

# Child Poverty and the Child Support Grant

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# Children at the centre of poverty alleviation

- Children (defined as < 18) represent nearly 40% of the population in SA.
- Children are disproportionately poor, mainly because of their physical location in large households and poor areas.
- Children have instrumental value as future leaders / workers / parents → need to break intergenerational cycles of poverty.
- Children have intrinsic value and childhood is transient → an urgency to address unique vulnerabilities.
- Children have strong (specific) constitutional and international rights.

# The disproportionate poverty of children

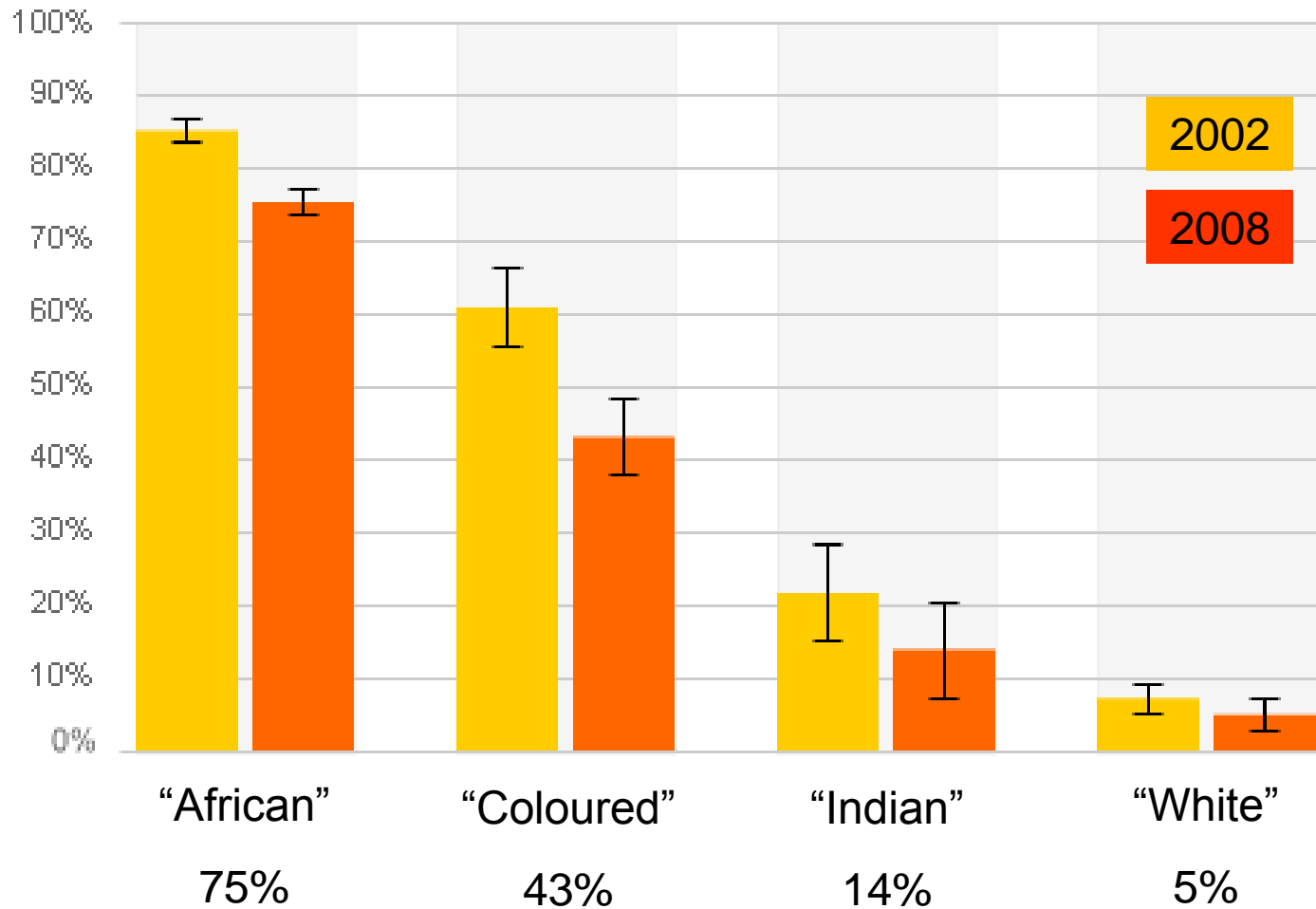
## Access to basic sanitation:

- **Official stats:** 71% of households have basic sanitation (Mid-term review 2007)
- **Child-centred:** 55% of children in HHs with basic sanitation (Children Count – GHS 2007)

## Unemployment:

- **Official stats:** 25% of adults unemployed (Mid-term review - 2007)
- **Child-centred:** 40% of children live in HHs with NO employed adult (Children Count – GHS 2007)

# Racial inequality



*Proportion of children in households with income below the 40<sup>th</sup> percentile*

*(Source: General Household Survey 2008 – Children Count analysis)*

# State Maintenance Grant (prior to 1998)

- Payable to single parents not in receipt of private maintenance.
- Consisted of a parent allowance (equivalent to the old age pension amount) and a child allowance for up to two children.
- In 1994, 1.5% of White children, 4% of Indian children and 4.8% of Coloured children were getting maintenance grants ... but only 0.2% of African children.

# Phasing out of the State Maintenance Grant (SMG)

- Inappropriate notion of household structure – system based on the notion that the nuclear family with a male breadwinner is the norm
- Fiscal risk - various micro-simulation estimates suggested that if all eligible children were to enrol in the programme, spending on the SMG would increase up to 20 fold.
- Lund Committee (1996) tasked with finding a more equitable system within the same budget

# Introduction of the Child Support Grant (CSG) in 1998

- Means tested on the basis of the “personal income” (excluding other state transfers) of the primary caregiver and her/his spouse.
- Income threshold was R800 per month in urban areas and R1100 in rural areas or if household lived in informal settlement.
- SMG phased out over 3 years.
- Initially CSG only covered children aged 0-6 (not 0-17 as for SMG).

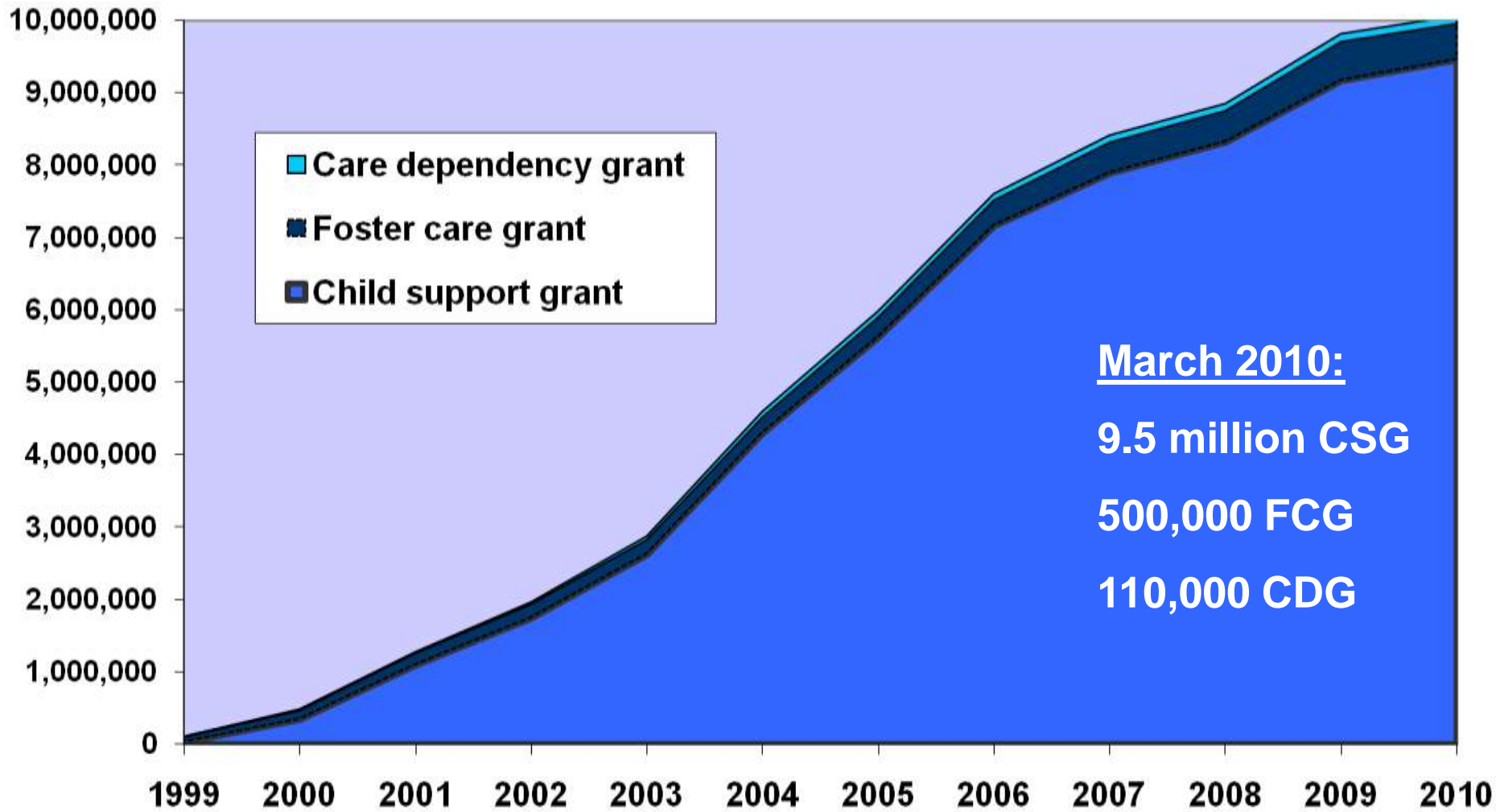
# Introduction of the CSG in 1998

- CSG value is now R250 per month.
- Being phased in up to age 17
- In 2008 means test was changed to 10x value of grant if unmarried and 20x value of grant if married (using joint income)
- Estimates from household survey & census data suggest that about three-quarters of children are eligible.
- Birth must be registered before application, but no further health or education conditions
- Unusual in that *unconditional* cash transfer – unlike the famous Bolsa Escola in Brazil or Oportunidades in Mexico



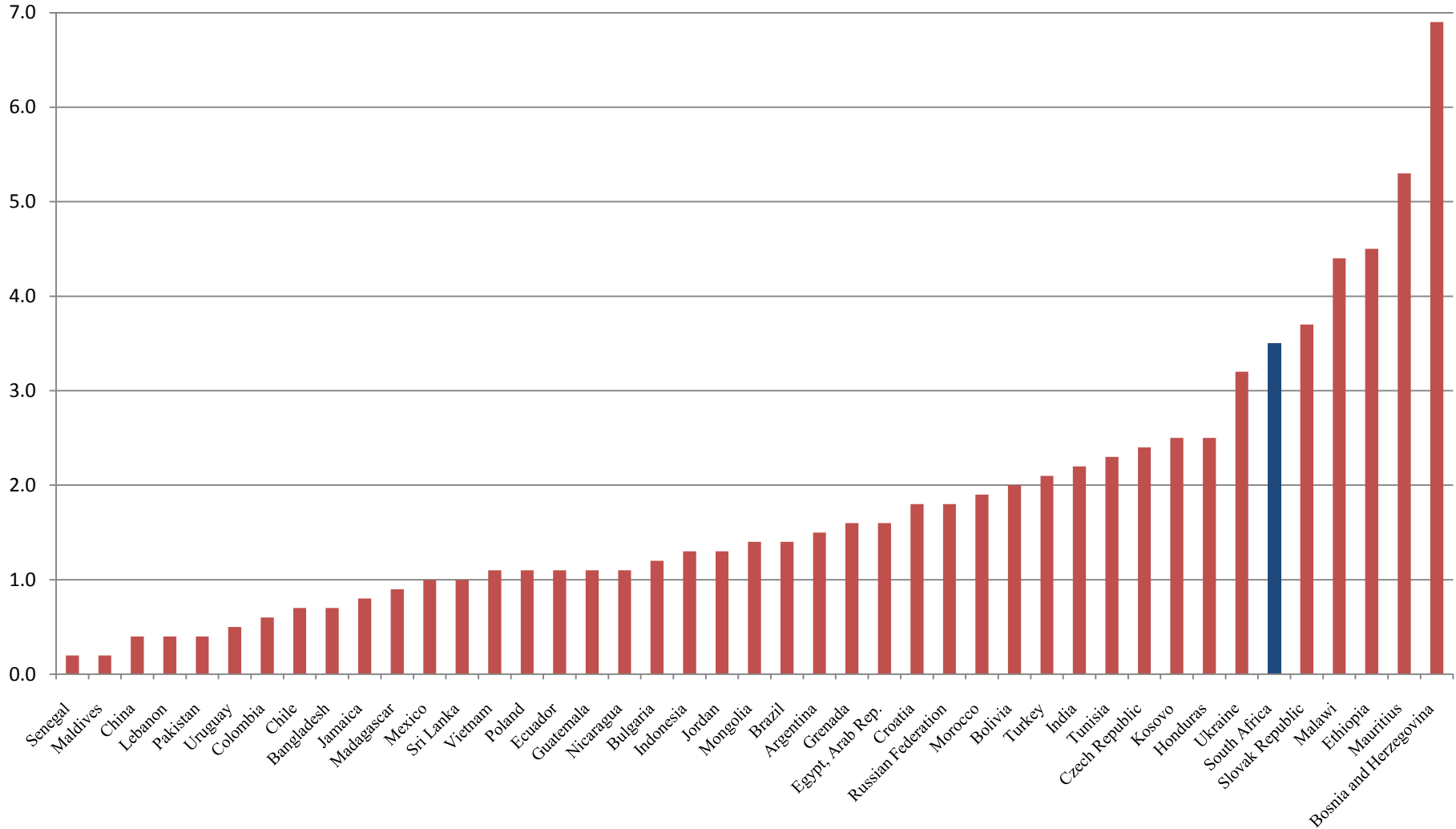
# Cash transfers for children

NUMBER OF CHILD GRANT BENFICIARIES, BY YEAR

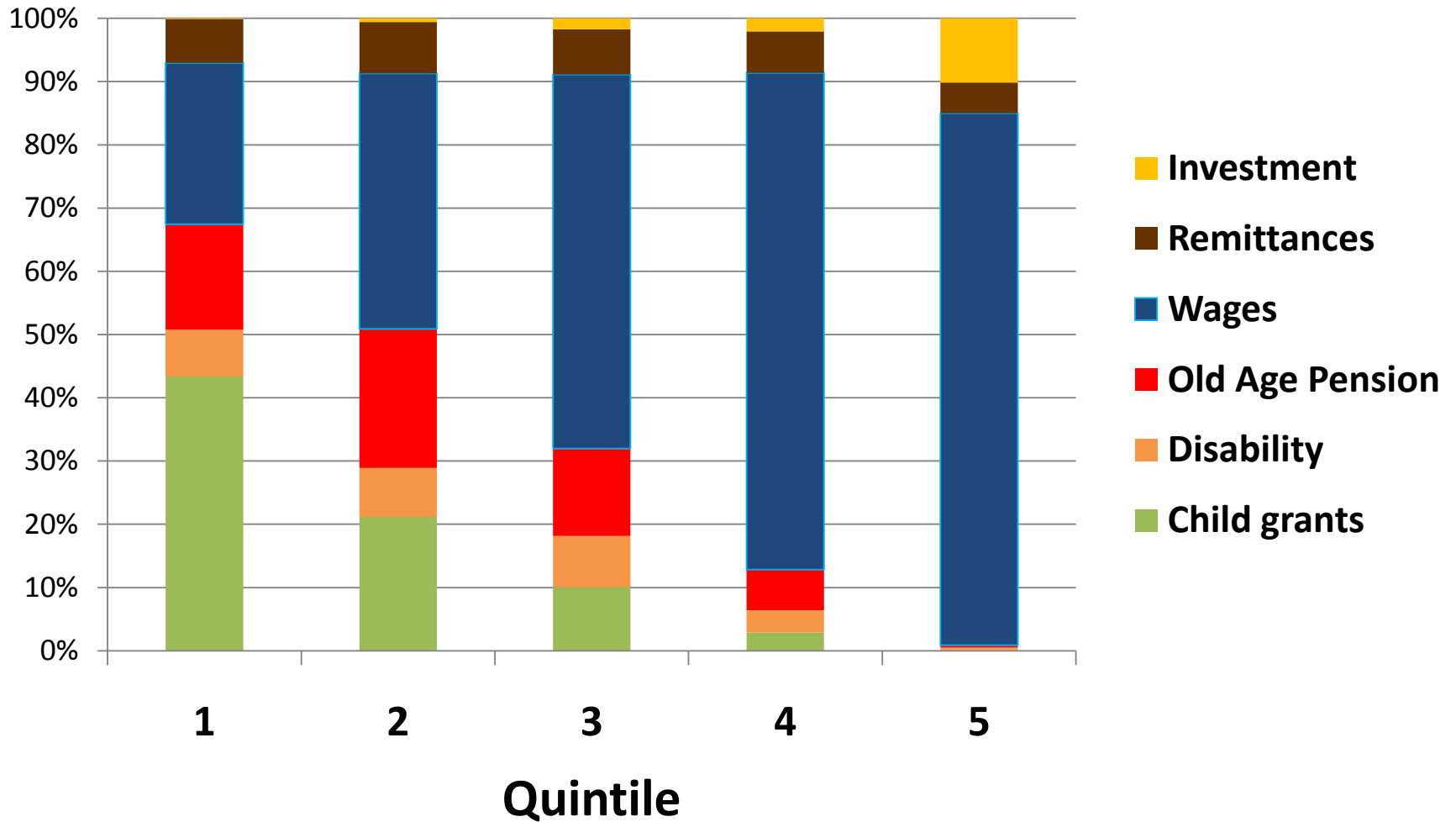


Source: SOCPEN data

# Comparative social assistance spending



# The grants are pro-poor



# Cash transfers improve educational outcomes

- Edmonds (2006) finds that school attendance and completed schooling rise when there is a *male* of pension-age in the household
- Case and Ardington (2006) find that the presence of a female pensioner has a positive effect on enrolment and progression for maternal orphans

# Cash transfers improve child nutrition

- Duflo (2003) (using 1993 data) found that the presence of a **female** pensioner increased the nutritional status of **girls** but not boys.
- Ambler (2010) using 2008 data finds the same result.
- Agüero, Carter & Woolard find a positive effect on height-for-age if the CSG is received in sufficiently high dosage during the “nutritional window” before the child turns three.
- Duflo and Ambler’s results also support the idea that giving the cash to women enhances impact.

# Effect on labour supply – less clear

- Bertrand, Mullainathan, and Miller (2003) – reduction in labour supply
- Posel, Fairburn and Lund (2006) – increase
- Ardington, Case and Hosegood (2008) - increase
- Ranchhod (2010) – reduction
- Williams (2009) [CSG] – increase

# No obvious effect on teen fertility

- 3% of grant recipients are teenagers but 15% of babies are born to teens.
- Teen fertility peaked in 1996 (before the introduction of the CSG) and has declined slightly since then

# The CSG is deliberately targeted at women

- Application procedure is simpler for mothers.
- Admin data from 2004 tells us that 99% of CSG recipients are women; recent household survey data tells a similar story.
- Qualitative work by Hunter & Adato (2007) suggests that there are widespread perceptions that men are not entitled to apply for the CSG or that men find it demeaning to apply.



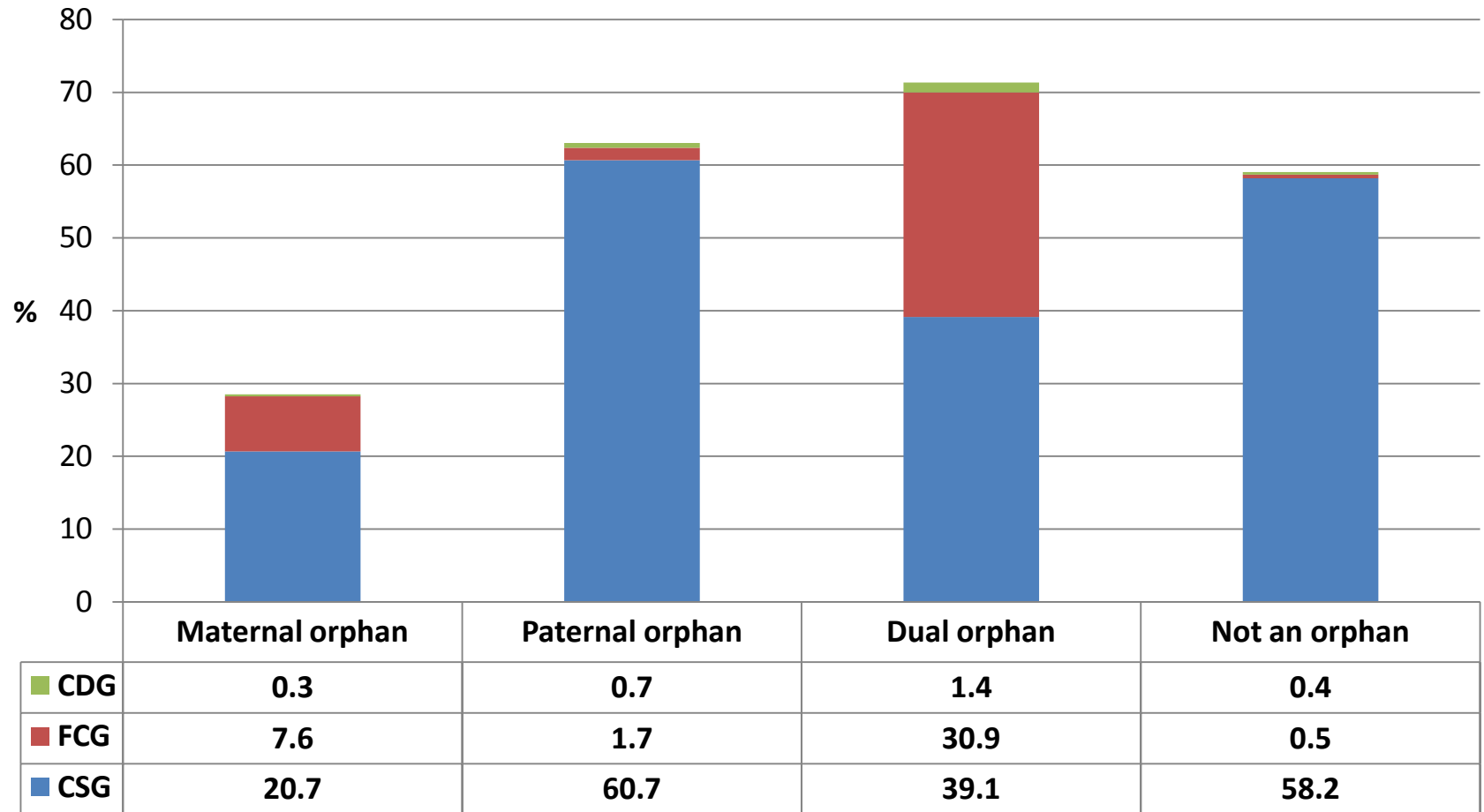
# Men and the Child Support Grant

*As far as she knows they do not give the grant to men at the offices. If a man comes for an application he is told to bring along maybe a granny because he cannot receive the grant on behalf of a child, being a man.*

*There were not many males and those that were there they were not talking. I do not know, maybe they were embarrassed by the fact that there were more females. It means it is the female thing.*

(pay point observations, Adato and Hunter, 2007)

# What happens to maternal orphans?



# To condition or not to condition?

At the inception of the CSG in 1998:

- Several conditionalities, including participation in “development programs” and proof that the child was immunised.
- All conditions were dropped after a year after they were found to be unworkable and a barrier to take-up.

# Another attempt at conditions

2004 – Draft regulations to Social Assistance Act of 2002  
(conditions not included in final wording).

*“A primary caregiver who is in receipt of a CSG must comply with the following criteria...”*

- The child must have accommodation, be fed and clothed*
- The child must receive immunisation and other health services*
- The child, if of school-going age, must attend school regularly*
- The grant must be used for the benefit of the child*

‘Normative injunctions’

- not specified / measurable

Behavioural conditions

# And again in 2009

2009 – conditions in draft regulations

- The issue of conditionality raised again in the context of extension of the age threshold of the CSG from 15 to 17.
- The draft regulations introduced a behavioural condition requiring proof of the child's enrolment and attendance in school every six months.
- If not enrolled in school or attended school irregularly, the CSG would be suspended and the caregiver would need to submit reasons explaining the child's absence from school.
- If accepted as "reasonable", then the CSG would be reinstated, but with no provision for back-pay for the 'lost' months when the CSG was suspended.

# Settling on 'soft' conditions

2010 – final regulations

- Following submissions from researchers and children's rights groups and civil society organisations, the conditions were softened – they remain in the regulations, but no sanctions are specified.

# Conclusion

- We do know quite a lot about cash transfers in SA, but much less than one would hope to know about such a massive system.
- The grants are clearly pro-poor and redistributive.
- Despite the lack of behavioural conditions, the grants have been shown to have an impact on health and education outcomes.
- Thus the ongoing discussions about introducing conditions seem to be motivated by political economy concerns: “the poor must be seen to be doing their part”.
- Cash transfers are not a silver bullet but their impact goes beyond just the cash → next slide

# Articulated programmes: social security as central

