increased annually with inflation, it remains insufficient to meet a child's basic needs. The value of the CSG falls below the food poverty line, the most severe of three poverty lines proposed by Statistics South Africa.

This proposal recommends increasing the grant amount to the value of the food poverty line – as a first step. This covers essential food costs but excludes the cost of clothing, shelter, transport and other basic needs. Ideally the grant should be increased to the value of the upper bound poverty line to ensure all the food requirements of a child are met. This would be simple to administer, but would require an increase in the budgetary allocation (which could be phased in over time). A concern may be that a higher amount could result in a perverse incentive, where the caregiver no longer felt the need to look for work. Yet as the proposed increase is not even enough to ensure food security for the child, this is unlikely.

2

Universalising access to the CSG

In 2002, the Taylor Committee of Inquiry into a Comprehensive Social Security System for South Africa proposed a comprehensive framework that included, amongst other recommendations, the universal coverage of grants and a basic package of services for all.²⁰

Removing the means test from the current CSG would enable all children to access a child benefit, irrespective of their caregivers' income.²¹ This would open up access for eligible beneficiaries who are currently excluded because they do not have the required proof of income, and would also enable poor children who are just above the income threshold to access social assistance.

It is argued that this inclusive approach would build social solidarity and reduce the administrative burden and cost of means testing for both the state and beneficiaries. But without an increase to the grant amount, such a system is unlikely to provide any additional support to children living in the poorest households.

A possible combination: The income threshold for the CSG is calculated as ten times the annual value of the grant. By increasing the value of the grant, the income thresholds will also increase. Such an increase would benefit the very poor and enable more families just above the current means test threshold to access the CSG, gradually increasing the number of children reached.²²

3

Introducing income support for pregnant women and mothers of young children

Pregnancy brings with it new health considerations and financial pressures, and can impact on women's ability to earn an income. Women in formal employment are entitled to maternity leave, but there is no such support for pregnant women and mothers of young children who are in informal employment, or unemployed. The first 1,000 days of a child's life (from conception until the child turns two years old) is a crucial time to ensure adequate nutrition and access to health care, yet take-up of the CSG is lowest among caregivers of infants.

One proposal to address this gap is to introduce a grant for pregnant women that forms part of a broader package of support during pregnancy.²³ The proposal argues that this could be continued in addition to the CSG in the early years of the child's life. This would uphold the mothers' right to social security and could improve nutrition and health outcomes for both mother and child. However, it would exclude other caregivers such as grandmothers who are often the primary caregivers of young children. Such an intervention should ideally link income support to a broader framework of support. However, if this is made conditional on the use of services, it could exclude those who already struggle to access services. This would require co-ordination between government departments.

Other possibilities include having SASSA officials in maternity wards together with Home Affairs to enable mothers to apply for the CSG at the same time as birth registration, or allowing pregnant women to pre-register for the CSG.²⁴

4

Extending the CSG to 21 years for youth in education and training

Access to the CSG ends when youth turn 18, and there are no social grants for adults aged 18 – 59 (apart from the Disability Grant).²⁵ Instead, it is expected that young people will find work or continue with their education, but almost one-third (31%) of young people aged 15 – 24 years are not in education, training or employment.

The authors of this proposal recommend extending the CSG to the age of 21 years for those in education and training, an extension that is currently only available to recipients of the Foster Child Grant (FCG).

This proposal would address a differentiation in the law and provide continued income support for those in education and training. However, it would not reach those who are not in education or employment – arguably the most disadvantaged. The costs of this proposal would be relatively small, but this would introduce a conditionality into the CSG and caregivers would need to apply for the extension (as they do for the FCG). There may also be a challenge in extending a child benefit beyond the constitutionally defined age of childhood (18 years).

No single intervention will address the multiple challenges facing young people in South Africa. This raises the question: What basket of interventions or framework of support would be most effective in addressing the structural and economic factors that limit young people's access to further education and economic opportunities?

5

Introducing a CSG top-up for orphans living with relatives

For more than a decade the foster care system has been used to provide income support for orphans living with relatives.²⁶ This has led to a dramatic increase in the number of FCGs in payment – from under 100,000 in 2001 to over 500,000 children in 2010. However, due to limited capacity of social workers and the courts, only about a third of maternally orphaned children were reached after 10 years. In recent years the numbers of children in foster care have actually decreased. The high demand for foster care placements has precipitated a crisis in the foster care system – with a large number of lapsing grants. A court order requires DSD to come up with a “comprehensive legal solution” to the crisis by December 2017.

While the CSG is available to all caregivers who meet the means test and is designed to alleviate poverty, the FCG is intended to support children who are in need of care and protection and have been placed in alternative care. This proposal recommends using the existing CSG system and providing a “top-up” to the CSG for orphaned children living with relatives, instead of using child protection services.

The application for the CSG is a relatively straightforward, unlike foster care placements which require an investigation by a social worker and a foster care court order. This proposal should therefore enable more orphaned children living with relatives to access income support and relieve the pressure on the child protection system so that abused and neglected children can receive improved protection services. However, if relatives are required to first obtain a social worker report before they can apply for the top-up, then it will pose a barrier to access.

The CSG top-up was approved by Cabinet in 2015, and a Social Assistance Amendment Bill was gazetted for comment in November 2016 to enable its implementation.

Questions to bear in mind when designing the CSG top-up:

- What is the basis for deciding the value of the top-up?
- What is required to ensure that this is not regressive?

Proudlock²⁷ argues that the design of the CSG top-up should:

1. Ensure that orphans already receiving the FCG should continue to receive them and be allowed to age out of the system.
2. Benefit a significantly larger group of orphans than those currently benefiting from the FCG.
3. Provide a large enough top-up amount to bring the benefit close to the current FCG amount.
4. Be implemented in a standard manner across the country (this would require an amendment to the Children's Act to ensure that social workers and courts only use the FCG for children in need of care and protection and refer families caring for orphans to SASSA to apply for the CSG top-up).
5. Ensure that the reform has benefits for abused and neglected children (this will require that social worker time saved by the reform is reallocated to cases of child abuse and neglect).

Time for rigorous and informed debate

This discussion of policy reforms is underpinned by the constitutional imperative to progressively realise the right to social assistance for children in need. Given the current economic climate and the financial and social implications of these policy choices, it is important that the details of proposals under consideration by government are made transparent and subjected to rigorous and informed debate. In the context of financial constraints, it is also important to bear in mind the need to prioritise vulnerable groups and consider how potential social assistance policy reforms articulate with other policies and programmes to support children's optimal development.

The following principles, developed by Proudlock, provide an initial framework for informing these deliberations.

12 principles to consider when evaluating policy proposals²⁹

Constitutional principles

1. How will this reform affect children's **right to equality**? Will it address discrimination, and contribute to the achievement of substantive equality in South Africa?
2. How will this reform affect children's **right to dignity** – for both individual and different categories of children and caregivers?
3. Will this reform **further children's best interests** which should be of paramount importance in any matter affecting children?
4. Will this reform result in progressive realisation of **children's right to social assistance** within available resources?
 - ♦ Is there justification for identifying and targeting a particular vulnerable group due to restricted resources?
 - ♦ Will the reform pass the Constitutional Court's "reasonableness" test? Is it reasonably conceptualised, balanced and flexible and does it make provision for short, medium and long-term needs? *In particular the policy should not exclude a significant segment of the population especially not those whose needs are the most urgent and whose ability to enjoy all rights therefore is most in peril.*²⁸
 - ♦ Will this reform result in regressive action for anyone? If yes, can this action be justified by a greater overall benefit for a larger group?¹
5. How will this reform affect children's **rights to family care** or **parental care**, or to **appropriate alternative care**?
6. How will this reform affect children's **rights to basic nutrition, shelter**, basic **health** care services and **social services**?
7. How will this reform impact on children's **rights to protection** from neglect or abuse?

Principles of good governance

8. Is the reform **aligned with our long-term vision** for social protection, and is this proposal a step towards progressively realising this vision?
9. Is this reform likely to be **effective** in achieving its aim e.g. reducing/alleviating poverty?
10. Is this reform likely to be **easy to access** and clear to understand for beneficiaries?
11. Is the reform **administratively feasible**? In other words, does the state have the capacity to efficiently implement the policy or plans to build capacity through training or task shifting amongst existing personnel?
12. Is the reform **affordable**? How much will it cost and what are the potential costs associated with not making this policy reform?

i For example, introducing the CSG at a smaller amount was justified regressive action for those who were on the State Maintenance Grant because overall it was introducing a greater benefit for a larger group of beneficiaries.

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- 8 Coetzee M (2014) Do poor children really benefit from the child support grant? *Econ3x3*. Viewed 8 May 2016: www.econ3x3.org/article/do-poor-children-really-benefit-child-support-grant.
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- 16 Delany A and Proudlock P (2016) Expanding social assistance for children: Considering policy proposals. In: Delany A, Jehoma S & Lake L (eds) *South African Child Gauge 2016*. Cape Town: Children's Institute, UCT.
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- 20 For more detail on this proposal in the *Child Gauge 2016*, see Budlender (2016) Increasing the amount of the Child Support Grant. 20 Taylor V (2002) *Transforming the Present, Protecting the Future. Report of the Committee of Inquiry into a Comprehensive System of Social Security for South Africa*. Pretoria: DSD.
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It draws directly on the work of expert authors who contributed to the *Child Gauge 2016*, and in particular on authors' contributions to the essay Expanding social assistance for children: Considering policy proposals.

The full set of essays and statistical tables are available at www.ci.uct.ac.za. For more information contact: Paula Proudlock (paula.proudlock@uct.ac.za) or Aislinn Delany (aislinn.delany@uct.ac.za).

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