South Africa

Population[i]	48,687,000
Age structure	
• 0-14 years	30.8
• 15-64 years	64.9
• 65 years and over	4.4
Infant mortality rate (per 1,000 live births) both sexes[ii]	48
Life expectancy at birth (years) female	53.1
Life expectancy at birth (years) male	50.0
Maternal mortality ratio (per 100,000 live births)[iii]	400
GDP per capita	
• Current USD[iv]	5,678
• PPP (current international $)[v]	10,116
• Constant local currency	26,120
Unemployment rate[vi]	25.3
Human development index (HDI) rank[vii]	129
HDI poverty indicators – Human poverty index rank	85

South Africa is a constitutional democracy established in 1994 after three centuries of colonialism and apartheid. It has a large young population. It is classified as a middle-income country. Economic growth rates have declined in recent years as a result of negative impact of the global economic crisis. Approximately half of the population may be classified as poor, with high rates of poverty among children, youths, women and people in rural areas. High HIV and AIDS prevalence rates have increased the burden of care, which has impacted negatively on the country's human development profile.

Child Support Grants

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South Africa

Summary

- The Child Support Grant is a means-tested non-contributory cash transfer targeted at children 0 to 18 years of age. It was established in 1998 by an Act of Parliament.
- The Child Support Grants are publicly funded through taxation and account for 3.5 per cent of GDP.
- A flat-rate benefit is paid to the caregiver who is responsible for the care of the child. The caregiver may be a biological parent, grandparent, relative or non-relative of the child.
- The benefit amount is $34.50 and reaches 10 million children.
- The Child Support Grant is one of the Government's most effective poverty reduction programmes.
- The Child Support Grant forms part of a wider social protection strategy complemented by the provision of publicly funded compulsory basic education, health care, housing, basic services, public works, and support for micro and small enterprises.

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Introduction

Since the inception of democracy in South Africa in 1994, the social protection system has been refashioned to meet the country's constitutional mandate to promote social and economic justice and to address the legacy of its apartheid past. The social assistance programme in 2009 reached about 26.2 per cent of the population and is now widely acknowledged to be the Government's most successful poverty reduction programme, with far-reaching developmental impact (Neves et al., 2009; Delany et al., 2008; Patel and Triegaardt, 2008; van der Berg et al., 2005; Samson et al., 2004; Woolard, 2003; van der Berg and Bredenkamp, 2002; and Ardington and Lund, 1995).

South Africa's social protection strategy includes social assistance complemented by the provision of other publicly funded services and social programmes such as compulsory primary education, health care, housing, basic services, public works, support for micro and small enterprises and a progressive taxation system that has an important redistributive function. Various in-kind programmes such as school feeding schemes, price subsidies for basic foods, housing, energy and transport subsidies, and value added tax (VAT) exemptions on basic foods are also covered. In practice, however, the public provision of basic and social services is constrained by administrative inefficiencies caused by institutional and capacity problems, including corruption, which results in delivery failures that have fueled public discontent in recent years.

"Social assistance", also referred to as "social grants", is a means-tested non-contributory cash transfer that is tax-funded and targeted at specific categories of people. The right to social assistance and the rights of children are guaranteed by South Africa's Bill of Rights. Beneficiary numbers have expanded from 3 million in 1995 to 14 million in 2010, and benefits constitute 3.5 per cent of GDP and are a generous contribution for a middle-income country (National Treasury, 2010).

The focus of this case study is on the Child Support Grant, which is an innovative programme that was introduced in 1998. It exists alongside old-age pensions that have been in existence since the 1920s and disability grants. The grant is paid to the caregiver who is responsible for the care of the child. A flat-rate "benefit" is paid to the caregiver of the child based on a means test. The grant has the largest number of beneficiaries of the three main social grants (68 per cent), reaching 10 million poor children in 2010 (National Treasury, 2010).

This case study is organized as follows. In the first section after the introduction, key concepts such as "social protection" and "social grants" are clarified and a brief overview of the South African social, economic and political context is provided. The next two sections focus on a description of the policy development process and an outline of the design features, financing and implementation challenges of the Child Support Grant. The social and economic impact of the Child Support Grant is the subject of the final section, which concludes with some success factors relevant to the replication of similar programmes in other developing countries.

Concepts and Approach

"Social protection" refers to private and public measures to ensure effective access to a range of basic goods and services by all people, particularly the most disadvantaged in society. These goods and services may be cash or in-kind services and benefits to reduce poverty, promote equality, build human capabilities and assets, and thus achieve empowerment and human well-being. In South Africa, the term "social security" is often used in policy and legislation that include public (social assistance), private (insurance), social insurance (national health and pension system) and informal measures (savings) to protect the population against risk and vulnerability. While "social protection" is a broader concept, "social security" and "social assistance" (also known as "social grants") refer to specific measures to achieve income protection, alleviate and prevent poverty, achieve income distribution and provide a means of social compensation for loss of earnings due to extraneous factors (Republic of South Africa, 1997, p. 48).

Commonly used approaches to poverty rely on indices of income, consumption or social position and do not consider wider social factors that impact on poverty. The view put forth in this case study is that poverty is an interlocking, multidimensional phenomenon caused by a lack of multiple resources such as employment, food, assets (housing, land), basic infrastructure (water, energy and sanitation), health care and literacy. Psychological dimensions of poverty and the lack of a political voice are also important in defining and addressing poverty (Narayan, 2000).

Increasingly, emphasis is placed on understanding the nature and scope of the adaptive responses of poor households, which is associated with the livelihoods approach (Beall, 1997; Chambers, 1995). Poor households also tend to rely on informal social protection, systems of social mutuality and reciprocity (Neves et al., 2009; De Wet et al., 2008), which may include the exchange of goods, resources and social support from individuals and organizations in the communities. From a gender perspective, how care burdens are distributed in the private domain in ensuring household survival is critical. Furthermore, account needs to be taken of how poor people themselves mediate risks and vulnerabilities arising from the impact of external economic and political, social and environmental factors, particularly in response to the impact of the global economic crisis. Most importantly, an understanding of poverty needs to factor in human agency and active citizenship, which encompass a combination of rights and obligations that connect them with the State. How citizens exercise and claim these rights through formal and informal social and political processes to improve the quality of their lives is also critical to an understanding of poverty (Green, 2008).

South African Context

South Africa achieved its independence in 1994 after more than three hundred years of colonialism and apartheid. The new democratically elected government inherited a racially divided society with over half of the black population defined as poor. Poverty was most prevalent in rural areas (60 per cent) and among women and children, with more than half of female-headed households being poor (May, 1998; UNDP, 1999). High rates of child poverty are associated with malnutrition, with 38 per cent of children in the poorest quintile and 27 per cent in the second-poorest quintile suffering from stunting (Reconstruction and Development Programme, 1995).

These trends reflect the race-based geography of apartheid and race-based policies of the past. The new government also inherited a racially segregated welfare system that favoured a white welfare elite through the provision of expansive social services and benefits to whites and a residual system for blacks (Patel, 1992). Resistance to white minority rule and racial capitalism was marked by consistent demands for political, economic and social inclusion and for the human rights of all South Africans in a common society. These demands shaped the nature and the content of the new Constitution that was adopted in 1997 following the first democratic elections. The Constitution recognizes a common citizenship, universal adult suffrage, a multi-party democracy, a free press and judicial review of government. The Constitution of South Africa may be described as liberal egalitarian in its orientation in that it attempts to reconcile individual rights with the achievement of social and economic transformation of the society, with benefits and opportunities accruing to the most disadvantaged.

A distinguishing feature of the Constitution and the Bill of Rights is that they uphold social and economic rights. Section 27 of the Constitution protects the rights of citizens to health care, water and social security, which include the right to social assistance. These rights are subject to available resources and are intended to be realized progressively. Section 26 makes provision for the right to access to housing. Section 28 upholds the right of children to basic services and social support and to family/parental care while Section 29 provides for the right to basic and further education.

The newly elected democratic government under the leadership of former President Nelson Mandela adopted the Reconstruction and Development Programme in 1995; it sought to democratize the State and society, promote economic growth after years of economic decline and indebtedness, and heal the divisions of the past. The Programme also provided for the meeting of people's basic needs and the development of human resources.

The welfare system was redesigned in line with the Reconstruction and Development Programme and a new developmental welfare policy set out in the White Paper for Social Welfare (Republic of South Africa, 1997) was adopted and implemented. Two key programmes were identified: first, social welfare services for specific target groups such as children, youths, women and families, older persons, people with disabilities and those affected by chronic illnesses and, in particular, those infected and affected by HIV and AIDS. The second key programme was social security, which included social assistance, private savings and social insurance.

Developmental welfare is informed by the social development approach (Patel, 2005) to social welfare. Its distinguishing features include a commitment to a rights-based approach to social development; the employment of pro-poor policies and strategies; and the promotion of citizen participation in development and a reliance on pluralist social arrangements involving the State, civil society, the private sector, individuals, families and communities as collaborative partners in development. The policy, however, identifies a leading role for the State in development. Lastly, it views social and economic development as interrelated and acknowledges that economic growth must be accompanied by the redistribution of the benefits of growth to the least advantaged, thus emphasizing equitable growth and development.

South Africa had a population of 47.9 million people in 2005 and is classified as a middle-income country. Economic growth was slow following the creation of the new democracy but increased after 2000, reaching a high of 5 per cent by 2006. The post-apartheid poverty headcount increased marginally after 1994, followed by small decreases in poverty levels between 2001 and 2005 largely due to the expansion of social assistance, which resulted in improvements in social welfare after 2000 (van der Berg et al., 2005). Growth rates have slowed down to just over 2 per cent as a result of the impact of the global economic crisis on the local economy, which has negatively impacted employment and poverty levels since 2008. Unemployment rates continue to be unacceptably high at 25.5 per cent, based on a narrow definition, with youth unemployment reaching 70 per cent. The HIV and AIDS prevalence rate is around 21.5 per cent (IndexMundi, 2008), with far-reaching implications for the care of children, adults who are AIDS ill, older persons and people with disabilities. High HIV prevalence rates have also lowered the country's human development performance, with the human development index falling to levels attained in 1980 (UNDP, 2007/2008).

This cursory overview points to the enormous human development challenges facing the country 15 years after the creation of a democracy. While significant gains have been made in social and political transformation in key social sectors, the past legacy of race, class, gender and spatial inequality and poverty persists and remains one of the country's greatest social policy challenges. It is against this background that the contribution of social protection needs to be assessed.

The Policy Process

The background and policy context within which the policy was developed are outlined briefly in this section, including the creation of a ministerial committee – the Lund Committee on Child and Family Support – that played a key role in the policy formulation process.

In December 1994, the Minister for Welfare and Population Development, with the Members of the Executive Councils responsible for social welfare in the nine provinces, mandated a consultative and participatory policy development process that culminated in the adoption by Parliament of the White Paper for Social Welfare in April 1997. The White Paper provided a set of developmental welfare policies, principles, guidelines and proposals to be implemented by all spheres of government. Social security and social assistance constituted a key pillar of the developmental approach. While old-age pensions and disability grants were to be continued, the White Paper recommended that sustainable and affordable options of social security provision for children and families be developed and that the private maintenance system be revised. Furthermore, it also called for the development of a comprehensive system of social security to give effect to the right to social security. Thus, social security needs and gaps were identified after 1994 through a range of policy review and development processes such as the Child Support Grant.

Later, the Taylor Committee (2002) appointed by the Minister for Social Development reviewed the country's social security system; it reaffirmed its contribution to poverty reduction and identified gaps in coverage for the unemployed and informal-sector workers. The Committee also made further recommendations for a basic income grant and for reforms to create a comprehensive social security system.

Policy formulation for the Child Support Grant was informed by research evidence that demonstrated the positive poverty-reduction effects of old-age pensions and social assistance in general and its concomitant developmental impacts (Ardington and Lund, 1995; van der Berg and Kruger, 1995; Le Roux 1995, Lund 1993). Gaps in social-security provision and in achieving equitable access were also identified by researchers and formed part of the body of knowledge that informed the White Paper and subsequent work on the reform of the system of child and family support.

Of particular concern was the racial inequity in access to State Maintenance Grants, which were introduced in the 1930s to protect poor white families. Later these grants were extended and accessed mainly by coloureds, Indians and a small percentage of white single parents. Although some of the self-governing territories and provinces made provision for child and family support, in reality very few Africans received the grant. The following figures indicate the level of inequity in access to the State Maintenance Grant among the race groups: 50 and 40 per 1,000 coloured and Indian beneficiaries, respectively, received the grant; 14 per 1,000 whites and only 2 per 1,000 Africans were grant beneficiaries (Lund, 2008). The extension of the grant to all women and children who qualified at existing levels would have cost around R12 billion, depending on the assumptions made. This was almost the total cost of social assistance in the early 1990s as the former Government attempted to achieve parity in spending on grants prior to the first democratic elections in 1994. The fiscal problems associated with the equalization of the

State Maintenance Grant constituted another factor that was critical to the policy reform. The programme therefore needed to be redesigned or abolished. The Government appointed the Lund Committee on Child and Family Support in 1996 to make recommendations on the redesign of the system, taking into account the Government's concerns about affordability and sustainability (see Lund, 2008, for a detailed documentation of the policy process and context; Republic of South Africa, 1996).

South Africa was not unaffected by the global diffusion of neo-liberal ideas that shaped social policy profoundly during the 1990s. The fiscal environment for policy reform became more constrained after the Government adopted a conservative macroeconomic policy – the Growth, Employment and Redistribution (GEAR) policy in 1996. The intention of the GEAR policy was to promote economic growth of 6 per cent, reduce inflation and the budget deficit, and contain fiscal expenditure. The GEAR strategy intended to promote foreign direct investment and to integrate the economy into the global economic system after years of isolation, economic crisis and indebtedness. The strategy was widely criticized for being a neo-liberal policy that represented a shift away from the Government's commitment to the Reconstruction and Development Programme and to its social goals in response to the pressures arising from big business and foreign capital (Mhone and Edigheji, 2003; Bond, 2000).

The mandate of the Lund Committee also included a consideration of State support across all government departments for children and families and an investigation into the possibilities of extending parental financial support through the private maintenance system. The terms of reference also requested the Committee to develop approaches to effectively target social programmes for children and families. This limited the Committee's options to employing a selective approach in its policy proposals. The consideration of policy options was constrained by the changing macro-economic policy of the time. It also limited the policy options of the Lund Committee.

The Lund Committee was led by Frances Lund, a respected leader and researcher in social security, social welfare and development who was based at the University of Natal. The Committee had two other academic researchers who were economists. Five civil society organizations placed representatives on the Committee who were drawn from child welfare organizations, rural development groups, children's rights organizations, the National Welfare and Social Services and Development Forum, Schools of Social Work and the Maintenance Action Group. Additional members were government representatives involved with social security administration and management and people co-opted for their particular expertise in household data analysis, gender issues and knowledge of the way in which social assistance programmes work in practice. The

Committee also had the benefit of contributions from international advisers and experts who were knowledgeable about social protection.

Tight time frames were set for the work of the Lund Committee. A report was required to be delivered in six months. There was therefore a very short time in which to conduct the work and to build consensus with all partners in government and in civil society. The main work was conducted between February and August of 1996. This involved commissioning research, a systematic review of existing research, a study of international evidence, and a three-day retreat with international advisers to consider the research and policy options. In addition, a workshop was held on the reform of the private maintenance system, and limited consultations were conducted with governmental and non-governmental stakeholders.

The following three sections focus on a discussion of the policy options, the proposal for a new cash transfer and the political process.

Policy Options

The Lund Committee debated a range of policy options, which included the following: (a) the reform of the private maintenance system; (b) an increase in financing social welfare services; (c) support for the developmental social welfare model; (d) support for nutrition programmes for young children; (e) support for early childhood development (ECD) programmes; and (f) support for social funds.

While each of these options had merit and required intervention by the State, by itself, the Committee was of the view that it would not address income poverty directly and on the scale required if the State Maintenance Grant were to be abolished. Extensive proposals for the reform of the flawed private maintenance system to increase parental support for children were generated by a workshop organized by the Lund Committee. The workshop reiterated how the failure in the private maintenance system resulted in increased reliance on the State by mainly poor women who lacked support from the fathers of their children. The proposals were later implemented in part by the Department of Justice, but the system continues to be dysfunctional and poorly resourced (Khunou, 2006). The second option of boosting social support through the child and family welfare system, already severely underfunded, was considered, especially in light of the impact of the HIV and AIDS pandemic. Large numbers of children at risk ended up in alternative care owing to poverty and other social problems. The option existed to support non-governmental organizations (NGOs) delivering welfare services for children. Current child and family models was expensive and had a limited reach. To address the need for more appropriate models, the Department of Welfare was piloting community-based developmental models but it would be some time before these models could be taken to scale.

Regarding nutritional interventions, the Lund Committee noted the vital role that nutrition plays in the early years of children's lives and the negative consequences on their intellectual, cognitive and physical development if they are nutritionally deprived. A review of current nutrition programmes and international best practice was conducted. Much more research was needed to inform policy and programmatic nutritional interventions and to assess State and non-governmental capacity to deliver effective nutrition programmes. However, the concern about child nutrition was highly influential in the Committee's thinking about the Child Support Grant. Lund (2008) further points out that almost 90 per cent of children did not have access to early childhood development education and care. At the time, the Department of Education was in the process of developing an early reception year and the Department of Social Development was also funding NGOs delivering early childhood development programmes. There was a need for expansion of community-based early childhood development. Similar considerations to those referred to above trumped this option. Social funds to boost child and family support activities were also considered but concerns about the efficacy of social funds in reaching the very poor (and in particular women), among other factors, resulted in the Lund Committee deciding on a cash transfer as being the most viable option.

Proposal for a Child Support Grant

The State Maintenance Grant and the child-allowance component of the grant were to be phased out over a three-year period. This affected about 200,000 women and a similar number of children and made up 12 per cent of total fiscal expenditure on social assistance in 1995/1996 (Lund, 2008). The current system was unsustainable and inappropriate. It was fashioned on British social-policy models based on the nuclear family model. The notion that there was a male breadwinner in the family and that State support would be provided in the event of interruption of the earning capacity of the breadwinner did not quite fit changing family forms in South Africa. The disruption of family life due to the migrant labour system and apartheid policies that began in the early twentieth century fundamentally altered family composition and structure. Large numbers of children were also being cared for apart from their biological parents as a consequence of past policies (Republic of South Africa, 1996). Single parenthood and three-generation families were more widespread than nuclear families and a diversity of family forms existed, including customary marriages and couples not married but living together.

The new system was designed to "follow the child"; thus a cash transfer was devised to be paid to the primary caregiver of the child, which was a local innovation. The Lund Committee also developed costing models with different scenarios based on three possible age cohorts. Eligibility was to be determined by a means test and a flat rate was to be paid to the caregiver of the child. The level of the benefit was set low and was motivated by basing it on an objective measure of need: the food costs of a child. The Committee set this cost at US$10.35 per month at the time. After considerable deliberation, the Committee limited the age cohort to six years, covering 3 million children; it was the least costly option.

In order to target the children who were the most in need and to concentrate investment in the early years of life, a differentiated means test for urban and rural areas and people living in informal settlements was devised. A threshold was set for eligibility for children from rural and informal settlements to compensate for the disadvantages that they faced in accessing health and education services and for the lack of employment opportunities for their caregivers. The means test was initially based on household income. No behavioural conditions were applied since these would have penalized children who lived in areas where there were no clinics or schools. The only requirement was that a child's birth should be registered and the applicant should have the relevant identity documents.

The Lund Committee was also clear that should the implementation of the Child Support Grant prove to be successful, it could be expanded by raising the age limit of eligible children. This indeed occurred, and the qualifying age was gradually increased; today children up to 18 years of age qualify for the grant.

POLITICAL PROCESS AND ROLE OF CIVIL SOCIETY

The Lund Committee Report was submitted to the Ministers Committee for Social Welfare in September 1996. Political and legislative processes took another 14 months and the first applications for the grants were received in April 1998. Some of the key issues in the management of the adoption of the policy and the role of civil society are discussed below.

Once the Cabinet had approved the recommendations, the proposal was released for public comment. The report was then debated and considered by the Portfolio Committee for Social Welfare, which is a parliamentary committee. Extensive public hearings were held and large numbers of civil society organizations made representations to the Portfolio Committee. The phasing out of the State Maintenance Grant was widely condemned by advocacy groups. They argued that this action would only increase the hardship of poor women – that it ended the only financial support provided for parents themselves and that there was no recognition of or compensation for their caring work (Goldblatt, 2005, p. 239). The low amount of the grant, set at US$10.35[1] per month, was very controversial since advocacy groups argued that the amount was set far too low given the cost of living. Political engagement with civil society groups

[1] US$1 = 7.2479 rand as at 18 August 2010.

resulted in an increase in the amount of the grant to US$13.80 and the qualifying age was also extended to seven years of age. This also resulted in a revision of the means test from basing the income threshold on household income to individual or joint income (if the applicant was married), which cast the net wider. The participation of civil society groups led to key compromises in the design of the grant.

Lund (2008) in her personal reflections on the process identified the trade-off between developing a proposal quickly based on political imperatives and pressures to deliver to the poor and a long consultative process to build national consensus on the grant. The reality was that, on the one hand, there was a need to capitalize on the political space that existed even though the fiscal environment was constrained; on the other hand, engaging in a long consultative process might not have yielded a concrete and tight proposal that was doable and acceptable to the Government. While civil society groups engaged in participatory processes, they also reserved the right not to be associated with government decisions that took benefits away from some groups. The political and parliamentary processes to get the proposal accepted were managed by the Minister, the Director-General and senior public servants in the national and provincial Department of Social Development while the National Treasury played a critical role in enforcing strict fiscal parameters. Other government departments such as the Department of Home Affairs, which is responsible for identity documents, were critical to successful implementation. This is discussed below.

Implementation

Early Processes

An implementation task team led by an experienced project manager was established to facilitate the process. The overriding idea was that the grant should be simple and accessible, but the procedures and systems required were complex. First, legislation had to be drafted and enacted to abolish the old grant and to create a new cash transfer. The legislation had to be adopted by Parliament, which is usually a lengthy process. Second, administrative and computer systems had to be redesigned. The new cash transfer was to be delivered through the existing computer systems, which were outmoded, and there were fears that the current computer system would be unable to handle the growth in beneficiary numbers. Third, transformation fatigue among public officials at a time of great change and transition in the new Government may have resulted in increasing bureaucratic obstacles and challenges that needed to be managed by the implementation task team. The speed with which the implementation progressed did not allow much space for organizational learning.

In the early years after the grant was launched, uptake was slow. The Government launched major awareness-raising campaigns, especially on public and community radio stations, while NGOs played a key role in promoting the new grant by actively supporting claimants to access the grant. NGOs also lobbied government to address some of the shortcomings in the administration of grants. A number of high-profile Supreme Court rulings protecting the rights of claimants also contributed to public awareness and stimulated debate.

The agent for the delivery of the grant was the Department of Social Welfare's social security division, which employed approximately 2,256 staff nationally in 1995. The delivery of cash transfers up to the 1980s was done by government at pay points that were established throughout the country. These pay points reached deep into rural areas and included shops, government offices, institutions for the elderly and post offices, and grants were paid through the bank accounts of beneficiaries who had such accounts. The system was inefficient and resulted in long queues and it was not accessible.

After 1980, the Government privatized the delivery of cash transfers. Private companies with heavy involvement of private security firms began delivering the grants via mobile delivery vans equipped with the electronic fingerprinting identification and built-in-automatic teller machines. The new technology increased the number of pay points, reduced the queues and allowed for reconciliation of accounts but it also increased transaction costs. Currently 80 per cent of beneficiaries receive their grants by a cash payment method (National Treasury, 2010) although increasing numbers of Child Support Grant beneficiaries are beginning to receive the grant through bank accounts. The linking of poor people with financial institutions was identified as a major problem and this continues to be a challenge even though banks are now required to create opportunities for low-income people to open their own bank accounts at lower transaction costs.

Social assistance is now delivered by the South African Social Security Agency, which was created by statute to administer and deliver social grants. Social security was previously delivered by provincial governments. It became a national governmental function in 2005 to address some of the service delivery challenges especially in the delay of approvals, payments, possible fraud and corruption in the system and to curtail delivery costs of grants. This has been a positive development that paved the way for a more professional service delivery system.

Finance and Social Spending

At the inception of the Child Support Grant, alternative ways of funding it were considered, such as raising income through a value added tax, achieving efficiency gains through the better management of existing social assistance budgets, and reprioritization within budgets. However, this would not yield the income needed to finance the estimated US$689.9 million that the programme would cost. This was four times the size of the initial budget allocation of

US$165.6 million, which was the cost of the State Maintenance Grant at the time. The Government agreed to fund the programme in full from public revenue. This was in line with increased government spending on social welfare of 120 per cent between 1991 and 1997, 30 per cent on health spending, 26 per cent on education, and decreased spending on defence of 48 per cent (Republic of South Africa, 1996, and van der Berg cited in Lund, 2008, p. 6).

Since then, there have been massive increases in spending on social grants and in the Child Support Grant. The average growth of Child Support Grants has been 14 per cent since 2006, from US$2.4 billion to an expected expenditure of US$5.3 billion in 2012/2013. In 2009/2010, close to 14 million beneficiaries are estimated to receive social grants, of which 9.4 million or 68 per cent are Child Support Grant beneficiaries. This brings the fiscal allocation for social welfare (now renamed "social development") to US$11.9 billion in 2009/2010. Real growth in social spending is expected to increase by only 2 per cent in view of the volatile economic situation prevailing nationally and globally (see National Treasury, 2010; Minister of Finance Budget Speech, 2010). The extension of the Child Support Grant to include children up to 18 years of age was announced by the Minister of Finance in his budget speech in 2010. This will bring an additional 2 million children into the safety net. The current level of the grant is US$34.49 per month, which is an increase slightly below inflation owing to the financial implications of the Child Support Grant age extension. Social grants account for 3.3 per cent of GDP and are expected to increase to 3.5 per cent in 2010/2011 owing to the impact of the global economic crisis (Minister of Finance Budget Speech, 2010).

The transaction cost of a cash payment is between US$3.31 and US$4.83 per grant payment (National Treasury, 2010). The Government is exploring ways of reducing these costs, particularly through promoting payments through banks, which could bring more recipients into the formal banking sector.

The question of fiscal sustainability remains high on the public agenda and in parliamentary debates. Over the past decade, there has been a strong lobby for extending the age limit to the grant to 18 years, which is now being implemented. A national coalition of civil society groups and trade unions has consistently advocated a basic income grant. This latter proposal has not been accepted by government because of affordability considerations at this stage. As the uptake in social grants has increased, the National Treasury has raised concerns about the impact of social assistance on other social spending such as health and education. The expansion of social assistance resulted in the latter part of the 1990s in the crowding out of spending on welfare services. Despite the doubling of spending on social welfare services between 2006 and 2009, welfare services remain underfunded. There were also increases in education spending amounting to 17.7 per cent between 2006 and 2009 and an

8 per cent increase in health spending over the next three years is expected (National Treasury, 2010). It is therefore important to take cognizance of the impact of the expansion of social protection programmes on other social services, particularly health and education.

Implementation Challenges

Numerous implementation challenges have been identified since the introduction of the grants and have been well documented by researchers (see Goldblatt, Rosa and Hall, 2006). Briefly, these were related, first, to human resource and infrastructural problems such as a lack of privacy in the processing of applications, inaccessible office hours of services, a lack of computers, long queues and waiting periods, and a lack of adequately trained staff.

Second, a lack of coordination among government departments resulted in bureaucratic delays in, for instance, the processing of documents. Documentary requirements are considered to be a major barrier in ensuring access to the grants and in increasing uptake, particularly in the early years. Significant barriers in gaining access to the grant included proof of income to assess eligibility of the applicant, proof of birth registration of the child, and having the necessary identity documents of the caregiver. At the time of the Child Support Grant roll-out in 1998, only a quarter of the children in the qualifying age cohort were in possession of a birth certificate (UNICEF, 2005). However, concerted efforts by the Department of Home Affairs to process birth registrations through community mobilization campaigns, mobile units to reach rural areas, accessible service hours and registrations at hospitals resulted in registrations reaching 78 per cent of children under five years of age in 2008 (UNICEF, 2008). This demonstrates how access to public services could impact positively on increased birth registrations. However, advocacy groups continue to point out that conditionalities of this kind end up penalizing children who live in communities where these services do not exist. A lack of adequate birth registration documents continues to be a barrier to Child Support Grant access (National Income Dynamics Study, 2009). Children whose mothers are deceased or absent are also less likely to be in receipt of a Child Support Grant (McEwen, Kannemeyer and Woolard, 2009; Case, Hosegood and Lund, 2005); they also were among the poorest and the most vulnerable children. There have been recent amendments to the Regulations removing the requirement that those children whose birth is not registered should not be denied access to the Child Support Grant. However, they will be strongly encouraged to apply for the necessary documents.

Another key obstacle was that the threshold of the means test has not been adjusted to keep abreast with inflation since the grant was established. Civil society advocacy groups consistently argued for these changes, and, in 2008, a more expansive and inflation-related means test was introduced where the income threshold is calculated at 10 times the amount of the Child Support

Grant. This significantly increases the number of children who will now qualify for the grant.

A third implementation challenge pertains to a lack of awareness of the Child Support Grant as well as a lack of knowledge of where and how to apply. Government campaigns, however, have contributed significantly to addressing this issue.

A forth challenge remains the ongoing need to combat fraud and corruption in the system.

Finally, the cost of the applications for those who needed to travel from afar, language and communication barriers, and the lack of consistent application of the regulations among different government offices and by officials are other issues that hampered uptake.

Some of the challenges that were identified earlier in the roll-out resulted in timely amendments to Regulations, such as the requirements that children be in possession of a clinic card and that there be an assessment of income. Civil society organizations and researchers working with applicants identified a range of administrative requirements that were barriers to access. There is constant interaction between these groups and the South African Social Security Agency.

While the Child Support Grant was introduced without any behavioural conditions attached to accessing it, the Government introduced conditions for the grant from January 2010. The grant will in future be conditional on school attendance and enrolment of children. The new Regulations apply to all children including older children who will now have access. Although a punitive approach is not envisaged, social workers will be required to investigate and put measures in place to address non-attendance. Conditionalities of this kind do not make sense since South Africa already has a high primary school enrolment rate of 86 per cent (UNICEF, 2008). Problems with non-attendance and poor school performance are related to the poor quality of schooling, especially those schools serving the poor. Budlender, Rosa and Hall (2008) argue that unless these problems are addressed, there may be little gain from incurring additional costs of compliance. The provision that social workers will monitor school attendance is not implementable as there are simply insufficient social workers to do so, especially in rural areas. The effect of these new provisions will be to limit children's right of access to the grant and exclude poorer children. Lund et al. (2009) argue that better administration and provision of grants would be more rational and fairer than the imposition of conditionalities.

Impact of the Child Support Grant

The beneficiary profile of the Child Support Grant indicates that the grant is well targeted at poor households and children. It penetrates rural areas significantly, with beneficiary numbers being the highest in three of the poorest provinces in the country: the Eastern Cape, Kwazulu-Natal and Limpopo. Vorster and de Waal's national survey of grant beneficiaries (2008, p. 239) found that over half of the households receiving at least one Child Support Grant are in rural areas, with more than one third living in informal houses with limited access to basic services. The majority of beneficiaries of the Child Support Grant are women (96 per cent) and 90 per cent are black (de Koker, de Waal and Vorster, 2006). The feminization of grants is a new trend and the gender impact and dynamics of the grant require further research. Just over half of the beneficiaries are single and have never been married while 34 per cent are married or living with a partner (de Koker, de Waal and Vorster, 2006). With regard to the age of the beneficiaries, 50 per cent were between 21 and 33 years of age, with only 5 per cent being under 21 years and over 57 years, respectively. Grant beneficiaries are fairly evenly split between males and females (McEwen, Kannemeyer and Woolard, 2009).

Although the Child Support Grant was intended to be paid to the caregiver of the child, who could be a parent, relative or non-relative guardian of the child, 91 per cent of biological mothers claim the grant on behalf of their children, with a small percentage claiming the grant on behalf of other children as their guardians (Vorster and de Waal, 2008). Most of the children lived with their biological mothers (Vorster, 2006), with most women receiving either one (58 per cent) or two grants (30 per cent) (Department of Social Development, 2006). The question may be asked as to whether grants in fact provide positive incentives for mothers to care for their children. To date, no research has been done on this topic. With regard to employment, 83 per cent of Child Support Grant beneficiaries were not employed or doing paid work. The take-up rate of the grant ranged between 78 and 80 per cent of the children who were eligible (Leatt, 2006; Budlender, Rosa and Hall, 2005).

Without the Child Support Grant, Woolard (2003) estimates that 48 per cent of children would be living in poverty and 23.9 per cent would be classified as ultra-poor. While all three types of social grants reduced the total rand poverty gap by 45 per cent, the greatest poverty-reducing potential was considered to lie with the extension of the Child Support Grant to age 18, which would reduce the poverty gap by 28.3 per cent (Samson et al., 2004). The extension of the qualifying age to 18 years over the next three years will have positive poverty-reduction benefits for children and their families.

Although the measurement of poverty after 1994 is the subject of debate among researchers, there is agreement that social grants reduce poverty significantly, especially among the extremely poor, regardless of the methodology or poverty lines employed (van der Berg et al., 2005; Samson et al., 2004; Meth and Dias, 2004). Various researchers have also posited the positive effects of social grants in the reduction of income inequality. Samson and his colleagues (2004), using a micro-simulation model with household data from the year 2000, estimated that the full take-up of all three social grants could lower the Gini coefficient by 3 percentage points (Samson et al., 2004). It may be concluded that social grants therefore contribute to a more equal distribution of income as well as to economic growth (see Neves et al., 2009; Samson et al., 2004).

Developmental Impact

Successive research studies have found that social grants have positive developmental impact in that they facilitate human capital development through improved access to health, nutrition and education. They also aid job searches, are positively associated with higher success rates in finding employment and improve the productivity of workers in households in receipt of a grant as well as support household livelihood activities (Neves et al., 2009; Delany et al., 2008; Samson et al., 2008; Vorster and de Waal, 2008; Case, Hosegood and Lund, 2005). Thus social grants empower and improve the welfare of recipients and their households as a whole, particularly where resources and income are pooled.

Research findings that demonstrate the developmental impact of the Child Support Grant are summarized here. In a national study on how the grant is used, Delany et al. (2008) found that just over half of Child Support Grant beneficiaries indicated the pooling of their income, with 49 per cent stating that they spent the money exclusively on the child. Overall, the grant made up 40 per cent of household income and closer to half of household income in some of the poorer provinces such as Limpopo and the Northern Cape. The majority of beneficiaries (79 per cent) spent the money on food, school fees (26 per cent), school uniforms (25 per cent) and electricity (22 per cent) (Delany et al., 2006). Child Support Grant households also spent more than half of their income on food, and one in five reported experiencing hunger because there was no food. A propensity matching study conducted on the Child Support Grant points to a positive relationship between the receipt of the grant and decreased child hunger (Samson et al., 2008). Researchers are also beginning to demonstrate the positive nutritional impact of the grant measured in terms of height-for-age gains in children receiving the grant, with positive spinoffs for increases in future earnings of 60 to 130 per cent (Agüero et al., 2006). The latter researchers argue that these positive effects have been achieved without conditions being imposed that children should attend a clinic. They attribute this positive effect to the fact that the grant is received mainly by women who are more likely to spend money on basic essentials for their children. A KwaZulu-Natal study in poor rural areas (Case, Hosegood and Lund, 2005, p. 467) found evidence supporting the claim that receipt of a Child Support Grant increases the likelihood of children being enrolled in school after the receipt of the grant compared with equally poor children of the same age. The grant therefore helps to overcome the impact of poverty on school enrolment. Positive impacts on school attendance were also confirmed by Samson et al. (2008).

However, negative effects of social assistance are identified by some researchers who point to perverse incentives to work, increasing fertility rates (especially among teenagers), disruption of private remittances, displacement of private savings and the inappropriate spending of grant income in general. Based on a range of research studies, various researchers conclude that there does not appear to be evidence to support these claims (see Makiwane, 2010; Neves et al., 2009; Steele, 2006; Samson et al., 2004).

The public perception that the Child Support Grant is associated with increased teenage childbearing is often cited. Drawing on national administrative statistics on the Child Support Grant and secondary data on estimates of teenage fertility, Makiwane (2010, p. 193) argues that teenage fertility began to decline in the first half of the 1990s and that this trend was already under way when the grant was introduced. The findings of her analysis do not show a positive association between the introduction of the Child Support Grant and increased teenage childbearing.

Conclusions

The South African experience of laying the foundation for a national social protection floor and in building a social protection system progressively could provide valuable insights for other countries in the Global South as they search for solutions to the intractable problems of mass poverty, inequality and underdevelopment.

Some of the critical success factors of the process of policy development pertain, first, to the credibility and quality of the leadership of the Committee and the expertise, range of practice experience and knowledge of social assistance among Committee members. Second, the evidence-based approach that informed the decision-making was open to contestation but it was nevertheless robust and persuasive, and it is a good example of evidence-based policymaking. Third, the Committee also enjoyed the confidence of politicians, who were therefore able to build consensus in their political constituencies despite the outcry about the phasing out of the State Maintenance Grants. Fourth, the process was backed up with strong administrative capacity, which was built up over 80 years in the delivery of social assistance. Despite problems with service delivery, there was the necessary capacity to drive the adoption and implementation at national and provincial government levels. Finally, there was a window of opportunity in the transition period immediately after the ruling party, the African National Congress, came to power. In addition, this political and administrative space allowed for an environment in which innovation and new ideas could flourish in a public sector that was reinventing itself. The Child Support Grant was adopted and implemented in a short space of time in a contracting fiscal milieu amid skepticism from civil society. Looking back, the Child Support Grant demonstrates what can be done when knowledge is combined with imagination, commitment to equity, and a belief that effective governments can be made to serve the common good.

In conclusion, ongoing governmental, political and electoral support for a national social protection floor or a minimum standard below which no one should fall is one of South Africa's success stories. It has been made possible by consistent investments in administrative capability, infrastructure, generous fiscal allocations and growing although sometimes ambivalent public support for cash transfers. The building of human capabilities, employment creation (especially for youth), and the search to find ways to include working-age adults who fall outside the social protection net remain key challenges.

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