



**ASSESSING THE IMPACT OF
THE CHILD SUPPORT GRANT
ON THE WELL-BEING OF CHILDREN
IN SOUTH AFRICA:
A Summary of available evidence.**

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INTRODUCTION

This paper seeks to provide a brief overview of evidence regarding the impact of the Child Support Grant (CSG) on children and their families.

It must be immediately noted that since the CSG has not been long in existence there has been no substantial, scientific analysis of its impact on children nor their families.

However, there has been some analysis of the CSG implementation, its administration, and the accessibility to the grant. In addition, there is substantial and reliable evidence on the impact of the former State Maintenance Grant¹ on household and individual income levels, on the intra-household expenditure (i.e. what the grant was actually spent on), and on the impact of the phasing out of the SMG.

Most importantly, there are plentiful anecdotal accounts of the impact of the grant on children (or the negative impact of their non-receipt) as described by the children themselves^{2,3} and their caregivers⁴. Some of these stories shall be presented here.

In addition, there is substantial international evidence regarding the impact of social security cash transfers on poverty levels in general, and on the impact of child benefits directly on children.

In order to undertake impact assessment, various principles and concepts must be defined and understood.

Child within the family context and household incomes

Most children exist within a family structure. This structure may have variations, but usually there is one person, the Primary Care Giver, who assumes responsibility for the care of the child. Ideally, the primary carer would be an adult. Even where children live on the streets or in child-headed households, with no adult carers, they nevertheless have some group structure, and assume adult roles for the care of younger siblings and children. The child cannot be separated from its 'family' context, and thus the well-being of the child is dependent on the well-being of the family.

¹ Vorster JH, Rossouw HM & Muller GJ. 2000. Phasing out the State Maintenance Grant within the context of Developmental Social Welfare. Commissioned research for the national Department of Social Development. University of Stellenbosch: Department of Sociology.

² ACCESS. Children Speak Out on Poverty. Report on the ACCESS Children's Participation Process. 2002.

³ Giese S, Meintjes H, Proudlock P. 2002. National Children's Forum on HIV/AIDS: Workshop report. Children's Institute, UCT.

⁴ Black Sash Advice Offices could offer substantial care-givers' reports.

Consequently, **social security benefits cannot target children in isolation**, but must use their family, usually the primary care giver, as the channel for reaching the child. While it is hoped that the grant would be spent directly on the child's needs, this cannot be tracked nor ensured, and therefore it is assumed that by increasing the household income, the well-being of the child will be automatically enhanced.

As Baydar and Brooks-Gunn's analysis of the consequences of child support concluded: "Children's achievement responds favorably to increases in family income". (In Garfinkel *et al* 1994:281⁵). The New Zealand study presented below (Meyer 2002⁶) confirms that increased parental income is positively associated with child well-being, and concludes, "... income gains have the potential to make significant cumulative difference to the lives of children".

Social Security as a Poverty-Alleviating Mechanism

Social security aims to protect vulnerable members of society from social contingencies and risk, such as unemployment, disability and poverty. Through cash transfers, it can be ensured that affected persons should have at least a minimum income that should meet basic needs.

Social security measures are viewed as 'safety nets' to prevent absolute poverty for families, and to attempt to move those families closer to the poverty line, out of poverty. However, social security should not be merely providing safety nets and minimum standards of living. Interventions should also aim at the rehabilitation and integration of persons back into social and economic life, foster independence and ultimately reduce inequality, while increasing opportunities for development.

The Taylor Committee of Inquiry into a Comprehensive Social Security System suggest the following definition: "*Comprehensive social protection for South Africa seeks to provide the basic means for all people living in the country to effectively participate and advance in social and economic life, and in turn to contribute to social and economic development*". (2002:41⁷).

It is recognized that social security measures are insufficient *by themselves* to eradicate poverty. Other poverty-reduction and development interventions are also required, such as employment-creation strategies, income-generating projects, rural development strategies, investment and trade initiatives. Nevertheless, these are longer-term attempts, and thus immediate social security measures, such as cash transfers and other indirect social security benefits (e.g. free health and feeding schemes) are *essential* for the lowest level of protection for the poorest.

Rawlston (2000:4⁸) concluded in evaluating the impact of social security benefits on children in the USA: "While social security by no means eradicates poverty among

⁵ Garfinkel I, McLanahan S. & Robins P. (eds) 1994. Child Support & Child Well-Being. Urban Institute Press, Washington DC.

⁶ Meyer S. 2002. The Influence of Parental Incomes on Children's Outcomes. The Ministry of Social Development. New Zealand.

⁷ Committee of Inquiry into a Comprehensive Social Security System. 2002. Transforming the Present, Protecting the Future. Consolidated Report.

⁸ Rawlston V. 2000. The Impact of Social Security on Child Poverty. National Urban League. Special Research Report (SRR-01-2000). Washington DC.

extremely poor families with children, this report provides evidence that without social security benefits, not only would there be more children living in poverty but the depth of their poverty would be much greater”.

There is substantial evidence available⁹ on the effectiveness of social security in general. This literature is not presented here, but the assumption that social security is an effective poverty measure is taken as the underlying belief of this document.

Cash Transfers *versus* other services

A comprehensive social security system seeks to provide a package of benefits that together meet the range of needs of vulnerable persons. Thus it is not a case of *either* cash transfers *or* feeding schemes. It must be recognized that while the child’s need for good nutrition is paramount to their survival and development, it is not their only basic need. Children have the right to a minimum standard of living, housing, clothing, health and education. Thus housing schemes are essential, as are cash transfers to empower carers to provide for the child’s range of needs.

While services to children are better targeted directly to children, this does not undermine the necessity and importance of cash transfers, which as explained, have to be targeted through the care-givers. There are many international studies to prove that generally poor households spend the majority of their income on food and other basic necessities, which then directly benefit the child (also proven in the SMG study presented below). In addition, when grants are paid to women, the evidence proves direct benefits to the children in the household. The evaluation of the South African State Old Age Pension¹⁰ supported this finding, in that households with a female recipient of the grant, the children had better nutritional status.

Impact Assessment Methodologies

Due to the short nature of this paper, there is not scope here to describe the varying methodologies used to assess the impact of social security interventions. However, it is important to understand that the impact of an intervention can only be measured by obtaining a ‘base-line’ data set of information regarding the situation of the family *before* the intervention, and to compare this with the information collected *after* the intervention. Alternatively, or additionally, impact can be measured from the difference found between two similar groups of the population, one receiving the CSG, the other not receiving.

Secondly, the intervention must be measured according to its intended purpose and outcome, i.e. if it’s a poverty-alleviating mechanism then the levels of poverty in the household must be measured before and after intervention, and changes thereof attributable to the intervention (once correcting for confounding factors and comparing against a control group without the intervention). Different measures of poverty and income may be used, as well as a range of indicators, which indirectly indicate well-being.

⁹ Sabbarao, K., Bonnerjee, A., Braithwaite, J., Carvalho, S., Ezemenari, K., Graham, C. and Thompson, A. 1997. Safety Net Programs and Poverty Reduction. Lessons from Cross-Country Experience. Washington, D.C.: The World Bank.

¹⁰ Case A. 1999. The Impact of the State Old Age Pension on Poverty and Household Well-being in South Africa. Princeton University.

The purpose of the CSG and measuring its impact

The CSG is intended to be a poverty-alleviating mechanism that seeks to support the income of the household to enable them to care adequately for the child, and to provide for his/ her basic needs. It is means-tested, in order to target the poorest families.

The CSG was introduced as a replacement grant to the SMG, which was a larger amount but did not benefit the majority of children in need. The intention was to phase in the CSG through incremental age increases; the first age group to be targeted was the 0 to 6-year-olds, as the most vulnerable to poverty, illness and underdevelopment. It was hoped that the nutritional feeding schemes would then assist the child once he/she attended school.

Thus to measure the impact of the CSG, it is necessary to obtain data regarding household and child poverty levels before and after the introduction of the CSG, and to measure other indicators of well-being of the recipient children. These should be compared with the same indicators in the group of non-recipient children and households. As mentioned, it is almost impossible to track or control intra-household expenditure, except through care-giver's feedback on the breakdown of expenditure. Nevertheless, indicators such as the child's nutritional and health status, their school attendance and performance, and other psychosocial indicators would show indirectly the impact of the grant.

An immediate problem is that South Africa does not collect regular national indicators of child poverty and well-being, in order to provide a base-line data set of the situation prior to the implementation of the CSG. In addition, due to the short life span of the CSG, a full assessment of its impact cannot yet be undertaken. Only measures of effective administration can be collected at this stage, such as up-take rates, problems with the means-test and administrative systems.

The analysis of the impact of the SMG¹¹ therefore provides extremely valuable data with which to compare and make assumptions about the impact of the CSG.

Indicators of Impact

In measuring the impact of cash transfers, it is important to identify which data and indicators are to be used.

Poverty measures: there are various sources of poverty data¹², including the October Household Surveys, the Income and Expenditure Surveys (not available yet), and the SALDRU data set, and various analyses, such as that provided by Statistics South Africa¹³, May (1998¹⁴), IDASA and the Harmaans¹⁵. These examine either household incomes or per capita. Cassiem and Streak (IDASA 2001¹⁶) offer the most recent analysis of childhood poverty rates, based on the OHS data of 1999.

¹¹ Vorster JH, Rossouw HM & Muller GJ. 2000. Phasing out the State Maintenance Grant within the context of Developmental Social Welfare. Commissioned research for the national Department of Social

¹² For an overview of these sources, please refer to: Guthrie T. 2002. Childhood Poverty in South Africa. CI: UCT.

¹³ Statistics South Africa & World Bank. 2001. Measuring Poverty in South Africa.

¹⁴ May J (ed) 1998. Poverty & inequality in South Africa. David Phillip & Zed, Durban.

¹⁵ Haarmann D. 1999. The Living Condition of South Africa's Children. AFReC Res. Monologue No.9.

¹⁶ Cassiem S & Streak J. 2001. Budgeting for Child Socio-Economic Rights: Government's Obligations and the Child's Right to Social Security and Education. IDASA.

There are smaller-scale surveys which give a good indication of standards of living and incomes within particular geographical sites, but which cannot be generalized to the whole country.

Analysis is also obviously dependent upon on the poverty datum line being used. Various amounts have been suggested. Please refer to Guthrie (2002¹⁷) for a summary of poverty data, collection techniques and poverty lines.

Indicators of well-being: these would include the child's nutritional status (weight and height), health status (lack of illness or disability), housing type, school attendance and performance, cognitive development, socio-emotional functioning, mental health and behavioural problems, teenage childbearing, and future economic status, and others.

INTERNATIONAL EVIDENCE OF THE IMPACT OF CHILD BENEFITS ON CHILDREN AND FAMILIES

There have been studies done internationally on the impact of welfare, state pensions, services, and so on, as well as those more specifically on the impact of cash transfers on families and children. This paper cannot provide an extensive review of these, nor provide details of their methodologies. However, refer to the Table in Appendix B, which details a few of those examining child benefits.

The British government's commitment to reducing child poverty and increasing support to families was assessed by Millar (2001¹⁸). Their financial support measures included: higher Child Benefit (a universal payment), new tax credits for poor families and child care, the 'New Deal' for Lone parents, education maintenance allowance pilots and the reform of child support. There were other developmental programs also targeted at children. Millar reports that the number of children reaching expected numeracy standards at age 11 had increased from 54% in 1996 to 72% in 2000, and school exclusions had fallen by 15% between 1997/98 and 1998/99 (DSS 2000). In addition, there were falling levels of child poverty due to the fact that just over 1million children in families were receiving the Working Families Tax Credit. About 103 000 families were receiving the child care tax credit.

The proportion of children in workless households had fallen from 17.9% in 1997 to 15.8% in 2000. The average income of households with children had increased by 850 British Pounds.

"Both government and independent assessments agree that around 1.2 million children will be lifted out of poverty by these measures" (Millar 2001:32).

A study undertaken in New Zealand (Meyer 2002¹⁹) measures the impact of parental income on children's outcomes, including: cognitive test scores, socio-emotional functioning, mental health and behavioural problems, physical health, teenage childbearing, educational attainment, and future economic status. The study found that parental income is positively associated with all outcomes covered in the review, having the largest effect on cognitive test scores and educational attainment.

¹⁷ Guthrie T. Childhood Poverty in South Africa: a Summary of Evidence. Working Paper. Children's Institute, UCT.

¹⁸ Millar J. "Establishing Family Policy in Britain?" in *Family Matters*. 2001:58:28-33. Australian Institute of Family Studies.

¹⁹ Meyer S. 2002. The Influence of Parental Incomes on Children's Outcomes. The Ministry of Social Development. New Zealand.

While welfare income (i.e. state grants) was found to be negatively associated with some child outcomes, this was attributable, not to welfare receipt per se, but to the parental characteristics of those more prone to welfare than others.

The author concluded that parental income is likely to improve children's well-being both during childhood and in adulthood. "This means that income gains have the potential to make significant cumulative difference to the lives of children" (Meyer 2002:6)

EVALUATION OF THE IMPLEMENTATION OF THE CHILD SUPPORT GRANT

In 1999 the Community Agency for Social Enquiry (CASE) was awarded the tender to evaluate the implementation of the CSG²⁰, and this included some examination of its impact on household income. It did not measure the impact of the grant on household poverty nor on the well-being of the child, which would have been impossible due to its short period of existence. A national survey of 999 CSG beneficiaries was conducted, as well as in-depth interviews and case studies. Please refer to the full documents for details on methodology and sampling. The relevant findings of the research are copied here²¹.

The role of the CSG in household income

The average monthly household income of the sample was R837, and the average monthly per capita income was R131 (less than half the national Minimum Living Level for an average household of seven in March 1999). Without the CSG, the average reported income would drop to R714 for the household and to R109 per individual. This was reduced to below R100 per month if the Western Cape incomes were removed from the calculations (due to it having the highest household and individual incomes in the country).

On average, the households in the sample derived one third of their total income from the CSG, a quarter from other state transfers, and just over one third from employment. A significant proportion of households were wholly dependent upon the CSG (18%), or on the CSG and other state transfers (36%). Households in the Northern province, where the CSG accounts for an average of 51% of the household income, are the most dependent on the CSG, as are households in informal rural areas. Rural households, particularly in informal areas, are significantly more likely to have the CSG as their only source of income.

Expenditure of the CSG

Three-quarters of the primary care givers in the survey said that they relied mainly on the CSG to support the child. Those in rural areas generally relied to a greater extent on the grant than those in the urban areas. **More than three-quarters (79%) asserted that the CSG had improved their ability to take care of the child, particularly by allowing them to obtain food and other basic necessities for the child.** For the remainder who reported that the CSG had had no impact on their ability to care for the child said that this was because the R100 was not enough and that the money was used for the entire household.

Involvement in other Income generating projects

Most of the respondents did not take part in income generating projects, largely because they were not available, but expressed interest in taking part in them.

²⁰ Kola S, Braehmer S, Kanyane M, Morake R, Kimmie Z. 1999. Phasing in the Child Support Grant: a social impact study. CASE.

²¹ These findings are copied directly from the Executive Summary of the above mentioned report.

EVALUATION OF THE STATE MAINTENANCE GRANT

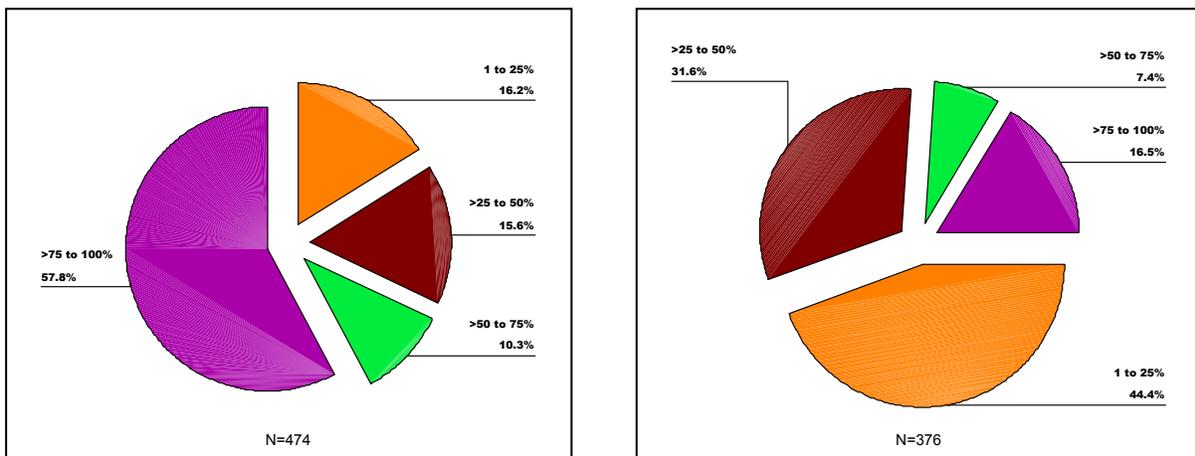
An analysis of the impact of the phasing out of the SMG was commissioned by the Department of Social Development and undertaken by Stellenbosch University, the Department of Sociology²². Various modes of observation were used to collect the data, including a survey of SMG beneficiary households in four provinces (EC, KZN, NC & WC), focus group discussions and in-depth interviews. Two case studies were undertaken in a rural area of Western Cape and in an urban township in KwaZulu Natal. (For further methodological and sampling details please refer to the full report).

The main relevant findings are copied directly from the Report here (thanks to J.Vorster of Datadesk for permission).

Level of dependency on the SMG

At the time of the study (after the second cut in the SMG) 58% of beneficiaries derived most, or all (75% to 100%) of their personal income²³ from the SMG and in 17% of cases most of their household income was derived from the SMG (see Figure 1). In 44% of cases income from the SMG represented only 25% or less of their household income.²⁴

Figure 1: Percentage of personal income derived from SMG on individual and household level



Personal income

More than half (53%) of beneficiaries had the SMG as their only source of income and 39% had the SMG in combination with one other source as income. Just more than a fifth (22%) had the SMG in combination with a wage/salary as sources of income. Of this group, 52% received more

²² Vorster JH, Rossouw HM & Muller GJ. 2000. Phasing out the State Maintenance Grant within the context of Developmental Social Welfare. Commissioned research for the national Department of Social

²³ Unless specified otherwise, income refers to monthly income.

²⁴ This discussion is based on the assumption that except for the reduction in the grant income, the rest of their income situation was on the same real level as at the time of the study. All individuals who have acquired the SMG after the first cut and those with incomplete data on income, as well as those who acquired other income after the second cut were excluded from the calculation. The latter group was left out because the value of their new income sources could not be calculated separately. This group is analysed later in the chapter.

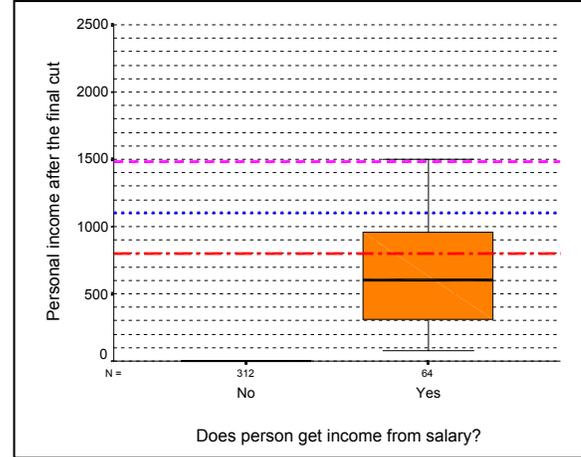
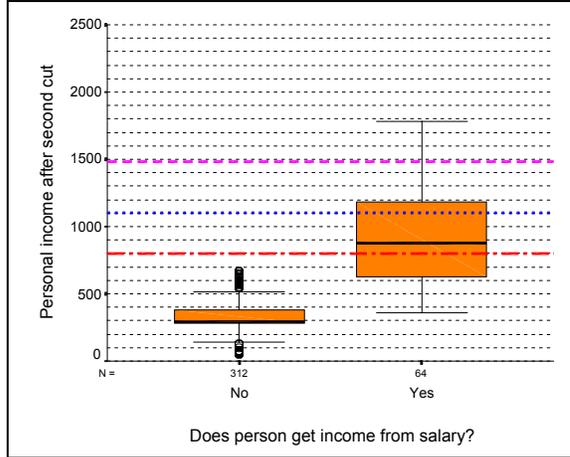
than 25% of their income from the SMG (even after the second reduction), which illustrated the relatively low level of salaries. Five percent had an income from the SMG and a salary/wage combined with other sources of income. Thirty-four percent of those cases with the SMG and one other source of income still derived more than 50% of their income from the SMG .

In comparing individual income²⁵ over the four periods (before the first cut after the first cut, after the second cut and after it was totally phased-out), two groups of beneficiaries were distinguished: those with a wage/salary and those without. Figure 2 illustrates the effect of the phasing out of the SMG on beneficiaries' personal income.

Figure 2: Levels of personal income over four periods



²⁵ Income before the reduction is calculated by just adding the full amount from the SMG before the cut to the other sources of income at the time of the study. Income after the final reduction of the SMG is calculated by subtracting the SMG amount at the time of the study from the total income. Two assumptions are thus being made: 1) That the amount from the other sources of income is more or less the same over the three year period in real value. A limitation is however that the value of the SMG is not treated according to its real value. 2) That other sources of income did not and will not change within this period. Those beneficiaries who have acquired other income after the second cut were excluded from the projection to the situation just before the cut.



Three reference lines were included in the plots: 1) the red line indicating the means test level of R800 monthly income to qualify for a CSG²⁶ in rural and informal areas, 2) the blue line referring to the means test level of R1100 to qualify for a CSG in formal urban areas and 3) the purple line representing the minimum wage of R1485 per month for general workers in the clothing industry as specified by SACTWU. From studying the graphs it is clear that even with the full SMG amount added to their other sources of income, the median income of those not employed (R575) was far below the qualifying level of R800 per month for the CSG. Three quarters of this group fall below this mark.

The relatively low level of salaries is also illustrated by the fact that even with the full SMG amount, more than 75% of beneficiaries with wage income fall below the minimum wage level as specified by SACTWU for the clothing industry. With the third cut in the SMG, close to 80% of employed mothers fell below the qualifying level for the CSG in urban areas. With the termination of the SMG, those mothers without a wage income (the majority) had no income. From the data it seems that the SMG was in general awarded to caregivers that would in terms of income also have qualified for the CSG.

Household income

There were only 12% of beneficiary households that have the SMG as exclusive income. As in the case of individual income, the most frequent combination of sources of household income was the SMG with salaries (24%). The second most common combination was the SMG and one or more other grants (16%), in the majority of cases Old Age Grants and Disability Grants. The high dependency on state transfers is evident from the fact that, if the SMG is not taken into consideration, 47% of beneficiary households had at least one other grant income. In 38% of beneficiary households there were no persons with a wage/salary income.

Interesting patterns emerge from comparing three household types²⁷, in terms of sources of income. In the case of single caregiver households the majority (42%) have the SMG as only source of income, while in nuclear caregiver households more or less the same percentage has the SMG in combination with mainly the DG as income. Excluding the SMG, it is significant that 42% of the total number of households have at least one grant/pension income.

²⁶ The qualifying level for the CSG is used merely as a reference point to indicate the level of income of beneficiaries in terms of a means test applied by the Department of Welfare. The majority of children of beneficiaries are older than six years and they do not qualify for the CSG.

²⁷ For a discussion of household types see Chapter 5.

Households were classified in two groups, those above the household subsistence level (HSL)²⁸ and those on or below the HSL. They were compared over the four periods. It was found that in both groups of households, the per capita income would drop quite dramatically from before the first reduction to the total phase-out. In the group above the HSL (before the first cut), more than 50% of households would drop below the HSL at the final cut. The median monthly per capita income for the group below the HSL dropped from R158 to an extremely low R60. The median for the group above the HSL dropped from above to below the HSL level (from R340 to R208). **It thus seems that the SMG reached ‘real’ poor households and played an important role in keeping households from being totally destitute.**

Spending patterns

Respondents were asked to identify the three core monthly expenses their households have. From the multiple response table 1 below, it is clear that food is the most important, as it was mentioned as one of the top three expenses by 95% of the respondents, then followed electricity, other household energy sources and rates and taxes, school fees (41.7%), housing costs (rent or bond payments) and clothing. It was surprising to note that school fees received the third most responses, as it is probably unlikely that beneficiaries will pay more on a monthly basis for school fees than rent or bond payments. It can only be speculated that the issue of school fees were foremost in the minds of many respondents due to the way in which they budget. Many indicated that they utilised the SMG for very specific items, one of that is school fees.

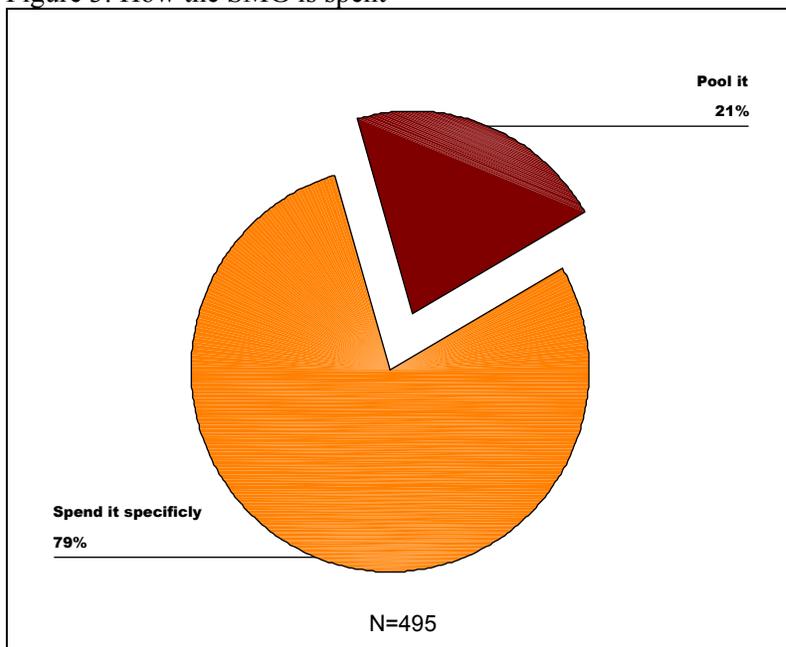
Table 1: Biggest household expenses monthly

	N responses	% of responses	% of cases
Food and other groceries	468	34.8	94.7
Electricity, other fuel, rates and taxes	321	23.9	65.6
School fees	206	15.3	41.7
Rent/ accommodation/ bond	176	13.1	35.6
Clothing	172	12.8	34.8

From Figure 3 below it seems that the majority of beneficiaries (79%) utilised their grant income for specific items in the household budget and just more than a fifth pool it with the rest of the household budget. (In cases where it represents the only income, it is treated as pooled income).

²⁸ The HSL indicates the income required by an individual household to reach and maintain a minimum level of health and dignity over the short term (Potgieter 1999). It includes the minimum requirements for food, clothing, fuel, light, cleansing, rent and transport. The HSL is calculated for a household of six. Different HSLs for urban centres and rural areas exist. As 73% of our sample is based in urban areas, the HSL for this study is calculated as the mean of the HSL for the six urban areas included in the study and transformed into a per capita amount. By doing this, given the principle of economy of scale, the smaller households will receive a more positive rating in terms of the HSL than is really the case. The HSL is thus a rather crude indication of poverty.

Figure 3: How the SMG is spent



There was a relationship between the items on which most of the household budget was spent and the utilisation of the SMG. The majority indicated that they spent income from the SMG on food and other groceries and school fees and to a lesser extent on items relating to housing and clothing. There were no significant differences between beneficiaries from households below or above the HSL, except for food. The greater percentage of beneficiary households below the HSL indicated that they spent their grant money on food.

With the phasing out of the SMG, it was reported that many participants' children had begun to rely on lunch from feeding schemes at primary schools, as food could no longer be purchased. Nearly all participants in the focus groups referred to the extra burden of school fees. They struggled to pay their children's school fees and related expenses, e.g. extra-mural activities, functions/fund-raising at the school and school uniforms... One of the participants stated that, since she was in arrears with school fees, her daughter was not allowed to go back to school for the fourth term. She had to borrow money from her employer to pay the school. The primary schools in Zoar offered a feeding scheme to children in Grade 1 to Grade 3 under the condition that all school fees have been paid. **This is contradictory, as the feeding scheme is meant for the very poor, and it is precisely them who cannot pay the school fees.**

Participants discussed how they can no longer provide for their children to the same extent as they used to. Another item that many women have to cut back on is clothing. The fact that new clothes cannot be afforded often cause tension between mothers and children, especially teenagers. Other items that participants cut back on are private medical services, furniture and entertainment.

Replacement incomes

The majority of respondents (90%) indicated that, as a household, they did not make up for the loss of income due to the reduction in the SMG. There was also no significant difference between the different household types. The role of beneficiaries in acquiring other income seemed the

most important reason why some households made up for the loss of income. The majority (27%) of those who acquired additional income set up tuck or spaza shops, while 23% became employed. Although there are exceptions, the nature of income from informal economic activities was in the majority of cases very low, survivalist and often temporary.

From focus group discussions it also seemed that job opportunities were very limited and beneficiaries struggled to secure jobs. Apart from factory and domestic work, there were not many employment opportunities for women in Phoenix.

Apart from looking for a job, 20% of beneficiaries reported that they did something to acquire additional income. Only 14% (of these) succeeded. The main activities of those who succeeded were in 90% of cases home based, with the majority starting a tuck shop. Ten percent did extra domestic work.

Children starting to work

It also seems that the role of children in contributing to household income became important. During qualitative interviews those beneficiaries with older children mentioned that the only way to survive was for their children to start earning an income. In 19% of cases where households made up for the loss of grant income, a child had started to contribute to household income. In Phoenix for example, one beneficiary's daughter paid her own school fees from money she earned as a clothing factory worker (working night shifts) and the other participant's eleven year old son pushed grocery trolleys at a local supermarket. Another example in Ruyterwacht were two children, aged thirteen and fourteen, who worked at a flea market in Mitchells Plain during weekends. They eared up to R20 per day. Another child sold sweets to other children in Ruyterwacht and uses that money to buy toiletries for herself.

Report's Conclusions²⁹

The research found that the SMG was an important mechanism for assisting those with childcare responsibilities. **The SMG had probably also reduced poverty in this specific group of households much more than any development projects would do in the near future.** Irrespective of which categories of poverty beneficiary households belonged to, in the majority of cases the SMG played an important role in keeping households above the bottom of the poverty scale. The majority of beneficiaries stayed in multi-generational households and pooled their grant income with other sources of household income. In many instances non-beneficiary children also benefited from the SMG. The SMG also enabled many vulnerable mothers to care for their children and in some instances it contributed to the survival of extremely vulnerable woman-headed (single-caregiver) households. There was in general no evidence of a significant leakage of the SMG to households with a relatively high income. SMG beneficiary households were predominantly poor.

Beneficiaries report that their quality of life had seriously dropped (with the phasing out of the grant) and that they are already cutting on life essentials like food. They also experienced problems in covering other main household expenses such as rent, electricity and clothing. The payment of school fees is an extra burden for the majority of them. In some cases furniture was being pawned or repossessed in order to cover debts. In cases where the SMG was the only source of income, households were on the brink of total collapse.

²⁹ While some shortening of the report has been made here, the findings are copied directly from the report: Vorster JH, Rossouw HM & Muller GJ. 2000. Phasing out the State Maintenance Grant within the context of Developmental Social Welfare. Commissioned research for the national Department of Social Development. University of Stellenbosch: Department of Sociology.

In referring to the phasing out of the SMG and the introduction of the CSG Kruger (1998:19) remarked: “While overall the state safety net may therefore expand in terms of poverty alleviation a useful mechanism which ‘insured’ especially women against certain common contingencies of modern life has been lost. While fiscal costs may be saved by discontinuing the maintenance grant system the indirect cost to society may be large”.

EVALUATIONS ON THE ADMINISTRATION AND UPTAKE RATES OF THE CSG

There have been many descriptive evaluations of the administration, accessibility and uptake rates of the CSG^{30,31}. These refer to the hurdles and barriers faced by care-givers and the administrating officers, which obviously decrease the potential impact of the CSG on children.

A Thesis undertaken by Lloyd (2000³²) examines the underlying reasons for the moderate demand for the CSG, and on the basis of the investigation and findings offers recommendations to social security policy makers for improving the ‘take-up’ rate of the CSG. The study also asked recipient Care-givers how the money was spent. Statistical data, analysis and interpretation of the performance of the ‘take-up’ of the grant are provided. The feedback from social security officials identified problems of: staff incapacity, lack of communication and public awareness on the grant, the stringent criteria of the means-test, lack of transport and equipment for officers, inaccessibility of the DoHA offices, and low levels of funding for the grant in the Western Cape. The summary presented here was sourced from Hunter (2002³³), permission acknowledged.

Sources of Income

The Care-givers were interviewed, all were the biological mothers of the children receiving the CSG. The population sample reflects an average of one child per household who benefits from the CSG. Sixty-one percent of respondents noted that they spent their day caring for their children at home. Regarding income, 61% noted that they were unemployed with no resource to any personal income, while 22% said they were self-employed – either selling fruit and vegetables or charring. About half the beneficiaries noted that their survival is largely dependent on the financial support which they receive from their parents, most of whom were noted as being dependent on the OAP. Apart from two respondents, all claimed they did not receive any

³⁰ Refer to: several submissions made by NGOs to the Committee of Inquiry into a Comprehensive Social Security System. Dept. of Social Development. 1999-2001.

Reports from the Black Sash Advice Offices.

³¹ Guthrie T. “Family Benefits” in Social Security Text Book. RAU. 2002. Butterworths. (in print).
Guthrie T, *et al.* Comprehensive Social Security for Children. Comment made to the Department on the Report of the Committee of Inquiry into a Comprehensive Social Security System for South Africa. CI. June 2002.

Guthrie T. Analysis of Government’s Expenditure and Uptake Rates of Grants for Children. (SOCPEN April to Dec 2001). CI. Working Document. Feb 2002.

Guthrie T, Giese S, Footner L. Issue Paper on Social Security for Children in South Africa. Submission made to the Inter-departmental Commission of Inquiry into a Comprehensive Social Security System. July 2000.

³² Lloyd, I.D. 2000. Policy Performance of the Child Support Grant, 1 April 1998 to 30 June 1999. Masters Thesis (Public and Development Management), University of the Witwatersrand.

³³ Hunter N. 2002. Annotated Bibliography of Recent Research on the Impact of Social Security Grants Draft. Report prepared for the Department of Social Development Directorate: Monitoring, Evaluation and Audit. School of Development Studies University of Natal. Durban.

financial support from the biological fathers of their children. **For two-thirds of these mothers the CSG is the only source of personal income that they bring into their household.**

CSG Expenditure

The grant is identified as being spent mainly on food and clothing for the child. Seventy percent of respondents noted that the grant assists in ensuring that the children seldom go hungry. Almost half noted that the grant is spent in one day, while the other half said the grant does not last beyond one week. All the mothers interviewed expressed strong opinions that the level of the grant needs to be increased.

In terms of improving the policy performance of the CSG, the following recommendations are offered: (1) the development of a comprehensive and new social security policy for the country; (2) the review of the existing structure and funding level of the grant; (3) improvements around the current deployment of human resources; (4) the consideration of additional strategies for capacity building of social security personnel; and (5) improvement of administrative support systems in relation to communication, financial and information management³⁴.

STORIES FROM THE CHILDREN THEMSELVES

There exist substantial case studies and anecdotal evidence regarding how care-givers and children rely on the CSG and suffer when they are unable to access the grant.

Two large child participation processes were undertaken by the Children's Institute, UCT, and the Alliance for Children's Entitlement to Social Security (ACCESS). The majority of the children participating in these processes were over seven years of age, and they were not currently receiving the CSG. However, they were able to articulate their need for the grant and their suffering due to a lack of support from the government. Below are copied some of their quotes:

³⁴ Permission for copying data from Hunter N gratefully acknowledged.

“Children Speak on Poverty”:

When asked what help they needed the children most often mentioned food and then school needs such as fees and uniform. There were very few other things the children felt they needed. The quotes below are representative of what children told us in all groups:

Government can help us by paying school fees, we will be happy if we can get money to buy food, uniform.

I need healthy food.

I don't have uniform for school. I will be happy if I can have money for transport because I am far away from school. I walk a long distance without having something to eat. I also need pen, glues, ruler etc. We need money to buy these things.

I need money, clothes, shoes, socks, warm clothes and food. Money for things like soap, colgate and Vaseline.

I would use money for school fees because I love school with all my heart.

When asked about extending the CSG or introducing a BIG, they said:

I think it must come until we leave school so that we can get the opportunity to go to school and to live a better life because we have education. (Girl, 14, Gauteng)

It will make a difference especially if no one is working in the house. They will buy food, clothes, help to pay school fees and to pay rent at home. (Girl, 13, NC)

It will make a difference because we will have enough money to buy food. My challenge at home it was food.

I will buy clothes, shoes, socks. (Boy, 13, E Cape)

I could buy food like Mielie meal, meat and chicken. (Boy, 7, Mpum)

If you are hungry you will use it for food and if you need a uniform you will not buy sweets. (Girl, 10, EC)

Copied directly from:

ACCESS. Children Speak Out on Poverty. Report on the ACCESS Children's Participation Process. 2002.

Children share their experiences of being affected by HIV/AIDS

Sephale, 8yrs: "I do not have mother. I stay with my grandmother and my father. At home there is no food most of the time. My grandmother and father do not have money. They are not working. My father is ill. I need food".

Ndileka, 12yrs, describing the picture of her home: "I live with my sisters and brothers. No one at home is employed ... when I got to school I walk. At home I walk with my sister to fetch water from the river. It is far from our home. I fetch it with a bucket and I put it on my head. I clean the house [a tiny rondavel]. I am asking for a house [some of the children sleep at the neighbours because there isn't sufficient space in their own tiny house]. I am asking for money. I ask for clothes to wear. I ask for pills and medicines. I ask for things for school, for money and anything else. We ask for food. For a toilet ... When you are struggling and you are poor even small things get to you...."

Joseph, 9yrs, does not receive a grant. Instead he has to work in order to earn money to survive: "I don't have parents. After school I go and herd cattle and goats for my uncle. They money they pay goes towards my school fees and food in the house. Sometimes I do not go to school. Then I come back late with them and drive them into the kraal. I work for my uncle and people in the village"

Delani, 16yrs: "I live with 2 uncles and they are not working. It is hard because my grandmother is very ill. I need them to get employment because they pay my fees. I need money to buy my medication. To get money, I need to tell everybody that I am HIV+ even if I don't want to tell them. If government can improve the process of finding the grant. Their process takes too long... to help us get healthy food. We need clean water ..."

Boitumelo, 9yrs: " I need food and clothes. At the moment I am given this by mummy [neighbour who has taken the children in]. But I do not have food. You should understand that she also has got children of her own and is struggling..."

(Quoted directly from: Giese S, Meintjes H, Proudlock P. 2002. National Children's Forum on HIV/AIDS: Workshop report. Children's Institute, UCT). Permission acknowledged.

Surveys underway / being planned

There are various surveys and research projects underway or being planned which shall greatly contribute to the information available on the impact of the CSG on children and their families.

These include:

- The Hlabisa survey of 3000 households in KZN, undertaken by the Africa Population Centre
- SANPAD social security research being undertaken by RAU Law Faculty
- The Agioncort survey being planned by the Demographic Department of WITS
- The activities of the new Monitoring and Evaluation Unit of the National Social Security Directorate.
- A smaller Western Cape based longitudinal study focusing on children, being planned by the Children's Institute of UCT.
- The data from the Income and Expenditure survey of 2000 will provide valuable base-line poverty data

RESEARCH REQUIRED

It is obvious from the limited evidence presented above that a carefully planned impact assessment process should be initiated and that data and indicators must be collected on a regular and national basis. This requires the determination of an appropriate child poverty level, selection of reliable sources of poverty data, and identification and collection of indicators to show changes in child well-being. Smaller scale longitudinal studies will be crucial to track the longer-term impact of the grants on children, such as their health and development, and their educational and employment achievements.

We commend the National Department of Social Development's establishment of the Monitoring, Evaluation and Audit Directorate, which will initiate such research and data collection.

CONCLUSIONS AND RECOMMENDATIONS

There is conclusive evidence regarding the effect of increased household incomes on the well-being of children, and that this effect is greater among lower-income families. Thus it must not be doubted that the CSG does contribute to an increased income for poor families, and that it is indeed used for the well-being of the children and provides their basic needs.

It was found that the SMG and the CSG did not appear to suffer from leakage to non-eligible (i.e. non-poor) households, and thus the meager amounts of the grants formed a substantial proportion of the households' income, which were relatively very low. Notably, households in the poorer provinces, such as Northern Province, and in the rural areas, were more likely to have the CSG or SMG as their only source of income. Many beneficiaries had made several attempts to find alternative sources of income, but with very little success. Many of them reported that their children had to work to supplement the households' incomes, once the SMG was phased out. Vorster *et al* (2000³⁵) conclude that the "SMG had probably also reduced poverty in this specific group of households much more than any development projects would do in the near future".

The research studies done on the CSG found that the impact of the grant was limited by: its small amount, its cessation at seven years, the administrative hurdles involved in accessing the grant, and that for the very poorest families, the grant was being used for the entire household. It is obvious therefore, that the impact of the grant would be greatly enhanced, and the general poverty levels reduced, if:

- The age limit was removed and eligibility extended to eighteen years (this would mean that not only would the child's needs during its schooling years be covered, but also that there would effectively be more people in the household receiving the grant and therefore increasing the overall household income)
- The amount of the grant is increased to more realistically represent the costs of providing the basic essentials for a child.
- The means-test were to be removed, as it acts as a barrier to the poorest households accessing the grant.

The few analyses of the actual expenditure of the SCG and SMG clearly showed that the grant was used for the basic needs of the children; food, clothing, school fees. Care-givers report that

³⁵ Vorster JH, Rossouw HM & Muller GJ. 2000. Phasing out the State Maintenance Grant within the context of Developmental Social Welfare. Commissioned research for the national Department of Social

the grants helped them in caring for their children, but that the scope of the CSG to assist was limited by its small amount, which was reported to be insufficient to meet the needs of the child.

The stories from children themselves depict the suffering and hardship that they endure and their desperate need for financial assistance. They clearly articulate what the money is required for, and exhibit a high level of understanding of priorities, basic needs and budgeting. Many children orphaned by HIV/AIDS are themselves managing households, earning incomes and caring for younger siblings, all tasks associated with responsibility and maturity beyond their years. These children and others without adult care-givers would greatly benefit from a non-means-tested, universal grant that they could access through service providers and NGOs working with them.

Within the South African context of increasing poverty levels and rising unemployment, the GEAR strategy has been slow to show positive results, thus limiting the possibility that a “developmental social welfare” alone will transform the lives of the poorest. Safety nets are therefore crucial to ensure that all our children have at least their basic needs met and a minimum level of income for their survival.

Since our Constitution states that every child (that is, all those between zero and eighteen years) have the right to social assistance, where their parents are unable to support them, it is unjustifiable that the CSG is limited to under seven year-olds. Considering the extreme levels of poverty and that 70%³⁶ of our children live in dire poverty, it is morally reprehensible that so many children are excluded from support. It is therefore the obligation of the Government to extend the Child Support Grant to children up to the age of eighteen years, and to remove the means-test so that the poorest and most vulnerable are no longer excluded.

“The challenge of overcoming childhood poverty is a challenge to the whole society. What happens to the poorest, most vulnerable, least secure children reflects the society as a whole... by focusing on the income and opportunities for the poorest, a significant start has been made towards ending childhood poverty”. (Paichaud and Sutherland 2000:41³⁷).

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³⁶ Haarmann D. 1999. The Living Condition of South Africa’s Children. AFReC Res. Monologue No.9.

³⁷ Piachaud D, Sutherland H. 2000. “How Effective is the British Government’s Attempt to Reduce Child Poverty?” CASE paper 38. Centre for Analysis of Social Exclusion. London School of Economics.

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APPENDIX B: SUMMARY OF INTERNATIONAL STUDIES ON THE IMPACT OF SOCIAL SECURITY INTERVENTIONS, SPECIFICALLY ON THE WELL-BEING OF CHILDREN AND CHILD POVERTY RATES

BENEFIT EVALUATED	CONCLUSIONS
REF: Rawlston V. 2000. The Impact of Social Security on Child Poverty. National Urban League. Special Research Report (SRR-01-2000). Washington DC.	
USA: Examined the impact of the social insurances (Old Age, Survivors & Disability) on children in recipient households. Measured household income, calculated the reduction in poverty due to the SS benefits.	“Social security was not only successful at moving families on the margin completely out of poverty, but it also moved a number of families out of extreme poverty (i.e above half the poverty threshold)” (p.3). “While social security by no means eradicates poverty among extremely poor families with children, this report provides evidence that without social security benefits, not only would there be more children living in poverty but the depth of their poverty would be much greater” (p4).
Garfinkel I, McLanahan S. & Robins P. (eds) 1994. Child Support & Child Well-Being. Urban Institute Press, Washington DC.	
McLanahan S, Seltzer J, Hanson T. & Thomson E. “Child Support Enforcement & Child Well-Being”. USA: Analysis of the effects of the American Family Support Act of 1998 on child well-being. Indicators of child well-being used were school performance (Grade Point Average) and whether the child had problems in school.	The American Child Support is a maintenance system for single-parents, to obtain payment from fathers. The results varied depending on whether the child was born out of marriage, and whether the father paid any child support. “For children born to unmarried parents... the estimates suggest that child support increases GPA (school performance) and reduces school problems” (p.253).
Baydar, N. & Brooks-Gunn, J. “The Dynamics of Child Support & It’s Consequences for Children”. USA: The study examines the effects of child support payments in children themselves.	“The positive effects of child support on family income could affect children via three mediators: the mother could decrease her work hours, which would allow her to interact more with her children; the quality of the child’s home environment could be enhanced owing to increased financial resources; and the mother’s overall well-being could be enhanced owing to increased financial security” (p.281). “Children’s achievement responds favourably to increases in family income” (p281).
Knox, V. & Bane, M. “Child Support and Schooling”. USA: This study investigates one of the potential benefits of child support payments: attainment of higher levels of education. The outcomes investigated were the number of grades completed, the probability of entry into high school, and the probability of entry into college,	The results “... demonstrate that Child support is only one income source out of several that single mothers piece together to support their families. Because Child Support is almost never the major income source for a family, some of its potential importance may lie in how it interacts with work & welfare. One of our hypotheses is that Child Support may be important because it allows families to supplement earnings, or to replace or avoid welfare” (p292). “If the effect on the average annual income is positive, that would indicate that Child Support could have a positive effect by simply increasing family income” (p 296). For children who were currently at the mean probability of high school graduation & college entry, a \$1,000

<p>all measured by age 21. Each of these outcomes was considered an important predictor of young adults' later economic status.'</p>	<p>change in average CS was associated with a 5% point increase in the likelihood of graduation & a 3% point increase in the likelihood of college entry. Compared to being in a separated family, coming from a divorced family had a significantly negative effect on college entry. Modelling indicates that children whose mothers' earnings were supplemented with Child Support were substantially more likely to finish high school & to enter college (p305). "Our results do support the conclusion that life in families that receive more Child Support is more developmentally positive than life in families that receive less. These differences may be caused by increased Child Support payments, or by unmeasured characteristics of families that are unaffected by the level of Child Support they receive" (p.507).</p>
<p>Danziger S, Weinberg D. 1992. "Market Income, Income Transfers and the Trends in Poverty". IRP Conference Paper: "Poverty and Public Policy: What do we know and what should we do?". Madison: Univ. of Wisconsin. Institute for Research on Poverty.</p>	
<p>USA: assessed the anti-poverty impact of government transfers in families with children for the period 1967-90. The estimates were derived by subtracting cash public transfers from pretax family income and relating this measure to the official poverty thresholds.</p>	<p>Estimates: 37% of those who would be poor without government transfers are moved above the poverty line by cash transfers. Government transfers removed about 17% of mother-only families from poverty in 1967, declining to only 11% in 1990. The cash public assistance benefits have been eroded by high inflation and increased state taxes on families reduce the disposable income of many poor working families.</p>
<p>Pech J, Landt J. "Work and Welfare: the evolving role of income support" in <i>Family Matters</i>. 2001:58:22-27. Australian Institute of Family Studies.</p>	
<p>AUS: The Australian income support system (for persons over 16yrs who are deemed to have insufficient income to meet their own needs) and its impact on families and children.</p>	<p>"The Australian social security system continues to play a central role in facilitating employment mobility in Australia and in supporting people which position in the labour market is insecure" (p27). "It is crucial to ensure that the income support system and related programs continue to provide appropriate support for people who are doing their best to participate in a labour market that is increasingly insecure for many" (p27.) "Changes in the distribution of employment have meant that more children now live in families with two parents working, and in jobless families (Gregory 1999). In June 1999 more than two in every five Australian children were living with two employed parents, while more than one in six were living in jobless families. International comparisons show that joblessness affects a larger proportion of families with children in Australia than in most other industrial nations (Oxley et al.</p>

	1999)". (p.24)
Millar J. "Establishing Family Policy in Britain?" in <i>Family Matters</i>. 2001:58:28-33. Australian Institute of Family Studies.	
UK: assesses the Labour government's achievement of promises to support families over period 1999-2001. Their financial support measures included: higher Child Benefit, new tax credits for poor families and child care, the 'New Deal' for Lone parents, education maintenance allowance pilots and the reform of child support. There were other developmental programs also targeted at children.	<p>The pledge to end child poverty was made by the Prime Minister (Blair) in 1999. The policy document stated that: "...abolishing child poverty should not just be the aim of the Government – it should be the aim of everyone... We all want to tackle child poverty" (Brown 1999:8).</p> <p>Child Benefit (universal payment) was increased. For younger children these have increased by 80% in real terms.</p> <p>The most significant change was found to be the in-work benefits – the Working Families Tax Credit is payable to families where a parent is in employment for more than 16hrs per week, with earnings below a certain level, based on family size.</p> <p>A new Children's Tax Allowance was introduced in April 2001.</p> <p>Outcomes (p.33): the number of children reaching expected numeracy standards at age 11 has increased from 54% in 1996 to 72% in 2000, and school exclusions have fallen by 15% between 1997/98 and 1998/99 (DSS 2000).</p> <p>Falling levels of child poverty: just over 1million children in families were receiving the Working Families Tax Credit. About 103 000 families were receiving the child care tax credit.</p> <p>The proportion of children in workless households has fallen from 17.9% in 1997 to 15.8% in 2000. The average household with children has gained 850 British Pounds.</p> <p>"Both government and independent assessments agree that around 1.2 million children will be lifted out of poverty by these measures" (p32).</p>
Meyer S. 2002. The Influence of Parental Incomes on Children's Outcomes. The Ministry of Social Development. New Zealand.	
NZ: Measures the impact of parental impact on children's outcomes, including: cognitive test scores, socio-emotional functioning, mental health and behavioural problems, physical health, teenage childbearing, educational attainment, and future economic status.	<p>The study found that parental income is positively associated with all outcomes covered in the review, having the largest effect on cognitive test scores and educational attainment. For health outcomes, there was too little research to draw strong conclusions. There is some evidence that the effect of income is larger for low-income than for high-income children. There is some evidence to suggest that income is more important in early childhood for schooling outcomes.</p> <p>Welfare income (i.e. state grants) was found to be negatively associated with some child outcomes, HOWEVER, this is due not to welfare receipt per se but to the parental characteristics of those more prone to welfare than others.</p> <p>"Although parental income generally has only a small to modest effect on any particular outcome, it contributes to many aspects of children's well-being. This means that income gains have the</p>

	potential to make significant cumulative difference to the lives of children” (p6). We conclude that parental income is likely to improve children’s well-being both during childhood and in adulthood. (p48)
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