

No small change: The multiple impacts of the Child Support Grant on child and adolescent well-being

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South Africa's social grants, along with its tax policies and social spending, have been credited with being strongly progressive, helping to raise the income of the poorest by 10 times and to reduce income inequality by a quarter.¹ Children and older persons are the main beneficiaries of this extensive grant system. Alone, the Child Support Grant (CSG) accounts for 70% of the grants disbursed.² Studies show that it improves child nutrition, health and schooling outcomes. It protects adolescents from risk, strengthens households' resilience to shocks, and has the potential for impacting lifelong productivity and earnings.

The expansion of child grants is not a uniquely South African phenomenon. It is part of a global trend in which the role of social assistance in ensuring positive outcomes for poor families and children has become common currency. This growing recognition is buttressed by solid evidence from rigorous evaluations. This essay presents the evidence from South Africa, focusing on the various

stages of a child's life: infancy and early childhood (from birth to pre-school); middle childhood (primary-school age and transition into secondary school); and adolescence (secondary-school years and transition into adulthood).¹

The essay addresses the following questions:

- What are the impacts of the CSG on young, school-age children and adolescents?
- How does it affect households and caregivers?
- How can its impacts be strengthened?

How does the CSG impact young children?

By the time poor children reach school, they are already disadvantaged in relation to their better-off peers, a result of earlier privations and the limited reach and uneven quality of early childhood services. To get a head-start on life, children have a right to have their birth and identity recognised under the law. The first two years is also a time that carries a great risk of growth faltering. If unaddressed, stunting – a marker of chronic malnutrition – is likely to cause irreversible damage that will extend well beyond childhood.³

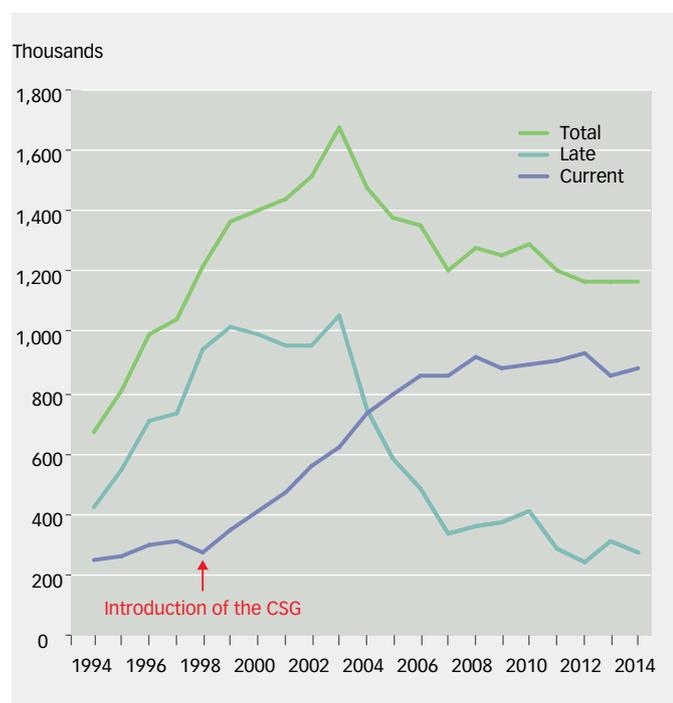
Birth registration

South Africa has made impressive strides in recording births in the past two decades. Nearly nine in every 10 births (87%) are now registered during the first year of life, rising to 97% by the time children turn five.⁴

There is consensus that the documentation required for the CSG, which includes a birth certificate, has been one of the drivers of this increase. *Current* registrationsⁱⁱ began to rise steeply when the CSG was introduced, from 22% in 1998 to 76% in 2014 – with even more dramatic increases in provinces like Limpopo (10 – 82%) and Eastern Cape (13 – 79%). At the same time, *late* registrations exhibited a sharp drop, starting in the early 2000s when access to the CSG began to rise, as illustrated in figure 9.

The near universalisation of birth registration is excellent news for South Africa's children, as the possession of a birth certificate serves as the gateway for accessing a range of basic services and helps realise the child's right to a name and identity, as established in the United Nations Convention on the Rights of the Child.

Figure 9: Number of birth registrations, 1994 – 2014



Source: Statistics South Africa (2015) *Recorded Live Births 2014*. Pretoria: Stats SA.

i In reporting on the impacts of the CSG on children and their families, this essay relies on evaluation methods which compare grant recipients with non-recipients, or different sets of beneficiaries depending on the length of time they have been receiving the grant. Studies also use qualitative and mixed-method approaches to assess impact.

ii *Current* registrations refer to births recorded during the year when they occur, while *late* registrations are those recorded in subsequent calendar years.

Infant and young child nutrition

Despite its modest value, there is evidence that the CSG contributes to improving food security and nutrition in measurable ways. For many households, social grants provide a lifeline in the face of high levels of unemployment. Caregivers report that they can now afford a greater quantity and variety of food, and the share of food in household expenditure is larger among CSG recipients than in similarly poor households that do not receive the grant.⁵

At the same time, spending on “adult goods” (eg. alcohol, tobacco) tends to decrease among CSG recipients.⁶ In a recent study, duration of receipt of the CSG was strongly associated with an increase in household expenditure on food and a decrease in the expenditure share of “adult goods”. The impact is stronger the longer a child has been receiving the grant – with the strongest effects when it is received for at least half of the child’s life.⁷ Because the CSG is overwhelmingly paid to women, it tends to be spent in ways that benefit the children in their care, rather than on items that only adults consume.

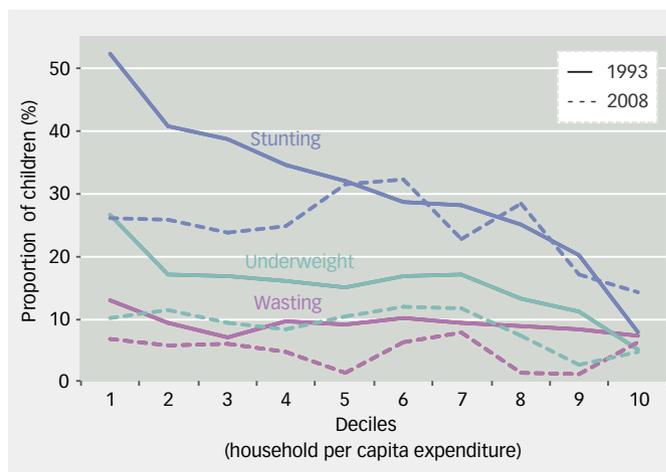
It is not surprising, therefore, that the CSG helps to reduce child hunger, both over time and when comparing grant recipients with non-recipients. One study found that over a three-year span in the early 2000s, there was a greater reduction in child hunger among children receiving the grant than among equally poor children who did not receive it.⁸ In another study, the probability that a child would experience hunger in the past year decreased by 8 – 14% with each CSG that a household received. The effects of CSG receipt on child hunger were stronger in poorer households.⁹

Households’ ability to consume more nutritious diets is captured in improved height-for-age scores, an indicator of nutritional status. Receiving the CSG during the first two years of life significantly boosts child height, particularly among girls. No gains in child height could be detected when children had received the grant for less than half of this critical period, underscoring the importance of early and continued access to the CSG.¹⁰ To maximise its developmental impacts, it is critical to increase take-up rates among infants, which remain stubbornly low despite protracted efforts to raise them.¹¹

Grants have helped close the gaps in nutrition between South Africa’s poorest and richest children. Figure 10 shows a significant decline from 1993 to 2008 in the stunting rates of children from the bottom two decilesⁱⁱⁱ compared with the rates of the wealthiest 10% of children. Echoing previous research, the narrowing of these gaps has been attributed largely to the introduction of the CSG in 1998.¹²

These results are notable, considering that the CSG imposes no conditions on households for receipt of the grant. Despite these gains, stunting in South Africa remains higher than in many poorer African countries, with large numbers of South Africa’s children still suffering from inadequate food intake. The value of the CSG seems too low to enable families to afford more than the basic staples, and it is not uncommon for the grant money to be used up before the next pay date.¹³

Figure 10: Gaps in under-five nutrition by socio-economic status



Source: May J & Timæus IM (2014) Inequities in under-five child nutritional status in South Africa. What progress has been made? *Development Southern Africa*, 31(6): 761-774.

Child health

Improvements in child health have also been traced to the CSG. Comparing *early* versus *late* enrolment in the programme, a study found that receiving the grant in the first two years of life increases the probability that a child’s growth is monitored at a clinic. Children receiving the CSG before turning two were 12% more likely to have been weighed. Early receipt, however, had no impact on immunisation rates.¹⁴

In the same study, boys who accessed the CSG in the first year of life had a 21% likelihood of being ill in the preceding 15 days, compared to 30% for boys who enrolled at age six. Across the full study sample, the average child (girl or boy) was sick for 1.5 days. Early and continued access to the CSG reduced the number of sick days by more than one quarter (0.4 days).

Health impacts, in turn, were greater the more educated the child’s mother: Children whose mothers had completed primary school were nearly 20% less likely to have been ill than those with less educated mothers. Since children were 10 years old at the time of the survey, these results suggest that the health benefits associated with early CSG enrolment persist to at least age 10.

Early childhood development

Caregivers report using the CSG to pay preschool and crèche expenses or to negotiate deferred payment against the grant.¹⁵ This may enable CSG beneficiaries to more easily access early childhood development (ECD) services than children not receiving the grant. One study found that, despite the lower attendance rates among children living in rural and informal urban areas, those who were receiving the CSG were one and a half times as likely to be attending an ECD facility or Grade R as those who were not getting the grant.¹⁶

iii If we divide all households into “deciles” or 10 equal groups, then decile 1 is the poorest 10% of the households and decile 10 is the least poor, or richest, 10%.

Grant receipt also seems to encourage utilisation of crèches and nursery schools from a slightly earlier age and increases the length of attendance by girls. These results matter because children in low- and middle-income countries who attend preschool or crèche tend to score better on tests of literacy, vocabulary and mathematics, and these benefits may persist through primary school and into adolescence.¹⁷

How does the CSG impact school-age children?

South Africa has high school enrolment, for both girls and boys, across all population groups. Enrolment tends to drop among older children.^{iv} Those who drop out of school often cite cost as the main reason (see p. 122), as even when children do not pay fees, regular expenses on transport, uniforms and shoes can be prohibitive for poor households.

By providing cash, the CSG helps families defray the costs of education and equip their children with even rudimentary school supplies.

Schooling

There is solid evidence that caregivers spend CSG money on school-related costs, to a larger extent than households that do not receive the grant despite qualifying for it. After food, school fees, transport and uniforms are the main expenditure items in CSG households: one in four recipients report they can afford such expenses as a result of the grant.¹⁸

Positive impacts have been recorded on school *enrolment*. Studies have found that the presence of a CSG recipient in the household increases school enrolment and helps families invest in their children's future. Once a household gets a CSG, all of its children are more likely to be enrolled in school, regardless of who or how many are receiving the grant.¹⁹

CSG receipt has also been associated with increased school *attendance*, especially among the most disadvantaged. Among African and coloured children, the probability that a school-age child is not attending school decreases by *more than half* when they receive the grant. These impacts are stronger for children residing in rural households, informal dwellings or with caregivers with less education. They are much larger for children who live with their mother, suggesting that grant money may be spent differently when a child's mother, rather than someone else in the household, receives it.²⁰

These impacts are just as big as in cash transfer programmes in countries like Mexico, where grant payment is conditional on a child attending school. This implies that large gains can be achieved with an unconditional grant, without the administrative cost and potentially negative consequences of imposing conditions on beneficiaries.²¹

An impact assessment of the CSG found it to be associated with the age at which children enter school. Girls who start receiving

the CSG shortly after birth are 27% less likely to start school late and are able to complete a quarter of a grade more by age 10, than girls who only enrol for the CSG when they reach the compulsory age for schooling. This is a large difference in school *attainment*, considering that the children had only completed four grades at the time of the study.²²

The same study found that early receipt has an even larger impact on children with less educated mothers (less than eight years of schooling). Delays in starting school decline by almost one-third among these children, raising their grade attainment by nearly four-tenths of a grade, in comparison with children who do not access the grant until they turn six. This suggests that the CSG may be helping to narrow the gap between children whose mothers have not completed primary school and those with mothers who have at least some secondary education.

Once children start school, they are less likely to repeat a grade the longer they have been receiving the grant. A recent study of children aged 14 or younger found that children who have received the CSG for about half of their lives were 20% less likely to repeat a school year. This represents a substantial improvement since the reported difference in school *progression* is not obtained by comparing children who access or fail to access the grant, but only those who have received it for longer than others. It is the duration of grant receipt, not whether or not a household is getting it, which accounts for these results.²³

The CSG may be affecting *learning*, too. Children who started receiving it during their first year obtain higher marks on tests of mathematical ability and reading than those enrolled just before starting school. The increase in the maths test score^v was 6% when comparing *early* versus *late* enrolment on the CSG. The difference in test scores was especially large among girls: those who accessed the CSG at a young age scored more than 10% higher in maths, and almost 30% higher in reading ability, than girls who enrolled later.²⁴

In sum, receipt of the CSG has large, positive and statistically significant impacts on children's schooling. Not only is the grant associated with increased household spending in education, it contributes directly to improved outcomes across a range of indicators, from school enrolment to attendance, progression, attainment and learning. How early a child starts receiving the grant and for how long she gets it matter in terms of her schooling.

How does the CSG impact adolescents?

Despite lingering concerns about social grants breeding teen pregnancy, grants could instead contribute to *lower* fertility. Grant income may give teenage girls greater control over sexual and reproductive decision-making, and facilitate contraceptive use by improving access to health services. Receipt of a grant can also improve education and job prospects, thereby increasing the opportunity costs of pregnancy and motherhood.

Teens are highly vulnerable to a number of risk factors. Risk behaviours are likely to increase when children grow up in the

iv Schooling is only compulsory until a child turns 15 or completes grade 9.

v Based on the administration of the Early Grade Mathematics Assessment (EGMA), a battery of tests that seeks to measure what children in grades 1 – 4 would be expected to learn. Testing of reading ability was based on the Early Grade Reading Assessment (EGRA).

midst of poverty, fractured families or communities. By improving their life prospects, income support programmes can play a vital *protective* role, enabling children to avoid the long-lasting effects of adolescent risk behaviour and make a safe transition into adulthood.

Teen fertility and child-bearing

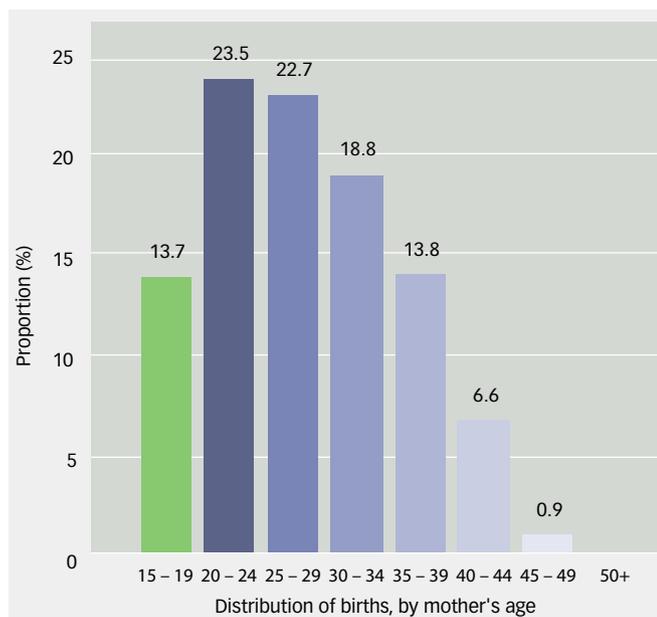
Teenage fertility began to decline in the early 1990s, before the introduction of the CSG. This trend is in line with a decades-long decline in overall fertility rates in South Africa.²⁵

Teen fertility has been falling among all population groups, and comparatively more in rural areas, where the bulk of CSG recipients live. Much of the decrease has been driven by a decline in births to women under 18. Between the early 1990s and the late 2000s, the percentage of women who gave birth before 18 dropped by one-fifth, while the proportion of children born to them nearly halved.²⁶

Figure 11 shows that adolescents account for almost 14% of all those giving birth. Yet adolescents account for less than 2% of all CSG recipients, as illustrated by figure 12. Only a fraction of teen mothers receive the grant; many who give birth during their teen years would not even pass the CSG means test. In a context of unacceptably high rates of gender-based violence and coerced sex, maternal mortality and HIV prevalence, it seems implausible that young girls would choose to have unprotected sex merely to gain access to a grant that pays a modest amount.²⁷

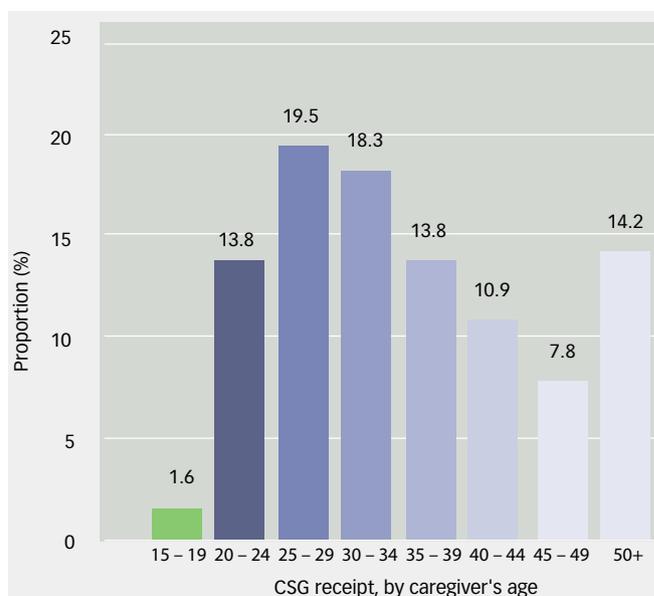
Pregnancies terminated by teen girls remain fairly high in public health facilities, which mostly cater to the poorer segments of the population – the same groups that the CSG targets. And despite persistent efforts to increase grant take-up among infants, they continue to lag considerably behind as many mothers do not register their children before their first birthday. If teenage girls

Figure 11: Distribution of births, by mother's age, 2011



Source: Statistics South Africa (2011) *Census 2011*. Stats SA.

Figure 12: Child Support Grant receipt, by caregivers age, 2016



Source: Based on South African Social Security Agency (2016) SOCPEN database. Pretoria: SASSA.

were consciously getting pregnant to obtain the CSG, one would expect a higher take-up among adolescents, fewer abortions, and earlier registration of newborn babies. Given the high reported levels of unmet health needs, a more plausible explanation for the high rates of teen pregnancy is the absence of age-appropriate sexual and reproductive health services for this age group.²⁸

Empirical studies have found no association between uptake of the CSG and teen fertility.²⁹ Instead of incentivising childbearing, the CSG may rather discourage it as children reach puberty. In one study, girls who started receiving the grant before turning five were found to be 40% less likely to get pregnant as teenagers than those accessing it later.³⁰

A new study in rural Mpumalanga found that receipt of the CSG may result in longer spacing between pregnancies.³¹ Women were compared based on whether or not they started receiving the CSG after the birth of their first child. The time to second pregnancy was significantly longer among CSG recipients than non-recipients, and was no different for those who were younger or older than 21. Nor was the timing to a second pregnancy affected by the loss of the grant: women whose first child became ineligible just before the CSG was extended from under age 7 to under age 9 in 2003 had similar second pregnancy rates as women whose children remained grant-eligible during the programme's expansion.

Could the pathway from grant receipt to lower pregnancy rates be taking place through an "income effect"? The CSG amount is not large enough to serve as an incentive for family expansion, but may be sufficient to induce behaviour change towards lower fertility. If so, the potential for social grants to reduce unwanted pregnancies needs to be explored, and efforts made to ensure that adolescent girls, including young mothers, are not blamed but rather encouraged to take up the CSG in greater numbers.³²

Adolescent risks

The emerging evidence that social grants have a *protective* effect on adolescents cannot be overstated in a country with the world's highest HIV burden and intolerable levels of violence inflicted on children. The CSG has been associated with reduced sexual activity, fewer sexual partners, and reduced alcohol and drug use during adolescence.

These outcomes are affected by the *timing* of first grant receipt. Early childhood receipt strengthens the protective role of the CSG. Among teenage girls, the probability of delaying their sexual debut was higher when they began receiving the CSG at a young age (less than five years old). Likewise, the number of sexual partners, a strong predictor of HIV risk, rises along with the child's age at first receipt of the grant.³³

It also matters if a household is accessing the grant during the time when children become adolescents. Teen girls are 25% more likely to abstain from sex and have a lower probability of having multiple sexual partners in households receiving the CSG, even if the grant is not being paid for the teenager.³⁴

Especially among young females, alcohol and drug use is less frequent when they start receiving the CSG before turning five or are able to access it at the time they reach puberty. Males, in turn, are less likely to join gangs or engage in petty crime if they live in households where a CSG was received during the child's early years.³⁵

New evidence further supports the notion that cash grants can shield adolescents from risk, especially when combined with other interventions. A study of 3,500 adolescents from Mpumalanga

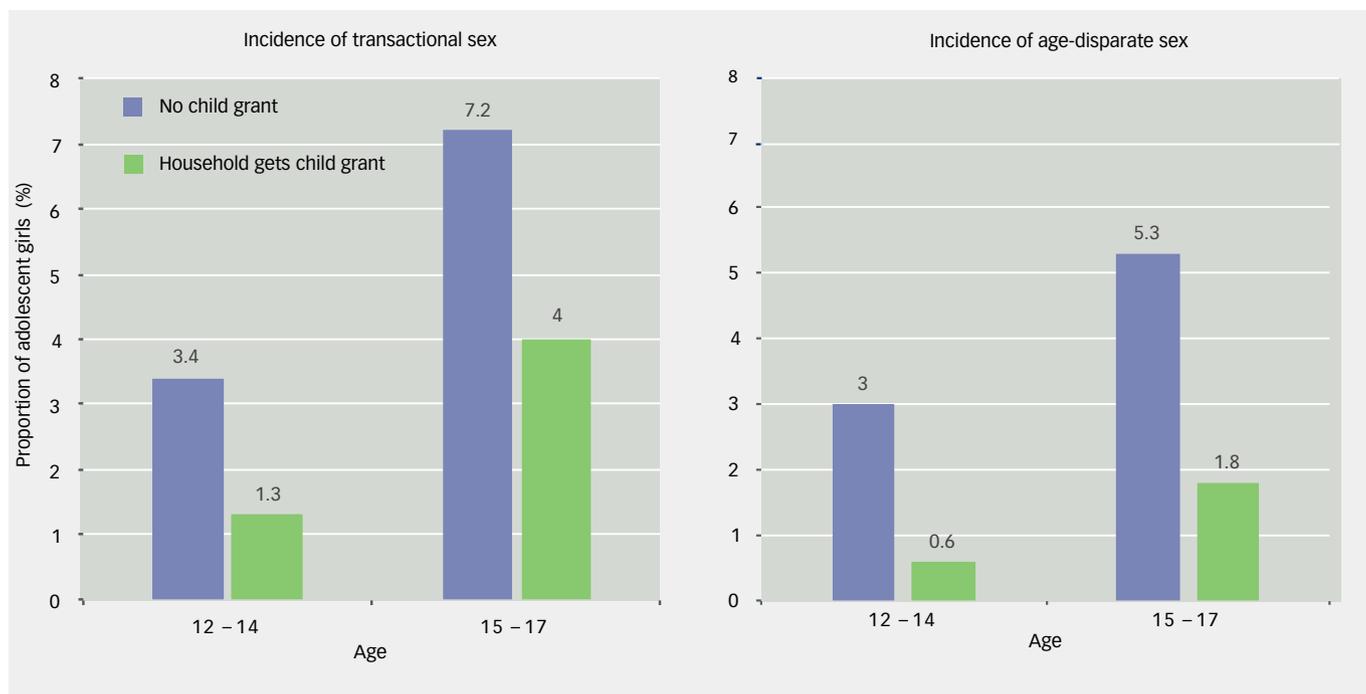
and the Western Cape found a strong relation between access to the CSG and adolescent risk behaviours. Girls were half as likely to exchange sex for food, shelter, money or school fees, and one-third less likely to have had age-disparate sex, if they lived in a household receiving the CSG. It appears that the grant reduces the economic pressure that can drive teenage girls to take risks regarding partner selection or limit their power to negotiate sex. The effects of accessing the CSG were especially pronounced among females aged 12 – 14 years, as illustrated in figure 13.³⁶

Schooling and work

About half of learners beyond the compulsory age of schooling who are not enrolled cite reasons of not being able to afford school, job search or current employment. Making use of the first three waves of South Africa's panel survey,^{vi} a recent study found that the CSG leads to a higher probability of school enrolment among African and coloured children aged 15 – 19 years. After controlling for age and other factors, CSG beneficiaries are six percentage points more likely to be enrolled than non-beneficiaries – a large effect when compared to a mean enrolment of around 85% in that age cohort. Females, who are less likely to be enrolled, reap the greatest benefits from the grant.³⁷

Again, CSG receipt early in life seems to have long-lasting implications. Another study found that adolescents who started receiving the CSG before entering school are less likely to be working outside the home (13%) than those who do not receive it until they are 14 years or older (21%). This is especially true for adolescent girls who accessed the CSG very early in their childhood.³⁸

Figure 13: Incidence in the past year of risky sexual behaviour among adolescent girls, by CSG receipt



Source: Cluver L, Boyes M, Orkin M, Patelic M, Molwena T & Sherr L (2013) Child-focused state cash transfers and adolescent risk of HIV infection in South Africa: A propensity-score-matched case-control study. *The Lancet Global Health*, 2013(1): 362-370.

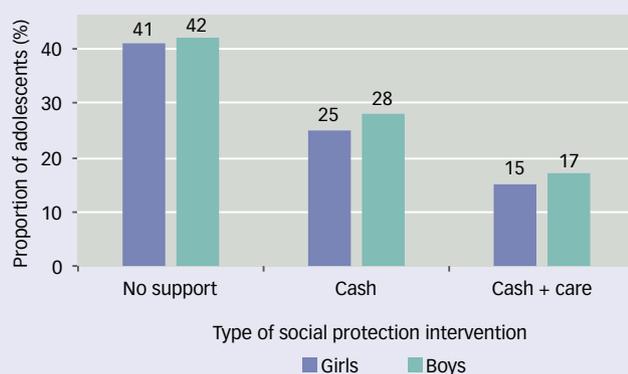
vi The National Income Dynamics Survey (NIDS), commissioned by the Presidency and conducted every two years by the University of Cape Town.

Box 5: Beyond the “cash or care” debate

Adolescent risk is not driven by behavioural choice alone. There are structural and psychosocial factors such as poverty, child abuse, community violence or AIDS which can increase the likelihood of negative sexual outcomes in adolescence. Childhood deprivations can accumulate and have a compound effect. When this happens, single interventions might be less effective among high-risk groups than a basket of interventions.

Figure 14 shows HIV risk (defined as engaging in at least one of eight predefined risk behaviours) dropping from over 40% when teenagers receive no cash or psychosocial support during the previous year, to around a quarter if they are accessing a grant or school feeding. Teens’ exposure is even lower if, in addition to cash or food, they receive psychosocial care in the form of positive parenting. Combining cash *and* care more than halves the incidence of adolescent risk behaviour, to one in every six girls and boys.³⁹

Figure 14: Impact of cash and care interventions on incidence of HIV-risk behaviours among adolescents (10 – 18 years)

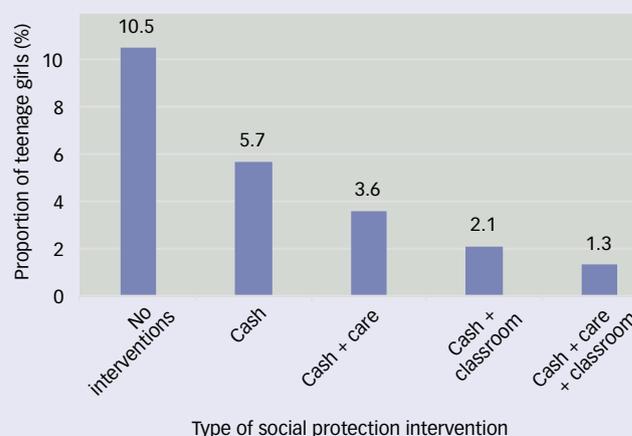


Source: Cluver LD, Orkin FM, Boyes M & Sherr L (2014) Cash plus care: Social protection cumulatively mitigates HIV-risk behaviour among adolescents in South Africa. *AIDS*, 28(3): S389-397.

This may explain why CSG receipt has been associated with fewer adolescent absences from school. Over a period of eight weeks, adolescents were absent 2.2 fewer days in households receiving the CSG than in non-beneficiary households. Males, on average, miss seven fewer days of school when their household is accessing the grant, even if not for the adolescent himself.⁴¹

By helping to fund school-going expenses such as fees, books or uniforms, the CSG appears to affect households’ decisions to send and keep their children in school. Beyond these immediate effects, access to the CSG on a *continuous* basis since early childhood matters greatly for children’s schooling. Children born in the late 1990s, who qualified for the CSG their whole life, had a 33% higher probability of attending school than children born at the start of that decade who did not meet the age requirements for the grant.⁴²

Figure 15: Impact of cash, care and classroom interventions on incidence of economic sex^{vii} among adolescent girls (10 – 18 years) in past year



Source: Cluver LD, Orkin FM, Yakubovich AR & Sherr L (2016) Combination social protection for reducing HIV-risk behavior among adolescents in South Africa. *Journal of Acquired Immune Deficiency Syndromes*, 72(1): 96-104.

Adding school-based programmes can yield still higher benefits to adolescents. Figure 15 illustrates how the incidence of transactional and age-disparate sex among teen girls in the previous year is nearly 11% with no interventions. It drops by half when their household is getting a CSG, and by more than two-thirds if, on top of the grant, the adolescent also benefits from parenting support or free schooling. With all three interventions, the incidence of risky sex decreases by eight-fold, to just over 1%.⁴⁰

It is time to revisit the debate over “cash or care”. Standalone programmes go some way towards addressing adolescent HIV risk, but combining interventions – the three C’s of “cash plus care and classroom” – will best protect South Africa’s teenagers.

How does the CSG affect households and caregivers?

The CSG not only benefits children directly, it also has a positive impact on caregivers and households, helping to finance job search and increase labour market participation. Receipt of the CSG adds to household income and reduces poverty among grant-recipient households.

Labour market participation

Critics of social welfare grants maintain that they discourage labour market participation and breed a culture of “dependency” on government hand-outs. Upon receipt of a grant, critics say, households will withdraw their members from the labour market and may refuse jobs for fear of losing the payment.⁴³

vii Transactional and age-disparate sex

This question matters for the CSG, as it is the only grant which is typically paid to a healthy person of working age and because the bulk of CSG recipients are African women under 35, among whom poverty and unemployment are chronic. But there is no evidence that the CSG discourages work. Qualitative research with African males and females in the Eastern and Western Cape found a strong consensus that the grant was simply not enough money to affect their labour supply decisions.⁴⁴

Instead, it appears that access to the CSG may *increase* labour force participation and employment in poor households. Among African and coloured mothers, having a child who receives the grant was associated with a 7 – 14% increase in their labour force participation. The impacts were greater in poorer households – those living in informal dwellings or where mothers and household heads had not completed their matric. Grant income may be easing constraints to labour market access, helping to finance job search and migration from places with few employment prospects.⁴⁵

Recent work supplies further evidence to challenge the notion that the CSG promotes dependency. One study, commissioned by the national Department of Social Development, concluded that grant receipt has a positive impact on the capacity of beneficiary households to engage with labour markets.⁴⁶ Using three national datasets, the study found that households receiving the CSG were significantly more likely to improve their employment prospects, compared to households that received no grants. The impacts were greatest for youth and women, including single mothers, who were the most likely of all recipients to find employment.

Many of the gains associated with the CSG were in regular or permanent jobs, for a salary or wage, as opposed to occasional

work. Employment rates were 40 – 70% higher for women and youth in beneficiary households than in the comparison group. The results were even stronger for households with never-married women, whose employment rates were almost double those of comparable households that did not receive the CSG.⁴⁷

A further study suggests that young mothers appear to benefit the most. Among a sample of African caregivers aged 20 – 45 years, mothers who become CSG recipients in their twenties had higher labour market participation (9%), lower unemployment (14%) and a higher probability of being employed (15%). Young women in the bottom half of the income distribution are affected more strongly by grant receipt than are better-off women.⁴⁸

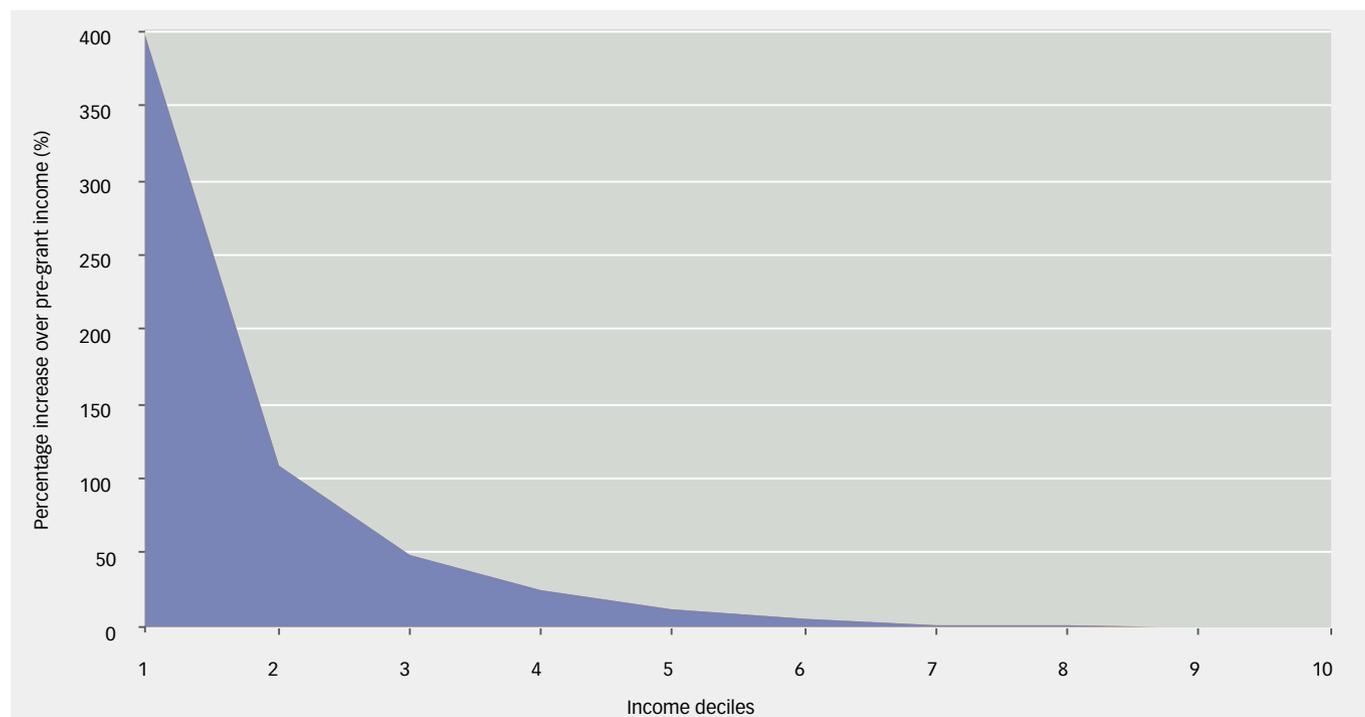
The sum of this evidence seems to disprove allegations that the CSG discourages beneficiaries from seeking employment. Though small in comparison with other grants, the CSG may provide enough cash to help meet the fixed costs of job search or working. Without the grant to fund travel or the costs of sending a child to a crèche or school, women would find it much more difficult to enter or remain in the labour force.⁴⁹

Poverty and inequality

The combination of social transfers and progressive taxation has played a key role in reducing poverty and improving income distribution, especially once access to grants began to expand rapidly in the early 2000s.⁵⁰

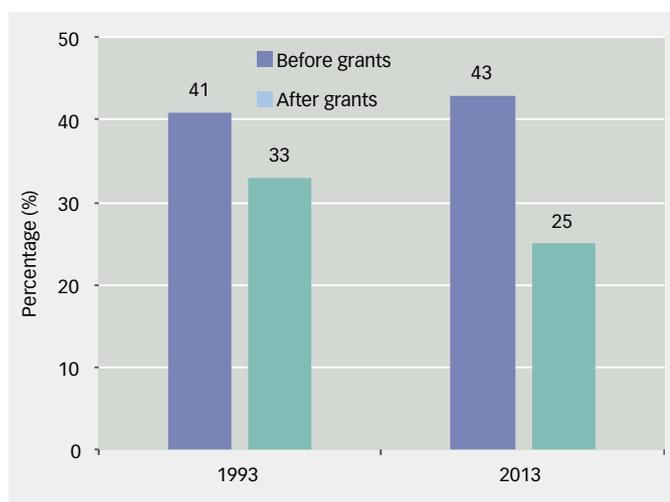
Grants are well targeted and highly progressive, with about three-quarters of government spending on social assistance going to the poorest 40% of the population.⁵¹ This makes a notable difference to the lives of poor South Africans, since the share of

Figure 16: Ratio of the Child Support Grant to household labour market income, by income decile, 2011



Source: Inchauste G, Lustig N, Maboshe M, Purfield C & Woolard I (2015) *The Distributional Impact of Fiscal Policy in South Africa*. Policy Research Working Paper 7194. Washington, DC: World Bank.

Figure 17: Impact of social grants on food poverty rates, 1993 – 2013



Source: Economic Policy Research Institute (2013) *Twenty-year Review of Social Protection Programmes in South Africa*. Pretoria: Office of the Presidency; Republic of South Africa (2014) *Twenty Year Review: South Africa 1994 – 2014*. Pretoria: Office of the Presidency.

households with children and older persons is higher at the bottom of the distribution. By targeting transfers to families with children and elderly people, South Africa ensures that its social grants will reach the poorer segments of the population and have a strong redistributive impact.

Since the end of apartheid, cash payments have helped stabilise income levels among the country's poor. If households in the poorest second and third deciles had not been receiving grant money, their real income would have dropped by 12% and 7% respectively each year between 1995 and 2010. Income inequality as measured by the Gini coefficient^{viii} would be much higher, standing at 0.74 instead of 0.69, while poverty rates would have remained unchanged or even worsened.⁵²

Instead, food poverty is much lower now than if there had been no grants. By themselves, social grants raise the share of the national income earned by households in the poorest three quintiles^{ix} from 5% to 9%.⁵³ For every Rand spent, South Africa is more efficient at reducing poverty and inequality than comparable middle-income countries.⁵⁴

This would not have been possible in the absence of the CSG.⁵⁵ Like no other grant, the CSG has seen an explosive growth since the early 2000s. Less than one-third of households were receiving grants in 1997. Twenty years later, this share has almost doubled, with most of the increase stemming from the CSG. The expansion of its coverage has been particularly dramatic for the poorest: In 1997 only one in eight households in the poorest quintile reported any income from grants, rising to more than four-fifths by 2010.⁵⁶

Because of its good targeting and extensive coverage, the CSG is the most progressive of all grants.⁵⁷ About one-third of CSG beneficiaries report no income from wages, self-employment or other grants. In households with a CSG recipient, the grant contributes more than one-third of total income. The share of household income stemming from the CSG is especially high in

the poorest quintile. Over 80% receive a child grant – four times as many as households in the richest quintile – with grant money contributing as much as 60% of their income.⁵⁸

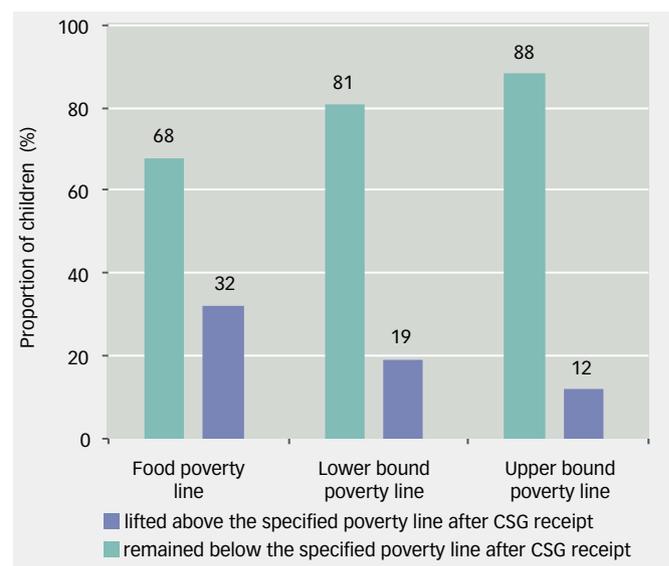
For the poorest 10% of households, access to the CSG results in a four-fold increase over their pre-grant income as illustrated in figure 16 on p. 50. The incidence of grant money drops as one moves up the income ladder and becomes negligible for households in the upper deciles, underscoring the progressive nature of South Africa's social assistance system.⁵⁹

The share of grant income in total household receipts has increased over time, largely due to the CSG. Its rapid expansion coincided with a time of major changes in the labour market, with growing numbers of households lacking access to jobs. In the absence of wages, government transfers stepped in to sustain incomes and smooth the consumption of the poor. More than half of the income flowing into the poorest 40% of households comes from social grants, up from about one quarter in the 1990s. Most of this income comes from child grants.⁶⁰

It is therefore no wonder that grants have impacted poverty rates. As shown in figure 17, without grants, extreme (food) poverty in 2013 would have been about the same as in 1993. Because of the grants, food poverty rates drop by over 40% by 2013, in no small measure thanks to the scale of the CSG.⁶¹

In fact, because targeting of the CSG has been so effective that its benefits accrue mostly to South Africa's poorest, it is children living in extreme poverty who have gained the most from it. The proportion of children in food poverty declined by half between 2003 and 2014.⁶² In 2012, for instance, one-third of children who would have been below the food poverty line without the CSG were lifted above it as a result of the grant, as shown in figure 18.⁶³

Figure 18: Children lifted above the poverty line due to receipt of the Child Support Grant, 2012



Source: Economic Policy Research Institute (2014) *A Study to Explore Policy Options for the Vertical Expansion of the Child Support Grant*. Pretoria: Department of Social Development.

viii The Gini coefficient is a standard measure of inequality, which ranges from 0 (perfect equality) to 1 (extreme inequality).

ix If we divide all households into quintiles or five equal groups, then quintile 1 is the poorest 20% of the households and quintile 5 is the least poor, or richest, 20%.

How can the CSG impacts be strengthened?

This essay has documented multiple positive impacts from the CSG on children and their families. The CSG supports the development of the young child, discourages unsafe practices in adolescence and provides critical income support to struggling families, helping to finance their job search, childcare and employment-related costs. There is, nonetheless, room for improving the grant's impact.^x

By all accounts, the CSG amount is too small to yield a more substantial reduction of poverty. Increasing it will make a large difference to poor families, who bear a disproportionate share of the burden of caregiving (as outlined in the essay on children's contexts and care arrangements on p. 33). Most CSG beneficiaries are cared for by their mothers. Children living with their mothers count among the poorest in the country – poorer than children in the care of relatives, who are more likely to access the Foster Child Grant (see essay on p. 68). Narrowing the gap in the amount paid by these two grants will not only reduce child poverty further, but promote greater equity in our social assistance system.

Bringing down malnutrition will also require additional effort. As currently implemented, the CSG is unlikely to yield significant progress. Children have to be reached earlier as too many are

being missed during the critical first year of life. Registering for the CSG at antenatal clinics would make it easier for infants to start receiving it as soon as they are born. It might even be worth giving income support to the pregnant woman herself as part of an integrated package of services to help promote the well-being of both mother and child. Once the baby is delivered, the grant can automatically convert into a CSG, thus enabling infants to achieve take-up rates as high as older cohorts of children.

In fact, integrating services seems the next frontier for South Africa's social policy. Successful as the CSG has been, more could be achieved through better coordination of government assistance to poor families. Linking *cash* with *care* holds special promise. The 12 million children reached by the CSG offer a springboard for increasing the scope and reach of other programmes, like *MomConnect*, *Isibindi* or *Sinovuyo*.^{xi}

Social assistance may not always be the first policy choice for lifting families permanently out of poverty. But in the absence of jobs, child grants, especially the CSG, have delivered no small change to South Africa's poor. Combined with other interventions, they can help us vanquish the stubborn legacy of child poverty and deprivation.

Box 6: How the Child Support Grant impacts poverty

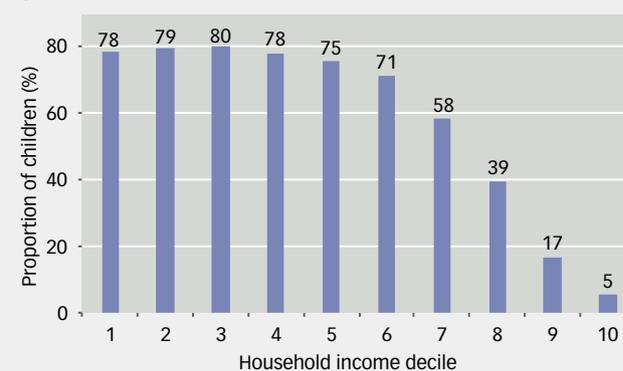
There are several ways in which the CSG has led to declining poverty among South Africa's children.

- First, the progressive extension of *age eligibility* for the grant has enabled more and more children to access it. At present, two in every three children benefit from the CSG. This helps the poorest households, which have a disproportionate share of the country's children.
- Second, the upward adjustment of the *means test* threshold at regular intervals since 2008 has opened access to a higher number of poor households previously excluded from CSG receipt on account of their income.
- Third, the *grant amount*, though modest, has been revised yearly to prevent the erosion of its real value in the face of inflation.
- Fourth, the CSG has very *extensive coverage*, reaching sizable numbers of poor households. Between 70% and 80% of children in the bottom six income deciles benefit from the grant.
- Fifth, the CSG is very *well targeted*. The bulk of spending on the grant goes to the poor. This shows in the greater impact the CSG has had on reducing *food poverty* than overall *poverty*. If the CSG was less well targeted, then the moderately poor would be reaping greater benefits from it than the extremely poor.
- Sixth, the grant is *highly progressive*. It redistributes tax revenues from the rich to the poor, who receive a much

larger portion of the benefits than their corresponding share of South Africa's population.

Over time, a combination of policy changes, outreach campaigns and service delivery improvements has led to a rise in CSG take-up and a concomitant decline in *exclusion rates* among children. In 2002, only 28% of eligible 0 – 7-year-olds were taking up the grant, rising to 63% of children aged 0 – 14 years by 2005 and more than 80% of children under 18 at present. This has given access to social assistance to millions of very poor children.⁶⁴

Figure 19: Proportion of children receiving the Child Support Grant by household income decile, 2014



Source: Statistics South Africa (2015) *General Household Survey 2014*. Pretoria: Stats SA. Calculations by Quinn Pitcher, Economic Policy Research Institute

x The essay on p. 75 presents a range of policy options currently under consideration.

xi A national Department of Health programme, *MomConnect* uses mobile services to register and deliver health messages to every pregnant woman across the country. *Isibindi* and *Sinovuyo* are initiatives supported by the national Department of Social Development to deploy community workers to provide care and support to families at risk and to reduce the risk of child abuse through positive parenting, respectively.

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