



A COMPREHENSIVE PACKAGE OF
FAMILY SOCIAL SECURITY
BENEFITS IN SOUTH AFRICA
A framework proposed by the
Children's Institute
Working Paper

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INDEX

Page

PROPOSED COMPREHENSIVE PACKAGE FOR CHILDREN AND FAMILIES

The Need for Social Security Measures

The Socio-Economic Context of Children in South Africa

Constitutional and International Obligations

Legislative Framework

Definition of a Social Security Protection Package

Gaps and Limitations of the Current Social Security Provisioning for Children :

Current Budget Allocations to Children

Aspects of Existing Child Grants Requiring Attention

Problems with Indirect Social Security Benefits for Children

Components of a Comprehensive Package for Families and Children:

Universal income support

Special-needs coverage

Indirect services

Means-testing and targeting

Improved administration

Long-term interventions

Emergency interventions

Health insurance

Maintenance

Maternity Benefits

Institutional Framework

Financial Framework

Monitoring and Evaluation

Conclusion

APPENDIX ONE: Conceptual Presentation of Package

APPENDIX TWO: The Relationship of the BIG to Existing Grants

PROPOSED FRAMEWORK FOR A COMPREHENSIVE SOCIAL SECURITY SYSTEM FOR CHILDREN AND FAMILIES

Developed by the Children's Institute, UCT. June 2002.

INTRODUCTION

This framework for a comprehensive social security system for children and families was developed in response to the Report of the Committee of Inquiry into a Comprehensive Social Security System (hereafter referred to the Committee)¹. Their recommendations regarding children were fragmented and non-comprehensive. Thus we suggested the following package as a guide for future policy development.

THE NEED FOR SOCIAL SECURITY MEASURES

The increasing levels of poverty, destitution and unemployment in South Africa require urgent attention by all sectors. The Committee of Inquiry's Report describes the extent of the problem and examines both the government's various poverty alleviating strategies, and the existing social security system in protecting the vulnerable members of society.

Social security measures and interventions aim to protect all members of society from social risk, that is, from contingencies such as unemployment, disability, chronic ill health, and old age. 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.

Households with children, and children themselves are particularly vulnerable groups and require special protection. The benefits of investing in early childhood development have been well documented, and the key points are summarized in the Committee's report.

In addition, there are international treaties and covenants that South Africa has ratified and which commit the State to attempt to meet their obligations. The South African Constitution and legislative framework place responsibilities upon the State to provide for the basic needs of children; health care, nutrition, shelter and social services and access to social assistance. The *Grootboom* Constitutional judgment adds further weight to the government's obligations in providing for vulnerable children.

Yet there are currently many children in South Africa who are falling through the gaps in the social security system, and examination of the available grants shows problems of uptake, targeting and administration. Widespread household poverty and unemployment in the country are undermining the benefits of the existing grants for the intended beneficiaries. For example, the Child Support Grant (CSG) and the State Old Age

¹ "Transforming the Present, Protecting the Future" Consolidated Report of the Committee of Inquiry into a Comprehensive Social Security System. March 2002.

Pension (SOAP) are, more often than not, feeding entire families, and so the child or the elderly person, does not benefit maximally from their grant.

This document proposes a comprehensive package of social protection for families and children, which should attempt to meet their basic survival needs, and to ensure their potential development, their ultimate participation in society, and to enable their enjoyment and attainment of their rights. All measures should be in line with, and guided by, the Department's Strategic Plan for 2002/2003, which gives the "First Call to Children".

THE SOCIO-ECONOMIC SITUATION OF CHILDREN IN SOUTH AFRICA

Within the South African socio-economic context, as described by the Committee, there is need to pay particular attention to childhood poverty rates and shares. The October Household Survey of 1999 provides the latest available information and has been analysed by IDASA (2001²), their findings are presented in the box below.

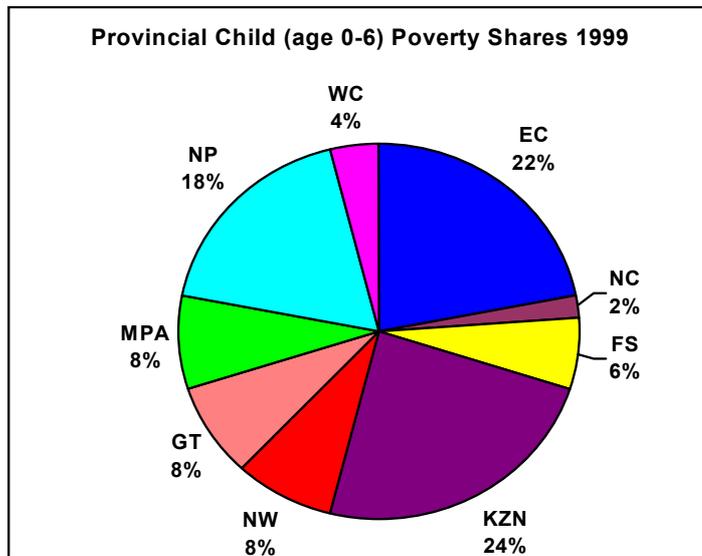
CHILDHOOD POVERTY IN SOUTH AFRICA (Cassiem & Streak. 2001:20-23)

- There are about 18 million children (0-17years) in South Africa
- According to the OHS 1999, about 10.5 million (or 59.2%) of all children (0-17years) are poor in that they lack income (approximately one quarter of the population of South Africa)
- About 59.3% of children under 6 years are poor, approximately 3.8 million children.
- Almost 30% of children suffer from hunger, approximately 5.3 million children (0-17years).
- KwaZulu Natal, Eastern Cape and Northern Province have the highest rates of childhood poverty, with 65% of all poor children living in these provinces. Western Cape and Northern Cape have relatively small shares.
- Cassiem & Streak (2001:23) report that these are conservative estimates. When income poverty is defined in the absolute sense, that is, when a child does not have the income to meet his or her basic needs, then the child poverty rate is even higher, around 70% (e.g. Haarmanns' analysis: 1999&2000 *ibid*).

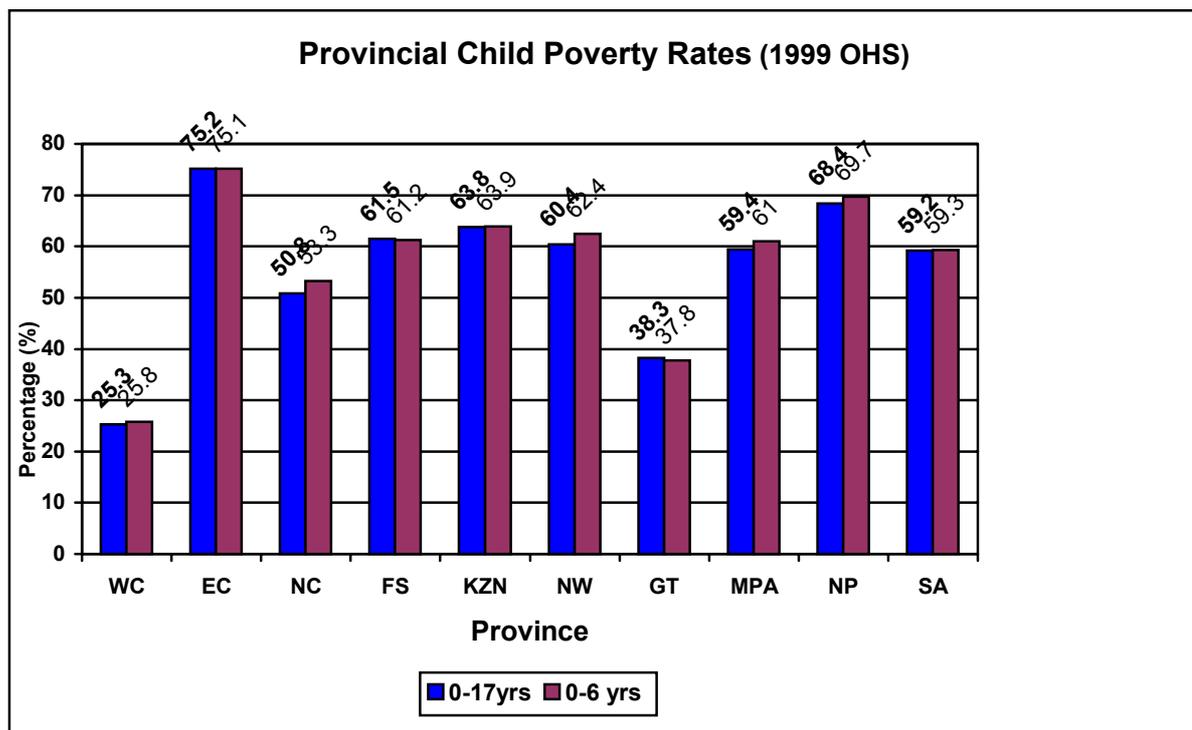
GRAPH 1 below indicates the provincial child poverty shares, showing the highest shares in KwaZulu Natal and Eastern Cape, with Western Cape as low as 3%, while the Northern Cape and Free State also low at 2% and 6% respectively, due to their low child populations.

Graph 1

² 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.



The provincial poverty rates are displayed graphically below (Graph 2). These indicate the rate of poverty among children in each province. Note the differences between poverty rates, which refer to the percentage of poor people in that province, irrespective of the rates in other provinces, versus the poverty share, which refers to the percentage that each province has of the total country's poverty, measured in relation to the other provinces' percentages.



Source: October Household Survey (1999), analysis conducted by Woolard (2001³), reported in Cassiem & Streak 2001.

The graph above indicates the provincial child (0-6yrs) and (0-17yrs) poverty rates, clearly highlighting the provincial inequities, with Eastern Cape having the highest rate at 75.1% and 75.2% respectively, and then Northern Province at 69.7% & 68.4%, while Western Cape has the lowest at 25.8% & 25.3% and Gauteng next at 37.8% & 38.3%. The South African average child poverty rate is 59.2% (for 0-17yr-olds) and 59.3% (for 0 to 6 year olds).

Note the marginal difference in poverty rates in the two age categories, which refutes the assumption that 7-18 year-olds are less vulnerable than children under seven years.

Malnutrition

Malnutrition among children is a direct consequence and manifestation of poverty and deprivation. In South Africa, malnutrition remains one of the biggest contributors to child mortality and morbidity (Shung-King *et al* 2000:383⁴). The most comprehensive and recent data on the nutritional status of children is that collected by the National Food Consumption Survey (1999⁵) which found that nearly 21.6% of children aged 1-9 years suffered from stunting, 10% were underweight, and 4% were wasted.

³ Woolard I. 2001. Unpublished paper on child poverty rates, based on OHS 1999 and OHS 1995. Conducted for Idasa's Children's Budget Project.

⁴ Shung-King M *et al*. 2000. "Child Health" in The South African Health Review. Health Systems Trust.

⁵ Labadarios D. 2000. National Food Consumption Survey in Children 1-9yrs: South Africa 1999.

The OHS (1999) found that 30% of South Africa's children (5.3 million) suffered from hunger. KwaZulu-Natal and Eastern Cape show shockingly high shares of extreme childhood deprivation (27% and 23% respectively).

Unfortunately, the incidence of malnutrition is likely to increase in the near future due to the effects of the higher-than-anticipated inflation, due to the rapid depreciation of the Rand - the price of both producer goods and food are predicted to rise substantially, which will have a detrimental impact on poor children's nutritional status⁶.

The CI therefore agrees with the Committee, that:

“Existing levels of poverty have reached unsustainable levels, and left unattended have the potential to reverse democratic gains achieved since 1994. The urgent need to address deepening social exclusion and alienation of those households living in destitution cannot be ignored. A redesigned social security system has to respond to the constitutional, democratic and human development imperatives that provide the framework for transformation” (Committee of Inquiry Report⁷ p.32).

The Government has committed itself to “implementing an effective comprehensive social security system, aimed especially at those living in poverty and the unemployed” (Presidential Job Summit 1998), and ensuring the promotion of the Constitutional values of dignity, equality and freedom, according to the Reconstruction and Development Programme's (RDP) imperatives to reduce poverty, deprivation and social inequality, to increase access to adequate basic services, and to create an environment for sustainable social and economic enhancement of all people, especially the poor and unemployed.

There is a need to put these commitments into practice and to ensure that people have the financial means necessary to access the existing basic services that the state has put in place since 1994. A comprehensive social security system will ensure that the progress made is consolidated, sustained and improved.

⁶ StreakJ, Cassiem S, Proudlock P. Budget Review (2002:79). IDASA.

⁷ Committee of Inquiry into a Comprehensive Social Security System in South Africa. 2002.

“Transforming the Present, Protecting the Future”. Consolidated Report. (www.socdev.gov.za)

CONSTITUTIONAL AND INTERNATIONAL OBLIGATIONS

The state's Constitutional obligations with regard to children are adequately examined by the Committee, recognizing their particular vulnerability and noting that their socio-economic fundamental rights are not subject to progressive realization or 'right of access to' limitations, and that these pertain to all children up to the age of 18 years. The Committee also rightly examines the importance of other international instruments, including the African Charter on the Rights and Welfare of the Child, and the Convention on the Rights of the Child, noting that urgent attention to the recommendations of the United Nations Committee is required, so as to ensure full compliance with the Convention.

In light of these constitutional obligations, it is imperative that children's social security needs are prioritized. It is important for Cabinet to keep in mind the state's constitutional and international obligations when it decides on the exact nature of the implementation strategy, the timeframes and the amount of resources that will be allocated to ensuring that children can access the grants in the short, medium and long term.

LEGISLATIVE FRAMEWORK

With regard to which legislative process should cover children's social security benefits, the Committee acknowledges that the South African Law Commission (SALC) is developing a comprehensive framework through the Child Care Act (CCA) Review process, and therefore suggests that its own recommendations be considered within that framework (p.55), and further that the new Statute should make provision for a comprehensive package of social security for children (p.61).

It is of grave concern that there appears to be little co-ordination of children's issues in legislation, such as between the Child Care Act (CCA), the pending National Health Bill, and the Social Assistance Act. The result is that children's needs fall by the wayside and do not receive the attention that they deserve.

The CI would suggest that the new CCA incorporate the principles of social security for children, flesh out the rights, extent of provisioning, which children should be covered with broad eligibility criteria, and indicate minimum provisions. The new Social Security legislation or revamped Social Assistance Act should cover the practical administration of the grants, regulations, means-tests, tools institutional agencies and so on.

The CI would suggest that there be an entirely new piece of legislation, the "Social Security Act", which would cover all aspects of provisioning, while each affected Department would incorporate the relevant issues into their policy, legislation and programmes. This would ensure common principles, definitions, eligibility criteria and with the legal authority to ensure full implementation. We do not feel that 'patching up' the existing Social Assistance Act and its Regulations would be adequate.

The CI would like to suggest that Cabinet develop a White Paper setting out the Plan for the way forward and the required legislation and service delivery reform. The relevant Departments must then pass new legislation and/or amend existing legislation and ensure that all programmes and aspects of service delivery receive the necessary attention. If all the various pieces of legislation and schemes are not co-ordinated under a White Paper and the "Social Security Act", the likelihood that inadequate cover and duplication will remain within the system is high.

DEFINITION OF A “COMPREHENSIVE SOCIAL SECURITY PACKAGE”

The CI believes there is need for more than the traditional, western concept of social security which merely provides safety nets for the few facing economic contingencies. In the South African situation, poverty, unemployment and underemployment cause a large percentage of our population to suffer destitution. Therefore, there is need for more extensive, broader interventions that address the unemployment, underdevelopment and inequities, and which ensure that no person suffers from extreme poverty.

In this regard, the CI supports the definition offered by the Committee regarding comprehensive social protection relevant to the South African situation:

“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.

*Comprehensive social protection is broader than the traditional concept of social security, and incorporates developmental strategies and programmes designed to ensure, collectively, **at least a minimum acceptable standard of living for all citizens.** It embraces the traditional measures of social insurances, social assistance and social services, but goes beyond that to focus on causality through an integrated policy approach including many of the developmental initiatives undertaken by the State”.* (p.41).

We would suggest that the definition also include recognition of particularly vulnerable groups, such as children and persons with disabilities. Social Protection should incorporate measures to enable the full development of children, ensuring at least a minimum standard of living adequate for their survival and development.

GAPS AND LIMITATIONS OF THE CURRENT SOCIAL SECURITY PROVISIONING FOR CHILDREN

While the Committee’s Consolidated report covers some of the problems with the Care Dependency Grant and Foster Care Grant, it does not provide a detailed and coherent evaluation of the Child Support Grant. We believe that a thorough analysis of the existing child grants is required to inform the improvements and extension to enable the transformation of the current system into a comprehensive package of social protection.

With this information, a concrete plan can be developed to improve the take-up rates for the CSG and CDG in the short, medium or long-term.

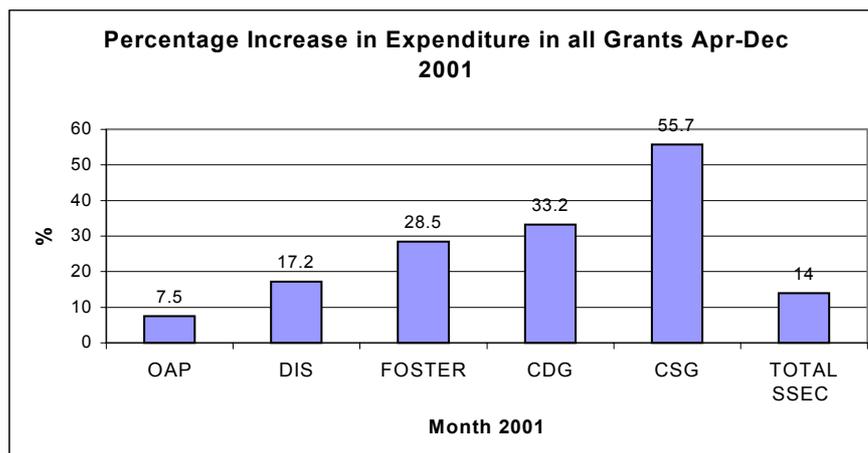
We also include here an examination of the social security budget and the allocations to children, showing continuing under-prioritisation of children.

Current Budget Allocation to Children

The following analyses are based on the SOCPEN data for social security expenditure and payouts, for the period April to December 2001⁸.

The total National Social Security Expenditure at the end of 2001 was R1 816.7 million, increasing by 14% from April 2001 (R1 593.4million). Graph 3 below indicates the actual percentage increases in expenditure for each grant, the least being for the OAP (7.5%) and the greatest being for the CSG (55.7%), the average increase being 14.0% in total social security expenditure. The CDG and the Foster Child Grant also experienced substantial increases of 33.2% and 28.5% respectively.

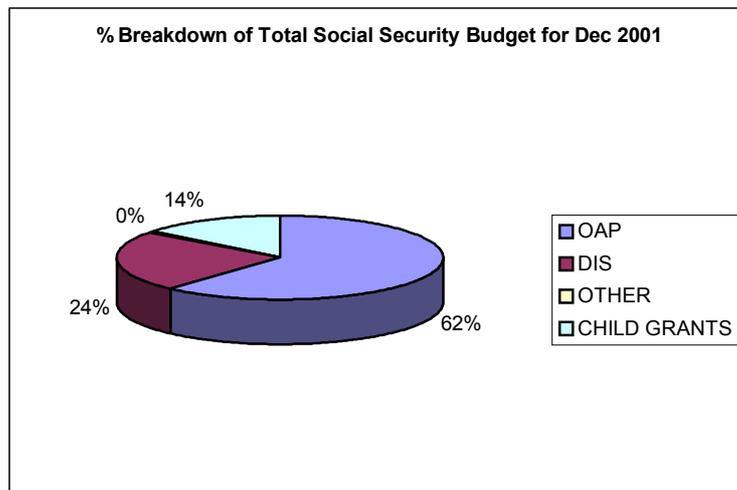
GRAPH 3



Even with the drastic increase in expenditure on the CSG (55.7%) Graph 4 below provides a breakdown of the national expenditure, and clearly highlights the continuing disparities in expenditure on children versus the elderly and persons with disabilities. The increase of 55.7% for the CSG, and the 33.2% and 28.5% for the CDG and Foster grant, **have only increased the children's proportion of the total budget from 10% to 14%, indicating the continuing under-prioritisation of children.**

⁸ Guthrie T. Childhood Poverty and Social Security Provisioning. Feb 2002. CI.

GRAPH 4



NB. the 'other' category refers to War veteran grants, the Institutional grants, the State Maintenance Grants (which were phased out completely during this period), the combination of more than one grant, and unclaimed grants. These together make up a very small percentage (0.4%) of the total budget.

Clearly children receive the smallest proportion of the overall social security budget, yet they represent 44% of the country's population. In contrast, the elderly who receive 62% of the total budget, represent only 6.9% of the total population.

Aspects of the Existing Three Child Grants Requiring Attention

Aspects of the CSG requiring attention

The main limitations of the CSG are its age limit, the means-test, uptake/administrative problems and the inadequate amount of the grant.

The current amount of the grant is insufficient to meet the basic needs of a child. Thus the grant does not adequately discharge its obligation as it is not enough to provide for the needs stipulated in s.28 of the Constitution⁹.

Children over 7 years receive no assistance in the form of cash transfers. The CSG does not continue once a child reaches age seven. However, at this time their educational costs increase, as does their nutritional requirements. As the poverty analysis provided earlier indicated, children from 7 to 17 years are as vulnerable to poverty and malnutrition as the younger group of children. The Constitution defines a child as a person below the age of 18 years, and therefore the age restriction on the CSG discriminates against children 7 to 17 years old.

Problems with the means-test which excludes the poorest due to the difficult criteria to meet (see later notes on the means-test). The poorest cannot access the CSG, due to

⁹ Footner L, Guthrie T, Giese S. 2000. Issue Paper: Social Assistance for Children in South Africa. Paper Undertaken for the Committee of Inquiry. 2000. Child Health Policy Institute & Black Sash.

administrative hurdles, lack of documentation, especially identity documents and birth certificates, and inaccessible offices.

Children without adult care-givers, such as street children and child-headed households cannot access themselves any assistance. However, the Social Assistance Act and Regulations do not stipulate a minimum age for the care-giver who applies for the CSG for caring for a child. Yet child heads of households are not accessing the CSG.

The CSG is restricted to a maximum of six children per primary care-giver. However, recognition and support should be given to women, usually extended family members, who take on the care of additional children.

All children without birth certificates and those whose care-givers do not have Identity documents cannot access the grant.

Refugee children and other non-citizens cannot access the grant.

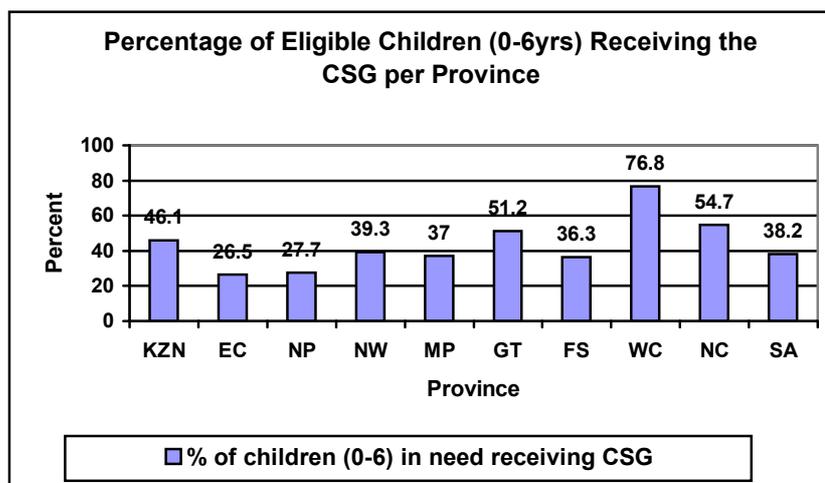
Infra-structural problems, such as inaccessible offices to many rural areas, payout points being far away, disadvantages poorer areas. This has created huge discrepancies between provinces' capacity to achieve their take-up targets (see later analysis).

Problems Of Provincial Uptake Of The CSG

The following analysis is based on SOCPEN records for December 2001¹⁰.

Using the provincial poverty rates presented earlier (IDASA 2001), and the SOCPEN payment record for December 2001, Graph 5 below clearly shows that overall only 38.2% of eligible children benefit from the CSG and that the poorer provinces have the lowest uptake rates. It is acknowledged that take-up rates have increased since December 2001, and we take this opportunity to commend the Department in its successful measures to improve coverage and access.

GRAPH 5



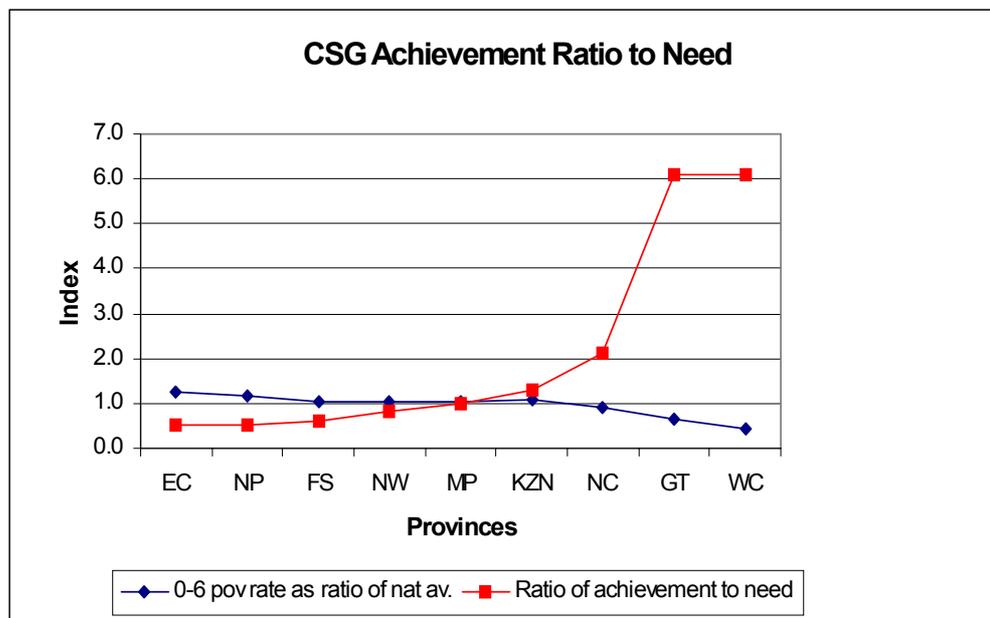
Sources of Data: Grant Voucher Uptake: SOCPEN Dec 2001 records, Grant Child Beneficiaries: SOCPEN daily record for 19/12/2001, Poverty Levels: Cassiem & Streak (2001). IDASA. Population: Census 1996. Stats SA.

If we examine uptake rates against the department's targets for the CSG (shown in Table 1 below) it can be seen that some provinces are already over their targets (Gauteng 194%, Western Cape 132%), yet these are the provinces with the lesser poverty shares (8% and 4% respectively). The poorer provinces are doing less well; Kwa-Zulu Natal 69%, Eastern Cape 31% and Northern Province 32%. Thus there continues to be inequities in provincial capacity to increase their uptake rates, with the better resourced performing better. Thus the poorer provinces continue to be disadvantaged. Graph 6 shows this clearly.

TABLE 1: PROVINCIAL RATIOS OF DEPT'S ACHIEVEMENT TO NEED

PROV	Govt prov. CSG Target 000s	% of dept target	CSG achievement of target as a ratio of Nat av	0-6 Pov Rate as ratio of nat av	Ratio of achievement to Need
EC	780	31	0.6	1.3	0.5
NP	600	32	0.6	1.2	0.5
FS	300	30	0.6	1.0	0.6
NW	330	45	0.9	1.1	0.8
MP	210	54	1.1	1.0	1.0
KZN	600	69	1.4	1.1	1.3
NC	30	97	1.9	0.9	2.1
GT	90	194	3.9	0.6	6.1
WC	90	132	2.6	0.4	6.1
SA	3030	50			

GRAPH 6



¹⁰ Guthrie T. Childhood Poverty and Social Security Provisioning. Feb 2002. CI.

Graphs 6 uses the achievement rates according to the provincial targets set by the Department, and compares these with the provincial poverty rates, clearly showing the provincial inequities. The provinces with the least need (Gauteng and Western Cape) have been the most successful in meeting or bettering their targets (194% and 132% respectively). While those in most need (Eastern Cape and Northern Province) have been the least successful in reaching their targets (31% and 32%).

Urgent attention must be paid to the continuing disadvantages that discriminate against the poor. Government must commit greater budgets and efforts to improving the infrastructure and services in rural and disadvantaged areas.

Aspects of the CDG requiring attention

As identified by the Committee, the CDG is limited in its scope and purpose, and suffers from unclear eligibility criteria. By targeting only children with *severe* disabilities in *permanent* home care, it excludes children who may have moderate disabilities but due to their socio-economic situation these become severe handicaps and their needs are therefore great. It also excludes children with chronic illnesses, who similarly have great needs due to the nature of their illness.

The Report describes the lack of definitions in the current Social Assistance Act; ‘severe disability’ nor ‘permanent home care’, leading to subjective interpretation by officers. The criteria of ‘permanent home care’ causes additional problems. For example, there are children who would benefit from a few hours each day in a ‘day-care’ facility, but in such cases the parents would lose the grant, thus discouraging them from seeking some part-time employment, and denying the child’s rights to education and stimulation.

Recently, the Department officials have given contradictory information regarding the eligibility of HIV positive children to the grant, resulting in differing practices and accessibility. This results from the lack of purpose, policy and clear eligibility criteria.

The current assessment tool for the CDG is purely medical-based, and does not consider the socio-economic and environmental situation of the child. It is also has serious limitations in measuring childhood age-related disability and functioning.

Assistance is currently limited to cash transfers. Other indirect benefits are scanty or of inadequate quality. Children with disabilities require a range of services to enhance their wellbeing and development. If these were provided in a coherent, quality manner, the reliance on grants would be reduced, while the impact of the grant would be greatly enhanced.

The Uptake of the CDG is very low. In January 2002, approximately 40 000 children were receiving the grant. This equates to only approximately 25% of eligible children, those with severe disabilities (bearing in mind the difficulties of prevalence percentages).

Aspects of the FCG requiring attention

Foster care was intended as a specialised service for children who have been removed from their families with the intent of returning them after a period of no more than two years.

To qualify for a foster grant, the child has to be placed in the care of foster parents through the children's court. The court process is lengthy and inappropriate for many families who are caring for children who are not their own, but who require some form of support. This is of particular relevance to communities caring for the large numbers of children orphaned by HIV/AIDS. Thus 'informal' carers or extended family members, cannot access the FCG.

Foster grants are not accessible to child-headed households, where older children are caring for younger siblings.

In January 2002, approximately 65 000 FCG vouchers were paid. According to the Department of Social Development projections, the number of children in foster care will increase to 450 000 by 2005, and to 1.35 million by 2010 (Mabetoa 2002¹¹). This will require adequate administrative and financial planning.

Children in foster care are legally exempt from paying school fees. In reality though, schools often discriminate against these children because they receive no compensation from the Department of Education for accepting them.

Very few incentives exist for families caring for children who are not their own, such as tax relief or medical benefits for the fostered children or for their own biological children. Other indirect social security could include free medical care, school uniforms, transport and food vouchers.

Although foster placements are meant to be temporary, in reality, many placements become 'long-term' with several 'renewals', mainly due to the lack of financial support for adoption. Foster parents are reluctant to become formal adoptive parents due to the loss of income of the FCG. Continual renewal of the FCG involves personnel and administrative effort and costs. It also leads to insecurity for the child and the parent.

Problems with the current Means-testing processes¹²

While means-testing enables targeting of the poorest quintiles, in practice it is rarely used correctly, is administratively demanding and has been reported as demeaning. There are many other problems related to the means-test:

- There are three different means-tests for each of the child grants, they are difficult to apply, and each uses a different unit of assessment: the care-giver (CSG), the family (CDG) and the child (FCG), and each have different threshold incomes.

¹¹ Mabetoa M. National Integrated Plan for Children Infected and Affected by HIV/AIDS. Presentation to the Social Development Conference. June 2002.

¹² Guthrie T. in Olivier M *et al.* An Introduction to Social Security. A Text Book. Butterworths (in print).

- The threshold incomes for all the grants have not been increased with inflation for several years (if ever), which effectively means a drop in real terms, therefore excluding more people from the eligible category. The current threshold amount is very low and therefore excludes many low income households, whose children are living in poverty.
- With the extreme levels of poverty in the country, it is likely that many children who are not in the poorest quintiles, but are in the third and fourth, also experience hunger and poverty and thus should also be eligible, based on an absolute poverty measure.
- The means-test acts as a perverse incentive and discourages applicants and recipients from seeking employment or other sources of income.
- The means-test often excludes those most in need, due to the administrative criteria that poor people cannot usually meet.
- Sometimes the extra expenses incurred by tighter targeting mechanisms cannot be justified and make the programmes unsustainable. The costs of administering the means-test could be better directed into providing a universal grant to more recipients.
- The means test contributes to the delay in the processing of grants.

Problems Common to all 3 Child Grants

Other general issues affecting all the grants and requiring attention:

- The citizenship requirement in respect of the CSG and the CDG is subject to serious constitutional challenge (Olivier 2001¹³).
- The discrepancies between the different amounts of the three child grants lead to perverse incentives.
- Poor uptake rates particularly in the poorer, under-resourced provinces which do not have adequate infrastructure. Inequities in provisioning continue to discriminate against the poorest.
- It is difficult to target expenditure within households and to ensure that the child does benefit from the child grant. Payment to the primary care-giver is based on the assumption that if the household benefits, then the child within the household should also benefit. Other forms of social assistance such as vouchers and subsidies might target the child more directly, but should complement and not replace cash transfers.
- The public's lack of awareness of the grants available, the application procedures and requirements, leads to their reduced access to the grants.
- Problems of incorrect documentation delay or prevent application processes. Many children (51% according to Smart 2000¹⁴) are without birth certificates and ID numbers. Poor families cannot afford several return trips to the Home Affairs or Welfare Offices.
- Current systems, delays and frustrations are degrading and embarrassing for carers, and hinder access to the grants.
- Lack of uniform standards, assessment guidelines and procedures within and between the department cause discrepancies and subjective interpretation by Officers.

¹³ Olivier MP. 2001. "Social Security for Children: Concerns, Issues and Challenges". Paper presented to National Workshop on Social Security for Children. CHPI, SC, CRC, Comm. Of Inquiry. Cape Town.

¹⁴ Smart R. 2000. Children living with HIV/AIDS in South Africa. A Rapid Appraisal. Interim National HIV/AIDS Care & Support Task Team.

- Lack of awareness of processing requirements and eligibility by welfare officials themselves hinders applications. This may be due to inadequate training of officials. There needs to be standard and comprehensive training to facilitate a smooth processing procedure.
- Attitudes of welfare officials contribute to the process being humiliating for the applicants.
- There is a lack of inter-sectoral collaboration. This is essential to the development of a holistic approach to the provision of social security.

Problems with Existing Indirect Social Security Benefits for Children

Generally the scope of indirect social security for children is limited and poorly implemented. For children under 6 years, free basic health care services are available. However, these may be limited by poor availability in remote areas, as well as poor quality of services. While foster children should be exempt from schools fees, fee exemptions are often not granted.

Children who are too poor to pay school fees or afford school uniforms and stationary, are being excluded from school. The existing exemption system is clearly not working and must be urgently reviewed and a more workable system be developed. Until this problem is resolved, poor families will continue to have to make trade offs between basics. A situation where a poor grand mother has to use her state pension to pay her grand child's school fees is not desirable and does not represent a "comprehensive package of social protection".

Regarding feeding programmes, the Integrated Nutrition Programme (INP) aims to provide a co-ordinated, intersectoral approach to nutritional deficiencies among women and children, through health facilities and community based nutritional promotion programmes, including the Primary School Nutrition Programme (PSNP). However in many cases the quality and quantity of the food provided by the PSNP was found to be below adequate, and corruption and misappropriation of funds does occur. There has been no follow-up evaluation of the PSNP since the 1997 evaluation (McCoy 1997¹⁵). However despite problems with the schemes, discussions with children reveal that the snack provided at school is often their *only* daily meal¹⁶. It is essential that school feeding schemes remain and be improved to ensure that children's nutritional needs are provided for. Again - this should be an essential part of the comprehensive package of social protection.

¹⁵ McCoy D *et al.* 1997. An Evaluation of South Africa's Primary School Nutrition Programme. Health Systems Trust.

¹⁶ ACESS. 2002. Children's Experiences and Views of Social Security. (Child Participation Process).

COMPONENTS OF A COMPREHENSIVE PACKAGE FOR FAMILIES AND CHILDREN

Having considered the gaps and limitations of the existing social security system, we now how it could be transformed into a comprehensive package of support.

A comprehensive social security protection package for families and children would incorporate:

1. Universal income support to all persons in South Africa that would greatly benefit the poorest households, namely those with unemployed adults and children. This income support system should be financed and effectively targeted through tax reforms.
2. Additional provisioning for children with special needs (either requiring alternative care or having chronic health conditions).
3. Indirect social security provisioning of which some would be universally free to all children (such as health, feeding schemes and education) and some would be needs-assessed (such as assistive devices, transport vouchers and minimum "life-line" provision of water and electricity).
4. Food security and nutritional support programmes for vulnerable persons.
5. Health insurance options for coverage for dependents
6. Maternity Benefits
7. Maintenance legislation and enforcement
8. Long-term interventions
9. Emergency and disaster relief provisioning

(Please refer to the graphical representation of this package in Appendix One).

1. Universal income support

The CI supports the Committee's recommendation for a universal income support mechanism, such as a Basic Income Grant (BIG), which would be provided as an entitlement without means-testing to all persons in South Africa. We agree with all the arguments for a BIG, such as a means to reduce severe deprivation and to close the poverty gap, leading to improved social stability and encouraging self-reliance and ultimately development. In particular, we agree that such a grant would greatly enhance the access of poor persons to the other services that are their right. We believe that such an intervention is the government's obligation to provide at least minimal assistance to the poorest persons currently not supported; namely children between 7 and 17 and unemployed adults. In addition, the increased household incomes would greatly enhance the wellbeing of children, and increase the benefits of the special-needs grants to vulnerable groups, such as the DG, CDG and SOAP.

In addition, the provision of a BIG to all persons in a household would reduce the need for children to undertake work, such as commercial sex activities, and could potentially reduce the incidence of children living on the streets due to poverty at home. Thus the BIG would act as a preventative intervention.

The BIG (or CSG in the interim) must be made accessible to all legal residents in South Africa and children with refugee status.

The CI **agrees** with all the following points made by the Committee:

- Because the grant has no means test it avoids many of the disincentives to work inherent in other social assistance systems.
- The grant would become a ‘springboard’ for development, rather than contributing to ‘dependency on the state’.
- BIG for children would be paid to their care-givers, *BUT we stress that alternative arrangements must be made where children do not have care-givers.*
- The income tax and VAT systems are suggested as mechanisms not only for funding the BIG, but also as mechanisms for targeting the poor more effectively (thus the richer, ‘undeserving’, would pay the BIG back through income tax and progressive VAT measures).
- The BIG favours the larger households (usually the poorer households), and pooling of resources which *“leads to economic efficiencies and the more equitable intra-household distribution of income, which could contribute to the empowerment of women and younger people in the family” (p.61).*
- With a BIG, the number of people receiving no assistance at all would be reduced to zero, and the incidence of extreme poverty would be nearly completely eliminated.
- Currently, many poor people cannot benefit from the existing services which are their right, due to the lack of resources to access them. *“Income support of this nature would assist the poor to access government’s services, thereby improving the effectiveness of many service delivery programmes and social policies” (p.61).*

Phasing-In of the BIG

The CI agrees that the conditions for the immediate implementation of a BIG do not currently exist, and we therefore support the call for a phased in approach which would allow for the appropriate capacity and institutional arrangements to be put in place first to ensure effective implementation. Thus the BIG would be achieved through the extension of the CSG.

Children (and other vulnerable groups) must be prioritized and targeted first in the phase-in process, by immediate access to a universal grant for all children up to the age of 18 years, through the extension of the existing CSG. The CI agrees that the “age limit has no real rational basis and is not consistent with the Constitution’s definition of a child” (p.58), and it is therefore unconstitutional that any child be denied benefits on the basis of their age. In addition, children attending school have more financial costs to meet and would therefore greatly need financial assistance. We therefore support the call to extend the CSG to *all* children to the age of eighteen years. The CI strongly calls for the immediate and complete abolishment of the means-test for the CSG. In addition, incrementally increasing the age limits would be constitutionally unfair, and also deemed insufficient by the Children’s Sector.

The nature of the extension of the child support grant will impact on the state's ability to show considerable improvement in the take up rate. A decision to allow all children

under 18 to apply and to abolish the means test, would be the best way of ensuring easy access for all children in need. Keeping the means test and restricting the age would add unnecessary administration that would in effect act as barriers and delay factors.

The amount of the BIG

The Committee suggests that the level of grant to be determined in relation to a comprehensive package. It is assumed that the other indirect services would be provided in addition to the BIG, which would therefore act merely as an income *support*. The CI feels that the amount should be determined through debate and updated socio-economic research, taking into consideration the long-term sustainability of the programme. The need for inflation-linked increases must be determined. The amount for children should take into account their additional requirements. It would be relatively easy to administer a larger amount for the BIG for persons under 18 years.

BIG in relation to Existing Grants

The Committee is somewhat unclear and sometimes contradictory regarding the relation of the BIG to existing grants.

The CI does **not support** the suggestion that the BIG only be for those currently **not** receiving any other form of social grant (p.61). Rather, we believe that **all** children have the right to a BIG, and that those children with special needs due to chronic health conditions or in need of alternative care should still be able to access the Care Dependency Grant and Foster Child Grant, as a 'top up' amount to the BIG. *However* the CDG and DG must be maintained at their current amount until the BIG is extended to all, *AND* additional supporting services are operational, as promised.

For persons turning 60/65 years, their BIG would be automatically converted to the SOAP, which must become universal (i.e the means-test must be removed). The amount of the SOAP should take into consideration the elderly persons' inability to supplement their own incomes, and that grannies are often caring for grandchildren.

Please refer to Appendix Two for Diagrammatic representation of the BIG in relation to other grants.

BIG Administrative issues

With regard to putting administrative systems in place, there must be a firm commitment by the State to extend this provisioning to all persons within stipulated timeframes and with clear plans for developing the administrative capacity to roll-out the BIG. These plans must be accompanied by adequate budgetary allocations and financial commitment to the development of the required infrastructure.

It is also suggested that the Department engage with civil society in finding the best administrative options. Further research on this topic is required, as it will be crucial to the success of the BIG.

There is need to remove the administrative barriers to the CSG immediately, such as lack of correct documentation, inaccessible offices and complicated application processes (such as affidavits etc), as these will undermine the effectiveness of the BIG.

Administration of the BIG will be much easier due to the lack of a means-test and no proof of income or affidavits will be required. The only documentation required will be an Identity Document. The Department of Home Affairs must greatly improve its registration of persons and delivery of documents, with the necessary increased budget allocations to achieve this. Mobile units and outreach programmes to rural areas to assist with the processing of identity documents and birth certificates is necessary to improve the imbalances between provincial uptake rates. One-stop centers must be established where a persons may apply for ID documents, obtain affidavits, complete applications for grants and receive grants, in as short a time as possible.

Automated pay-out systems using bio-metric identification, will greatly reduce the possibility for fraud and corruption. Such a system is currently being planned by the Department of Social Development. Post offices and banks are also options for payouts. The infrastructure in rural areas must be greatly enhanced to ensure equitable access for the more disadvantaged communities.

The current National Lottery system very effectively obtains money from a large percentage of the population, in most remote areas, all over the country. The system makes use of any existing store or spar, which could easily be copied or utilized for the payout of the BIG.

With regard to children who do not have adult care-givers to apply and receive the grant on their behalf (refer to notes later on vulnerable groups), there is need to establish a system whereby:

1. the BIG would follow the child, and not the care-giver, and
2. organizations working with these children could be responsible for identifying vulnerable children, for applying, receiving and distributing the BIG on their behalf.
3. Children of a certain age should be able to apply on the own behalf if they do not have a caregiver. The exact age will need to be discussed and decided with the children's sector, as well as other options.

Immediate improvements required to the CSG (for the future success of the BIG and for immediate increases in uptake and accessibility)

- Remove the means-test immediately.
- Increase the age limit immediately to 18years, or at least to 12 years. It has been proven that 7-17year olds are as vulnerable to deprivation and have very important needs at this age, such as educational.
- The amount of the grant should be determined by the costs of providing the basic needs of a child and enabling his/her development (including schooling costs).
- In emergency situations, such as malnutrition, and where the child and/or care-giver do not have the necessary documentation, an alternative system must be

developed, to ensure that the child can receive immediate assistance, while the documentation is being processed.

- Where the child has no adult care-giver, the same points as made above for the BIG.
- Refugee children and those with permanent residence in South Africa must be able to access the grant.
- Increase the maximum number of children for which one care-giver may apply, in order to foster community and extended family care of orphans.
- Improve access to the grants and documentation in the rural areas. Undertake registration and educational drives. Improve rural areas infrastructure.

2. Special-needs Coverage

Children with special needs would include those with disabilities or chronic illnesses, including HIV/AIDS and malnutrition, and those in need of alternative care. The CI believes that children infected or affected by HIV/AIDS should not be singled out from other children, but included as having special needs.

As long as certain groups of children are singled out and targeted for assistance, when the rest of the surrounding community live in similar levels of abject poverty, the children's vulnerability to being seen as 'commodities' for exploitation, will increase.

a) *Children with disabilities or chronic illness*

The package of benefits for children with special needs due to disability and chronic illnesses, including HIV/AIDS (based on a needs-assessment) would include:

- The BIG for all
- Care Dependency grant– the amount of this grant may be varied depending on need. However this would make it complicated to administer. Rather, set a 'top up' amount of the CDG, and then vary the additional support services based on needs assessment and graduated scale of benefits.
- Free primary, secondary and tertiary health care
- Free assistive and rehabilitative medicine, equipment, therapy, support
- Free / subsidized special schooling where necessary
- Anti-retroviral treatment for HIV positive mothers and children
- Emergency food and cash aid where children are malnourished
- Nutritional supplements
- Free transport vouchers

Improvements required to the CDG

The CI commends and supports the Committee on its many important and radical conceptual framework and suggestions regarding disability. Most of Points 10.4 to 10.5 are copied from the Report by the CI and SAFCD (2001¹⁷), but are not presented as recommendations but rather as 'principles concepts', without concrete measures for their achievement. They were intended to be long-term recommendations in developing a

¹⁷ CI & SAFCD. 2001. Social Security Policy Options for persons with Disabilities.

broad conceptual framework for comprehensive coverage, and short-term immediate actions that could be taken to improve the existing grant system. We would request that they be considered as such, with the necessary planning to operationalise them.

We support the recommendations in the Report, with the following additions or clarifications:

Purpose and Policy Guidelines:

Clear legislation and policy guidelines must be developed which state the purpose of the CDG and its intended beneficiaries.

Definitions and measurement of disability:

We support the call for an interactive approach to the definition of disability, “*which takes into account both the medical condition and social and environmental factors*” (p.106). The definition should cover any and all disability types and chronic illnesses which result in special needs. However, we wish to stress that it is not the type of disability or illness, nor its severity, but rather the needs resulting from that condition, which should be measured to determine eligibility to the CDG. The assessment would consider the social and environmental and other factors which contribute to or worsen the burden of the condition.

The ICIDH-2 (now called the ICF) cannot be used to define disability. The ICF is a framework illustrating the wide range of possible needs for disabled people in different areas ranging from physiological, social, environmental and participation. It can be easily misinterpreted and it is also lacking in providing a framework for childhood disability. In addition by defining the disability or the impairment we will go back to our past of the medical model and will undermine the release of the INDS. Its applicability is more in the line of developing assessment tools. Therefore the disability sector has recommended the usefulness of the ICF as a guide for the development of the needs-based assessment tool.

We support the two purposes of the amended definition that these should be to determine eligibility based on purpose and benefits of scheme; and based on the needs resulting from a particular kind of disability.

Eligibility criteria and assessment:

- We support the call to remove the clause "permanent home care" from the Social Assistance Act.
- Extend CDG to children with moderate disabilities **and chronic illnesses**, and to those in special schools or day-care centers.
- Children with **terminal conditions** should also be eligible for the CDG.
- Extend provisioning to those **temporary chronic health conditions** which may be shorter than a year due to medication, but which require intensive treatment, therapy and care, such as childhood cancers which can be cured with treatment.
- Temporary conditions requiring high care and expenses, based on need, and subject to review within specific timeframe

- Eligibility criteria for social assistance for special needs should be determined by a **Needs Test**, which considers the extra needs and costs incurred by the child due to his/her illness or disability.
- Redesign holistic needs-based assessment tools.
- Utilize a multi-disciplinary panel for assessments
- Develop clear eligibility criteria and guidelines for assessors

Benefits:

- We support the call for a sliding scale of benefits based on need that would incorporate cash transfers and access to other free services, such as free primary, secondary and tertiary health care to the age of 18 years, transport vouchers and nutritional supplements.
- Once the BIG is introduced then all persons with disabilities should automatically benefit from the BIG, with additional support determined by their needs resulting from the health condition. The Disability Grant and the Care Dependency Grant should be maintained. These could be ‘top up’ amounts to the BIG, but only once the BIG is available to all and the additional support services are in place.

Administration:

- Review processes at regular intervals
- Establish an appeal mechanism
- Speed up processing time for applications
- Education of the public on social security available to them.
- Education and training of the welfare officials.

b) Children requiring alternative or supported home care

The specific purpose of the FCG as a temporary mechanism for children suffering abuse or neglect, or where parents cannot care for the child, should be maintained. With regard to the increasing numbers of orphans, it is acknowledged that the current FCG might be cumbersome, unwieldy and expensive to cater for these children. Therefore the CI supports the call for universal income support to all children. The FCG should be accessible for any child in need. For children who are being cared for by extended family members, carers should benefit from the BIG (or universal CSG). In order to encourage and support longer-term adoptions, subsidized adoptions should be provided.

Package of benefits for children requiring alternative or supported home care:

- BIG
- Foster Care Grant, with simplified administrative and application processes, for children in need of care, including orphans. The FCG could be a ‘top up’ amount to the BIG.
- Adoption subsidies, as suggested by the SALC.
- The Maintenance Act should be maintained, but with all the improvements recommended by the Committee.
- Access to the FCG by non South Africans
- Free or subsidized schooling

Improvements Required to the FCG

- Simplify the access to the FCG, as far as possible
- Non-South Africans should be entitled to the grant.
- Introduce other incentives to encourage adults to foster or adopt orphaned children, such as tax rebates, subsidized adoptions, and access to other free or subsidized services, such as schooling and health care.

c) Particularly Vulnerable groups - Children without Care-Givers

While the Committee makes some suggestions for improving the situation for this group of children, it does not address practical measures to enable these children to access the grants. In situations where children do not have adult care givers, such as street children or child-headed households, alternative mechanisms must be established to enable these children to access the BIG and other grants and services outlined here. Where possible, organizations dealing with these children, such as shelters for street children, could be made responsible for the application and administration of the grants for these children. Alternatively, adults in the community could be identified and act as ‘mentors’ (as proposed by the South African Law Commission (SALC) in the review of the Child Care Act Discussion Paper). Where none of these options are possible, consideration must be given to the age at which a child may apply and receive the grant on their own behalf, and on behalf of any siblings or other children they may be caring for. Further debate and consensus within the Children’s Sector is required on this issue. Further research and debate is required on alternative structures to assist these children, with consideration for appropriate support for ‘kinship care’.

The grant should follow the child and not the care-giver, particularly where the care-giver may be too sick and therefore unable to collect the grant. Upon the death of the care-giver the grant is automatically cancelled, causing great hardship to the children.

Vouchers, food parcels and other indirect services would directly benefit these vulnerable children.

d) Children Infected and Affected by HIV/AIDS

The CI strongly recommends that these children not be singled out from the broader group of vulnerable children, as it could potentially lead to their further stigmatization and “commoditisation”. They should benefit from the BIG or universal CSG up to the age of 18yrs, as the right of all children, and should be able to access the CDG or FCG, as determined by need. Most important for children living with HIV/AIDS is free access to primary, secondary and tertiary health care services, up to the age of 18, transport vouchers to get to clinics, and nutritional supplements. All HIV positive mothers and children should receive free Anti-retroviral treatment.

Currently some HIV positive children do receive the Care Dependency Grant. According to the legislation they are not eligible until their condition becomes severely disabling. Different practices occur in different places throughout the country, so there is no clear guidance on the matter. However, due to the fact that the illness progresses much faster in children infected through Mother-to-Child Transmission (MTCT), 1/3 of children will die

before their first birthday, and 2/3 by their fifth birthday (Piwoz & Preble 2000). Thus only a small proportion of children remain asymptomatic for long periods, while most will be symptomatic and sickly, with huge medical, nutritional and care costs, and therefore requiring immediate access to social assistance.

Therefore all children who are HIV positive through MTCT should receive the CDG as soon as possible upon diagnosis. Measures are necessary to fast-track these applications. For older children who are infected through sexual activity, the progression is slower and thus their access to the CDG may be based on the needs assessment procedure.

3. Indirect services

The provision of a range of services that would be de-linked from the cash transfer, would greatly enhance the well-being of children. For example, a range of options could be considered, some universal and some needs-based, such as:

Free health care to *all* children (0-18years), especially children with disabilities and chronic illnesses, free primary and subsidised secondary education or specialised schooling, free transport services for children with disabilities, and subsidised housing and electricity for poor families. Food and clothing vouchers, feeding schemes, day-care options (for working parents), medical vouchers (eg. For chronic medication, assistive devices, nursing devices such as nappies) and recreational opportunities are all additional services required.

Inter-sectoral collaboration and commitment to the provision of this range of services is essential.

4. Means-testing and targeting of grants and services

The Committee is not clear which means-test for which grants should be eliminated and which ones should be simplified.

To re-iterate our position once again, the CSG (to become the BIG), the BIG and the SOAP should not be means-tested. These must be universal to ensure a minimum standard of living to all.

The current means-test for the ‘Special-needs grants, such as the CDG and the adult DG, should also be eliminated but eligibility must be based on the needs-based assessment, which would also consider the financial situation and needs of the applicant.

Certain indirect social security benefits should not be means-tested, but be universal, such as free basic health care up to the age of 18years, free education and nutritional programmes, while others could be needs-assessed, such as assistive devices, transport vouchers and other medical requirements.

Please refer to Appendix One for a graphical representation of the package and targeting.

The CI concurs with the Committee that “*the most efficient, developmentally most effectively and fairest way forward is to **abolish all means tests** and to recover the costs through increases in tax*”.

5. Administrative Improvements required for all the Grants and services

There are many areas requiring immediate attention that would greatly enhance the administration of the grants and services:

- Make all grant accessible to non-citizens of South Africa, those with permanent or refugee status.
- Increase public awareness of the grants and of their rights.
- Undertake ID registration drives, capacitate the Department of Home Affairs, use Mobile Clinics and Road shows etc.
- Speed up the process of applying and receiving – set up one-stop shops.
- Develop clear legislation, policy, definitions, purposes of grants and target beneficiaries.
- Train officials, provide guidelines.
- Develop a new holistic needs-based assessment tool.
- Once a child, or adult, is identified as in need, they should receive a card that indicates the grants and services to which he/she is eligible.
- Intersectoral collaboration between departments *must* happen to ensure the effective delivery of this package of support services.

6. Long-term interventions

The Committee identifies some long-term measures to improve the well-being of children, and to prevent situations which are not conducive to the child's protection and development. We agree on:

- projects aimed at the prevention of the incidence of, and the integration of children living on the streets or in child-headed households
- encouragement of home- or community-based care
- involve CBOs and NGOs in the identification, assessment and care of vulnerable children
- set up childcare centers to increase their learning opportunities and psychological skills.
- encouragement and support for their reintegration into the educational system, such as free primary and secondary schooling.
- There are many other options for preventative intervention which must be debated within the Sector.

7. Emergency interventions

The Committee did not address the issue of emergency relief services for children in dire situations, who had not yet accessed social assistance. Obviously, the introduction of a basic income grant that could be quickly and easily accessed would drastically reduce the need for emergency interventions. However, until that time, there is need for the state to improve the access and administration of the Social Relief of Distress Grant for children in dire poverty, and to allow for immediate assistance where the correct documentation is not available.

8. Health insurance

All children, and especially those with chronic health conditions, should have access to:

1. Adequate quality, free public health care services,
2. Coverage by a national health insurance system,
3. Where the family's resources allow, to *non-compulsory*, freely-selected private medical aid schemes, which do not discriminate against, nor heavily penalize, members with disabilities or chronic conditions.

The CI supports the principles of:

1. Improving the public health care system
2. Introducing universal health insurance coverage
3. Transfer of funds and cross-subsidization from the over-financed private health care system (for a privileged minority) to the under-financed public health care system, which services the majority of disadvantaged persons in South Africa.

In order to achieve these, there is need for careful consideration and negotiation with all the affected stakeholders. Care should be taken when considering overly-protective and prescriptive mechanisms and systems, which may become unwieldy and unsustainable.

9. Maintenance Legislation

The CI believes that there need for strongly enforced private maintenance legislation regarding parental responsibilities. The new Maintenance Act attempts to ensure these, but faces administrative problems, including lack of resources and staff.

We agree with the recommendations put forward by the Committee, namely:

- Increased personnel,
- Specialized tracers to track liable persons,
- The Family Court to take action to recover arrears with interest,
- Standardization of summons and subpoenas,
- Instill a culture of responsibility, and
- Clear policy guidelines for those handling maintenance cases.

10. Maternity Benefits

The CI believes that women should be reimbursed for, and supported in, their role and contribution to society through child-birth and rearing. Therefore social insurances are required to cover for their loss of income due to these functions. In this regard, while the UIF plays an important role, the coverage is still inadequate. While recently the Maternity coverage was separated from the general unemployment coverage, there are further reforms required, such as mothers becoming eligible for the full benefit package (17 weeks paid maternity leave) after 13 weeks of contributions, as suggested by the Committee. Currently there is no coverage for women in the informal, insecure or casual sectors, and there are other aspects requiring further research and debate.

INSTITUTIONAL FRAMEWORK

The Institutional structures proposed by the Committee may be useful and effective in the administration of the comprehensive social security system. The structures and personnel must be able to manage the whole range of social security activities, from cash grants, through social insurances, to the private domain. The integrated organizational framework might require a structure that cuts across the various departments, with the authority to ensure the contribution of each department, and which reports to the proposed Social Security Board.

There is also need for a structure which allows and facilitates the active involvement of the beneficiaries in key decision-making processes and in the adjudication processes.

We suggest that the specialized courts operate from magisterial level up to appeal level, rather than beginning only at high court level as this renders them inaccessible to poor people.

FINANCIAL FRAMEWORK

It is unfortunate that the Committee of Inquiry did not release the work that had been done specifically on costing of their recommendations and devising funding mechanisms for these. In addition, a cost benefit analysis, including the social costs, would have been useful to inform the debate and decision-making processes. Research is required on the actual impact of grants on children and the 'benefits' and investments to the state.

The CI supports the principle of redistribution of resources between rich and poor, and therefore agree that targeting of the richer people through increased taxation, is a fair and necessary means to finance the package presented above and in the Committee's report. Thus the CI supports the use of the income tax system to 'claw-back' from 'non-deserving' persons, the introduction of a 'solidarity tax' and a progressive VAT increase on luxury goods for the funding of a BIG.

The Committee's examination of the current financial expenditure clearly indicates that only 0.7% (R6.4 billion) of the GDP was allocated directly to children in 2001 (versus 7% for retirement, 1.6% for disability and 0.0% for adult poverty). The under-prioritisation of children in budget allocations must be given immediate attention. Budgetary allocations should reflect "The First Call to Children", to which the government committed in ratifying the Convention of the Rights of the Child.

The introduction of a BIG and the other recommendations made by the Committee would increase the allocation to children to 2.0% of the GDP, comparable to disability (1.6%) and adult poverty (1.6%), but still under retirement at 7.3%. In view of the provided simulations of the costs of the Committee's recommendations, the CI wishes to agree that the estimated additional 2.3% of the GDP required to be spent on social security (p.147), is essential and feasible for the creation of a comprehensive social protection system and

that the government cannot justify the failure to undertake these changes, and “*can be seen to be financially feasible within the current fiscal framework*” (p.65).

The CI strongly argues that there is no need for any reduction or shifting in the other social spending budgets. Any such redirection away from other services would seriously undermine the effectiveness of the BIG.

In conclusion, we therefore concur with the Commission that:

“The reform path (as suggested by the Commission) is affordable when seen from a long-term perspective, as all improvements in the social security system occur broadly within the current macroeconomic constraints... In particular, the implementation of a universal system of social assistance grant in key areas becomes both feasible and affordable”. (p.149).

Further that:

“It is the constitutional and international obligation of the state to provide social security to children. Through providing social assistance, and with the concurrent development of services and development programmes, the state can and must attempt to improve the standard of living for children” (p.61).

MONITORING AND EVALUATION OF THE SOCIALS ECURITY SYSTEM

There is need to establish effective mechanisms to monitor the implementation and administration of the system, and to assess its impact on children’s well-being, and ON the general levels of poverty in the country.

As the Committee identifies, there is need to set minimum income levels, against which to measure the elimination of destitution and to address absolute poverty.

We recommend further debate and research among civil society, economists and social scientists on these levels. Setting poverty levels will be important for the future measurement of the impact of the implemented changes to the system.

Impact assessments should be conducted on a tri-annual basis, to examine the situation of grant recipients and non-recipients. On-going monitoring of the system, with identification of problems and solutions in the administration and delivery must occur.

CONCLUSION

Once again we commend the Committee of Inquiry for their examination of the current social security system and for their excellent recommendations for its transformation into a comprehensive system that will ensure an adequate minimum standard of living for all, with additional assistance for vulnerable groups, and a range of support services to enable the maximum well-being and development of children and their families.

Concerted efforts must be made at alleviating poverty and providing minimum income support measures. Additional improvements are required to the existing grants, with additional measures to cover the current gaps.

Most important is the State's commitment to protecting its citizens and improving living conditions for all, in particular for the most vulnerable members of society, our children.

“First Call to Children”.

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APPENDIX ONE: CONCEPTUAL PACKAGE OF SOCIAL SECURITY BENEFITS FOR CHILDREN

PRIVATE MEDICAL INSURANCES

Non-compulsory, free-selection
Non-discriminatory/ non-penalizing

EMERGENCY RELIEF

Social Relief Grant
Food parcels/ vouchers / supplements
Transport vouchers

INDIRECT SOCIAL SECURITY BENEFITS – BASED ON NEEDS ASSESSMENT

Free medicine & rehabilitation therapies
Free assistive devices
Free specialized schooling
Free Transport vouchers
Nutritional supplements
Subsidized housing and electricity

EXTRA PROVISIONING FOR CHILDREN WITH SPECIAL NEEDS – BASED ON NEEDS ASSESSMENT

Care Dependency Grant
Foster Care Grant
Adoption subsidies
Maintenance Enforcement
Other incentives/ support to carers
Free Anti-retrovirals to mothers and children
Indirect benefits (listed above)

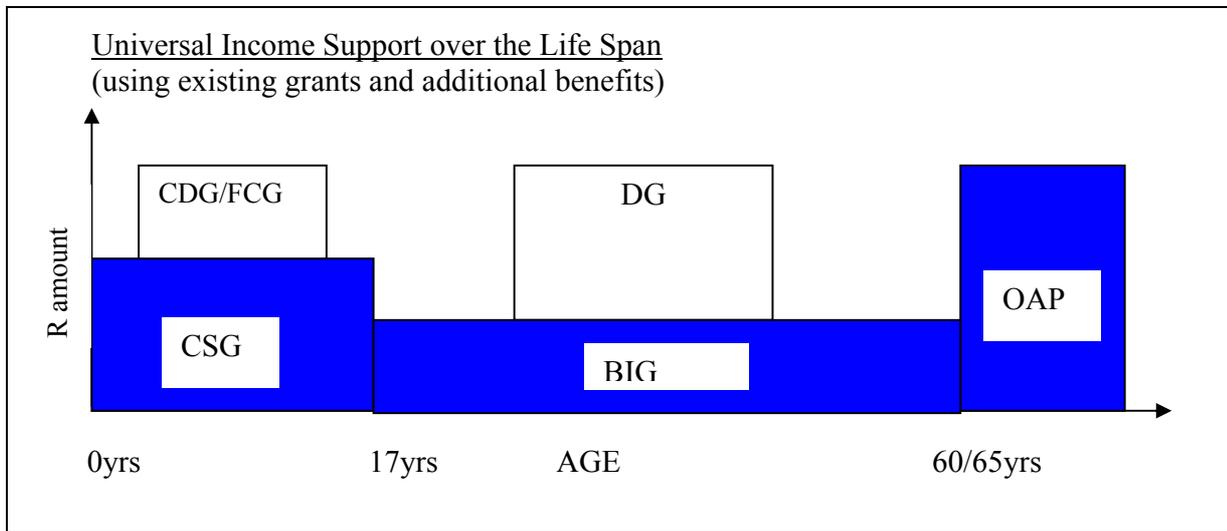
CORE MINIMUM PACKAGE – UNIVERSAL PROVISIONING FOR ALL CHILDREN

Universal Child Support (extend CSG to all to 18yrs)
Free health care services (extended to 18yrs)
Access to National Health Insurance
Free primary and secondary education
Food security and Nutritional programmes
Free water and sanitation
Subsidised transport

BASIC INCOME GRANT FOR ALL PERSONS RESIDING IN SOUTH AFRICA

(see Appendix Two Below)

APPENDIX TWO: THE RELATIONSHIP OF THE BIG TO EXISTING GRANTS



Universal Provisioning

Special Grant – Needs Assessed