



**A C C E S S**

# Alliance for Children's Entitlement to Social Security

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## Introduction

Nearly 66% (12 million) of children in South Africa live in poverty in households that have a monthly income of R1 200 or less.<sup>1</sup> The government has designed and implemented various programmes to address the needs of poor vulnerable children. These have gone some way towards addressing the needs of these children. This paper argues that they have not, to the detriment of our children and the social and economic well being of our country, gone far enough.

What is urgently needed is a far greater commitment and concomitant investment of our country's resources in an expanded comprehensive social security system that prioritises children.

There are many sound and convincing reasons for this. Not only does the state have a constitutional obligation to provide such a comprehensive social security package, but to do so will significantly improve children's well being. The benefits of increased investment in a comprehensive plan of action are however more far reaching. It will also contribute to the social and economic development of South Africa. In the longer term this means that increased spending now on children's social security will contribute to a lesser need for state sponsored social assistance in the future.

## The Context: Children in Poverty

In order to gain a clear understanding of the extent of child poverty and the ambit and content of the policies and programmes which must be created to meet this problem, it is necessary to review some of the statistics which reflect the dire situation of children in this country.

- As mentioned in the introduction, there are approximately 12 million children living in poverty.<sup>2</sup> This is likely to get worse, not better. Child poverty appears to be increasing. Between 1995 and 1999 the rate of child poverty in South Africa (on a poverty line of R400.00 / month per capita) increased from 64.7% to 75.8%, and the rate of children in *dire* poverty (calculated on a poverty line of R200.00 / month per capita) increased by 19.2%, from 38.9% to 58.1%.<sup>1</sup>
- South Africa's unemployment rate is high. Depending on the definition used, the unemployment rate in South Africa is between 5 million (31%) and 8 million (42%).<sup>1</sup> Recent studies conclude that public works programmes will barely make a dent in the high levels of unemployment and poverty in the country.<sup>1</sup>

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<sup>1</sup> Children's Institute, January 2006 Facts about up-take of the Child Support Grant.

<sup>2</sup> Children's Institute, January 2006 Facts about up-take of the Child Support Grant.

- More than 30% of the country's population experience food insecurity. Not surprising therefore, many children experience starvation and malnutrition. In the words of a boy of 15 who participated in the ACCESS Child Participation Process: "For my side the biggest problem is food. Sometimes we end up not getting any food at home and don't know what to do..."<sup>3</sup> Malnutrition is a primary contributor to morbidity and mortality, although it is not often reported as a cause of death. Low birth weight, which is strongly linked to poverty, is the second leading cause of death in children less than a year.<sup>4</sup> 21.6% of children between 0-9 years suffer from starvation, 10% are underweight and 4% are wasted.<sup>5</sup>
- The infant mortality rate is 45 per 1000 (average for SA)<sup>6</sup>, and the rate for under-5's is 59 per 1000. It is estimated that the under-5 mortality rate will almost double by the year 2010 to 99.5 per 1000 as a result of the HIV/AIDS pandemic, which is also largely to blame for the increase in the infant mortality rate since 1991.<sup>7</sup>
- It is estimated that 1 in every 10 children is infected with a chronic illness<sup>8</sup>. South Africa currently has more people infected with HIV (about 6.5million) than any other African country. Of significance for children is that almost four times more women than men are infected. Over 150 000 children have lost a mother to HIV/AIDS since 2001. Not only are these children left vulnerable upon the death of their caregiver, but often experience extreme hardship and pronounced vulnerability during the period of illness preceding the death. <sup>1</sup> The Human Science's Research Council's 2005 National Household HIV Prevalence and Risk Survey of SA Children found that 6,7 % of children between two and nine, and 4,7 % between 10 and 14 are infected with HIV.
- According to the Education Atlas, approximately 1.2 million children of school-going age are not attending school, and approximately 40 000 children attend on a part-time basis. Irregular attendance at school is by children working on farms, children with work or family circumstances, street children, children with disabilities who cannot access schools that accommodate their needs, children whose parents are ill or HIV-infected. The broad factors negatively affecting attendance are chronic poverty, lack of support from families and inability to access transport to and from school.<sup>9</sup>

### **Constitutional Obligation**

The South African Constitution provides that if a child's parents or caregivers are unable to provide their basic socio-economic rights or needs, then the State is obliged to do so. This translates into a guarantee of the provision of health care, food and water, social assistance (cash grants), basic education, shelter, protection from abuse and neglect, and protection from exploitative labour practices for all children whose parents or caregivers are unable to provide these essentials because they are too poor, too ill, dead, or absent.

### **What has government done to meet its constitutional obligation?**

- The government's solution to date has largely focused on the provision of the Child Support Grant to a limited category of poor children's caregivers. There are two additional grants available for a limited number of children with special needs. They are the Care Dependency Grant (CDG) and the Foster Care Grant (FCG).

<sup>3</sup> ACCESS. 2002. Children Speak out on Poverty: Report on the ACCESS Child Participation Process

<sup>4</sup> Child Health Policy Institute. 1999. Children in South Africa. Their right to health. Child Health Unit, UCT

<sup>5</sup> *National Food Consumption Survey*, 1999.

<sup>6</sup> Shung King M et al. 2002. *Child Health in the South African Health Review 2002*.

<sup>7</sup> *The situation of children in South Africa*. Children's Institute, 2003, page 20

<sup>8</sup> Shung King, M, Giese S, Hendricks, M Irlam, J, Abrahams, E, Guthrie T, Hussey, G, Jacobs M, and Proudlock P. 2000; Child Health Policy Institute, 1999 in Berry a Guthrie, 2003, page 21

<sup>9</sup> In Berry, L and Guthrie, T, 2003 *The situation of children in South Africa*, Children's Institute, page 25

- In addition to these grants, Government has sought to provide housing, water, sanitation, electricity, and subsidised education to previously disadvantaged communities.
- More recently we have seen a number of policy initiatives aimed specifically at providing for people (including, but not necessarily specific to children) infected and affected by HIV/AIDS, such as the Department of Health's "Comprehensive Care and Treatment for HIV and AIDS" plan.

### **Is this enough to meet the needs and socio-economic rights of all South Africa's vulnerable children?**

We will show through the following impact review that these programmes are insufficient to meet the Constitutional imperative as they are limited in their reach, they remain characterised by huge shortfalls, they remain inaccessible to many poor children and their families, and ultimately do not work together in an integrated way to comprehensively address the needs of vulnerable children.

### **Child poverty and the right to social assistance (cash grants)**

The Government's primary support for poor children is the Child Support Grant (CSG - at present R 190 per month). Originally it was only available to children up to the age of 7, but has (subsequent to concerted advocacy efforts by ACCESS) been extended to the age of 14.

At the end of September 2006 the CSG reached just over 7.9 million children.<sup>10</sup> This still leaves more than 6,1 million poor children outside of the reach of the CSG. They are excluded because they are older than 14; or they are younger than 14 but their parents earn more than the means test income threshold; or they qualify on all counts but cannot access the grant because of barriers such as poor service delivery and the death or absence of their biological mothers<sup>11</sup>.

Clearly the current CSG programme is not sufficient to meet the current levels of child poverty which are only likely to get worse, given the upward trend in child poverty rates<sup>12</sup>, growing unemployment<sup>13</sup> and HIV infection rates<sup>14</sup>.

### **Hunger and the right to adequate nutrition**

Given that malnutrition remains a primary contributor to morbidity and mortality we cannot but conclude that children's right to adequate nutrition is not being met. Where programmes are available, they are poorly managed. For example, as recently as September 2005 it was reported in the Attorney General's audit report for the Limpopo province that spoiled food which was not suitable for human consumption was being delivered to schools as part of the current primary school feeding scheme.

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<sup>10</sup> Department of Social development, Socpen data

<sup>11</sup> A recent study into the reach of the CSG in the Hlabisa district in KZN found that children whose mothers are dead or not living in the same home as the child in question are significantly less likely to receive the CSG, Case, A, Hosegood, V and Lund, F (2003). *The reach of the South African Child Support Grant: Evidence from KwaZulu Natal*. CSDS Working paper No.38, page 15

<sup>12</sup> Between 1995 and 1999 the rate of child poverty in South Africa increased from 64.7% to 75.8%, and the rate of children in *dire* poverty increased by 19.2%, from 38.9% to 58.1%<sup>12</sup>.

<sup>13</sup> The unemployment rate in South Africa is between 5 million (31%) and 8 million (42%). The latest Labour Force Survey from Statistics South Africa (March 2003) reveals the extent of the problem of unemployment. Using the unofficial definition of unemployment, 31% (or about 5 million people) are unemployed – quoted in IDASA 2004 Immediate response to the 2004 National Budget

<sup>14</sup> See the discussion below on HIV infection and other rates

### **Care for children infected with chronic illnesses including HIV**

It is estimated that 1 in every 10 children is infected with a chronic illness<sup>15</sup>. As the use of ART has turned HIV from an inevitable terminal disease to a long-term chronic disease, children infected with HIV must receive the same grants, services and benefits necessary to meet the needs of all children with chronic illnesses. However, HIV is not recognised as a chronic illness and therefore children who are HIV positive do not even qualify for the already inadequate programmes available for children with recognised chronic illnesses.

As at the end of March 2005, fewer than 4000 children were on ARV treatment in the public sector, while at least 50 000 children are in need of treatment.<sup>16</sup>

Most South African children with HIV-infection currently die before reaching their second birthday. However, ARV therapy for most would mean survival into their teens and adulthood.<sup>17</sup>

The major source of HIV-infections in young children is through vertical transmission during pregnancy, delivery and breastfeeding. It is estimated that the absence of a well functioning mother-to-child transmission programme results in 96 000 new infections each year.

Nutrition is an essential component of any comprehensive health care programme for chronically ill children (including HIV). The right to nutrition is part of the right to access to health care.<sup>18</sup> This important aspect of the right to health is not being provided in treatment plans for children infected by HIV.<sup>19</sup>

### **Children with disabilities**

It is estimated that there are 190 775 children with disabilities in South Africa.<sup>20</sup> As at August 2005 less than half (86 800) of these children receive the CDG. For many of them school attendance is made impossible by transport difficulties and costs and the absence of schools which provide for their special needs and discrimination<sup>21</sup>. In addition, thousands of children with disabilities are in need of assistive devices which are not available to them.

### **Access to education**

In terms of current education policy, children of poor parents qualify for either a partial or full exemption from paying fees. This exemption does not guarantee poor children access to education as it is not backed up by an adequate funding policy. A recent amendment to the school fees policy which aims to make at least 20% of the poorest schools fee free, and which brings about a change to the current school fee exemption policy was enacted into law at the end of 2005, but will only come into effect at the beginning of 2007.

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<sup>15</sup> Shung King, M, Giese S, Hendricks, M Irlam, J, Abrahams, E, Guthrie T, Hussey, G, Jacobs M, and Proudlock P. 2000; Child Health Policy Institute, 1999 in Berry and Guthrie, 2003, page 21

<sup>16</sup> Aids Law Project and TAC, "Let them eat cake" – A short assessment of provision of treatment and care 18 months after the adoption of the operational plan, June 2005, page 11.

<sup>17</sup> Shung-King et al, page 12

<sup>18</sup> Page 16

<sup>19</sup> Shung King M et al, 2004, page 12 and Aids Law Project and TAC, "Let them eat cake" – A short assessment of provision of treatment and care 18 months after the adoption of the operational plan, June 2005, page 11.

<sup>20</sup> Health and social welfare services for children under 8 years old in South Africa: Access, barriers and benefits, CASE, September 2005, unpublished

<sup>21</sup> Philpott, S, *Budgeting for children with disabilities*, IDASA 2004

Despite the exemption policy and the recent legal changes, as at 2006 we still have 1.2 million children of school-going age not attending school, approximately 40 000 children attending on a part-time basis,<sup>22</sup> and a drop out rate of almost 50%. It remains to be seen whether the new policies will have a positive impact on these statistics.

### **Caring for children affected by HIV/AIDS**

The current system is failing thousands of children affected by HIV/AIDS through the death or illness of their caregivers and other family members. The illness or death of a caregiver and/or breadwinner often occurs where the family in question is already living in poverty. The evidence shows that the current system does not accommodate the additional needs and vulnerabilities of this group as: For example, they are less likely to get access to the CSG and hence less likely to access some of the essentials which the CSG can buy, such as food and shelter; are less likely to go to school; for those left without an adult caregiver, there is no procedure which allows child-headed households to access the cash grants that are available; if these children are older than 14, the child support grant is not available to them at all.

### **The current system is failing millions of vulnerable children**

The brief review above clearly indicates that the current programmes fail to meet the constitutional obligation to provide vulnerable children's socio-economic rights and basic needs. In many instances that failure is failing them not only in the short term, but also the longer term, as it results in their being locked into a vicious cycle of poverty.

### **What must be done to address the situation?**

Government must commit to a broader more comprehensive social security system for South Africa which prioritises children and must invest more money in the realisation of that commitment. Specifically it must implement the following specific recommendations so as to give effect to an integrated comprehensive social security system proposed by the 2001 Taylor of Committee of Inquiry. Such a package should ensure that the needs of all poor children are met in accordance with their specific needs / vulnerabilities – including the need for financial support in the way of cash grants, access to affordable, quality primary and secondary education, adequate nutrition, health care, water and sanitation and social welfare services. To date there remains a continued lack of a coordinated comprehensive social security package to address the specific needs of children.

#### Specific recommendations:

- Extend the CSG to 18 as a first phase of a broader poverty linked form of social assistance for all in need.
- Review the means test which currently excludes many people living in poverty from the ambit of support.
- Extend the CDG to children with moderate disabilities and children with chronic illnesses, including HIV + children.
- Progressively implement the right to social assistance to all who need it.
- Provide a means tested social relief of distress / destitution grant for families living on less than a certain amount in absolute poverty.
- Provide all vulnerable children with access to adequate food and nutrition.
- Free quality education for all children.
- Comprehensive health care for all children.

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<sup>22</sup> In Berry, L and Guthrie, T, 2003 at page 25

### **Why should this be done?**

1. Because there is a constitutional obligation to do so and it will in the short-to-medium term have a direct positive impact on the well being of poor children.
2. Because it will, in the longer term, have a direct positive impact on the social and economic development of South Africa, and in turn will improve poverty levels in South Africa.

### **Proven benefits of increased investment in an expanded social security system – an illustration of these benefits through a review of the benefits of extending the CSG to 18**

- 1. Extending the CSG to 18 will significantly improve the well being of vulnerable children by making access to their other socio-economic rights more realisable (and in so doing facilitates the realisation of government’s broader constitutional obligation vis-à-vis these rights)**

#### Children who are HIV positive

Children who are HIV + have additional needs which come at a cost. These include health care, transport to access medical treatment, additional nutritional needs, access to treatment and hospitalisation when necessary, access to social services such as counselling, and funeral costs. The CSG is an important means to access these essential life saving services and benefits which are denied to children between 14 and 18.

#### Children affected/made vulnerable by HIV/AIDS

Children made vulnerable through the death or illness of their parents / caregivers need financial assistance. Those younger than 14 (and in the care of an adult caregiver) can access the CSG, but those older than 14 cannot. The only alternative for them is the Foster Care Grant (FCG). This option is administratively and burdensome. It involves an application to a family court and the input of a social worker. The CSG can provide essential financial support to children older than 14 orphaned by the pandemic.

#### Children needing health care

Free health care at hospital level does not extend to children beyond the age of 6. They must pay for medical treatment at this level. Once again children younger than 14 can use the CSG to meet these costs, but children older than 14 do not enjoy this benefit. The major health conditions that affect children in this age (14-18) are trauma (for which you mostly need hospital care), HIV (for which you will need hospital care at one point or another) and issues relating to sexual health. The positive impact of social grants on children’s health is not limited to their being able to afford to pay for some medical care. A recent study by the Economic Policy Research Institute (EPRI) on “The Social and Economic Impact of South Africa’s Social Security System” found a direct link between improved health and grant income. Extending the CSG to 18 would see an extension of this benefit of improved health and therefore less need for (costly) medical care (and a lesser strain on our medical services) in children between the ages of 14 and 18.<sup>23</sup>

#### Hungry children and children with additional nutritional needs

All children need sufficient food to grow and develop and help fight diseases. Many children experience starvation and malnutrition. The EPRI report found that there was less hunger, and more basic needs being met in households receiving grants and that in these households more is spent on basics like food, fuel, housing and household operations, and less on items like tobacco and debt.<sup>i</sup>

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<sup>23</sup> Economic Policy Research Institute, 2004. “The Social and Economic Impact of South Africa’s Social Security System”,

In consequence, there were better nutritional outcomes. An extended CSG would contribute to better nutritional outcomes for children aged 14 to 18 and other members of their households, which would in turn contribute to the improved health of children in these households.<sup>24</sup>

### Education

Poverty limits opportunities for children and youth to attend school. This creates a vicious cycle of destitution by reducing the household's capacity to break the poverty trap. Many poor children cannot attend school due to the costs associated with education, including the necessity to work to supplement family income. Social security grants make it possible for poor children to attend school and obtain a higher quality education (although social grants are not meant to be put toward the cost of education as a form of cross-departmental subsidisation). In the absence of free schooling social grants do make education more accessible to children. Social grants boost available disposable income which helps to pay the otherwise unaffordable costs of attending school. Second, grant income means that a family might be more able to survive without the child having to work to contribute to the household income. Third, by indirectly increasing the resources available to schools, the quality of education may improve, making education a more attractive option to households. ACESS is calling for reform of the current education system so as to provide for free schooling (no school fees), subsidised transport; affordable and subsidised uniforms; schooling for disabled children; an effective feeding scheme at all schools and during school holidays; a school environment conducive to learning, including classrooms for all, flushing toilets and safe drinking water. Until such time as this becomes available an extended CSG allows many poor children to attend school. This significant CSG related benefit is denied to children between the ages of 14 and 18 as they do not qualify for the CSG.

### Children with disabilities and chronically ill children

Children with disabilities and chronically ill children have additional costly needs. For example, special transport for a child in a wheelchair, hospital visits for rehabilitation, medication, assistive devices, and additional nutritional needs. Children with severe disabilities qualify for the Care Dependency Grant (CDG) and children with some forms of very severe disabilities may qualify for free medical treatment. However children with mild to moderate disabilities and children with chronic illnesses, although facing similar additional needs and costs do not qualify for the CDG or free medical treatment. And if they are older than 13, they do not even qualify for the CSG which would enable them to pay toward obtaining these services and benefits to which they are legally entitled.

Until such time as the CDG is extended to cover all disabled and chronically ill children as part of a comprehensive package of grants services and benefits for disabled and ill children, an extended CSG will ensure that all disabled or chronically ill children (not just those up to the age of 13) have some financial support which would allow them to meet their needs.

### Children in exploitative labour

Poor children aged 14-18 are especially vulnerable to becoming involved in child labour to secure their basic needs such as food, clothing and education. Extending the Child Support Grant to 18 would provide child labourers with an economic alternative and would free them from exploitative labour situations. Child labour denies children their right to education, it negatively impacts on their growth and development and perpetuates the cycle of poverty. When households become impoverished, older children are often pulled out of school to supplement family income and pay for school fees of younger siblings leading to lower enrolment rates as poverty levels

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<sup>24</sup> Op cit, page 83

increase. This is particularly true for children at secondary school level (in the 14 – 18 age group).<sup>25</sup>

Poor children who remain in school often spend more time contributing to the household income and “As a result they are less likely to spend out-of-school hours on school work, more likely to be absent from school during periods of peak labour demand, and more likely to be tired and ill-prepared for learning when they are in the classroom.”<sup>26</sup>

#### Child-headed households

The HIV/AIDS pandemic has resulted in a growing incidence of child headed households. The children heading these households are often forced into exploitative labour situations to secure their needs and the needs of younger siblings. They do not qualify for the grant if they are over the age of 14, and even then, these households cannot access the grant for eligible children within the household because only an adult caregiver can do so. Extending the grant to 18 and making sure that child headed households can access grants would provide financial support to this very vulnerable group of children.

### **2. In the longer term, extending the CSG to 18 will have a direct positive impact on the social and economic development of South Africa, and in turn will significantly improve poverty levels in South Africa .**

The recent EPRI report on the social and economic impact of social security found that increasing grants, especially the CSG to 18, will have a significant positive impact on the economic and social well being of South Africa. <sup>27</sup> These findings bear witness to the fact that South Africa’s social security system is of great developmental value – it actively benefits the economic and social sectors of our society in a way that job creation and/or public works programmes are unable to do on their own because of their intrinsic limitations. While job creation and other more economically traditional development strategies are critical to addressing poverty in South Africa, they are not enough. An essential and complimentary strategy which must be embraced in the fight against poverty in South Africa is increased investment in a broader, more far reaching comprehensive social security system.

The EPRI findings included the following:

- The improvement in the well being of children brought about by their access to the CSG has significant social and economic benefits for the country. Investing in extending the CSG is therefore of significant developmental value. For example, in households receiving grants as opposed to those not receiving grants:
  - there is increased school attendance and greater levels of education which is directly linked to economic growth;
  - there is greater access to piped water and the related health benefits that accompany such access;
  - there is less hunger and more basic needs are met. In these households more is spent on basics like food, fuel, housing and household operations, and less on items like tobacco and debt;

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<sup>25</sup> EPRI, “The Impact of Social Security on School Enrolment in South Africa”, 2001, page 5 Economic Policy Research Institute, 2004. “The Social and Economic Impact of South Africa’s Social Security System”,

<sup>26</sup> Op Cit, page 5 Economic Policy Research Institute, 2004. “The Social and Economic Impact of South Africa’s Social Security System”,

<sup>27</sup> EPRI, 2004, PAGE 30

- there are better nutritional outcomes leading in turn to better health and school attendance and performance;
- household members are healthier, require less medical care, putting less pressure on our health care system.
- Grants impact positively on economic growth through improved education. Many studies have shown a concrete link between improved access to education and higher rates of economic growth. Economic growth is strengthened if access is improved at a secondary level<sup>28</sup> – the level at which children in the age group 14 – 18 attend school. Extending the CSG to 18 will improve access to education as argued earlier and will in consequence yield a higher rate of economic growth.
- Extending the CSG will reduce poverty and inequality which retard economic growth. “The progressive extension of the magnitude, scope and reach of social grants holds the potential to dramatically diminish the prevalence of poverty in South Africa”.<sup>29</sup>
- Persistent and extreme inequality is one of the most serious problems facing South Africa. The 1996 World Development Report found that only Brazil had a more unequal society than South Africa. This inequality has substantial macroeconomic consequences. If there were no social grants our record would be far worse and our economic growth would not have been as positive as it has been over the last 2-3 years. If there were no grants, an additional 430 000 households (or 1.66 million individuals) would be in poverty. This means that social grants at present reduce poverty in 8,4 % of households and for 7,2 % of individuals. They reduce the average poverty gap by 22%.<sup>30</sup>
- If the CSG is extended to 18 this will translate into an additional 12 million grants which would free a further 1.4 million individuals from poverty and the poverty headcount would drop by 5,6% and the poverty gap would be reduced by 58,7%.<sup>31</sup>
- At a macro-economic level, grants tend to increase employment alongside promoting a more equal distribution of income, and in so doing contribute to South Africa’s economic growth. Social grants have a significantly positive impact on employment rates. They provide resources to enable active job searching; they are linked to a higher success rate in finding employment; workers in grant receiving households are able to improve their productivity and therefore earn higher wages. Extending the CSG to 18 would substantially expand the extent of this positive impact on employment and in consequence make a real impact on poverty and promote economic growth.<sup>32</sup>

### **Arguments from the uninformed – perverse incentives and other myths**

There is substantial evidence supporting the value and desirability of increased investment in social security spending. On the other hand there is little or no evidence which supports the concerns expressed by some that increased spending on grants will contribute to grants dependency and will create a breeding ground for perverse incentives related to grants such as the incentive for teenage pregnancy. The Department of Social Development recently conducted a quantitative study which failed to provide any causal links between grants and people’s behaviour in response to these.

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<sup>28</sup> EPRI, 2001, page 5

<sup>29</sup> Op cit, page 54

<sup>30</sup> OP cit, page 30

<sup>31</sup> Op cit, page 46

<sup>32</sup> Op cit, page 135

Despite this debunking of “myths” such as the alleged tendency of grants to encourage girls to fall pregnant to enable them to access the grant, and the allegations of abuse of the use of grant money for gambling etc there are still people who hold onto these unfounded perceptions and misconceptions. Where such misconceptions exist, Government must not permit these to be used to support arguments to cut back on benefits, but should provide education and information to the public to correct these views.

A recent ACCESS submission documented the recent research which has debunked the following myths: <sup>33</sup>:

- There is no increase in teenage pregnancy that corresponds with the introduction of the child support grant. Given the huge discrepancy between the cost of raising a child and the small monthly sum of the CSG, if it were to be found that a small number of girls are falling pregnant to access the grant, this must be seen as either irrational and/or poverty driven desperate behaviour.
- The CSG is spent almost entirely on food and has a direct impact on the nutritional status of children.
- Teenage mothers do not simply hand over their children to grandmothers to raise and pocket the cash grants for themselves, instead at least 82% of children receiving the grant live with their mothers.
- The recent increase in the take-up of the FCG has nothing to do with misuse of the system, but the dire need created for financial support of children left orphaned or without support by parents who are too ill to work or care for them, largely due to the HIV pandemic.

In addition, the ACCESS submission in question highlights a number of coherent and rational responses to the irrational concern that grants create dependency, these are as follows<sup>34</sup>:

- In the case of the CSG, R190 is not sufficient to prevent a person from wishing to earn other income. It is barely enough to feed a single child, let alone the other hungry people in the household.
- As the EPRI study shows, grants have a developmental effect in that they provide the resources for people living in households with grants to engage in job seeking activity. Conversely, people in poor households without a grant have less opportunity to job seek.
- Social assistance, because it increases access to education is also developmental, since a greater number of educated people is a key indicator of development in any country.
- Grants do not stop people from working – the lack of viable employment options do. The poor do not have the freedom to choose between social security and employment.
- Those who receive grants are already seen by the state as dependent i.e.: old people, the people with disabilities and children. It is their circumstances rather than the grants that has made them dependent.
- Grants and pay points create economic opportunities.

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<sup>33</sup> ACCESS submission, Beth Goldblatt, “Submission by the Alliance for Children’s Entitlement to Social Security (ACCESS) regarding the Department of Social Development’s Study on the Possible Existence of Perverse Incentives in the Social Grant System”, July 2006

<sup>34</sup> Op cit, page 4

“The social assistance system is a lifeline to many starving people who would, in all likelihood rather be holding down regular jobs than sitting at home relying on meagre handouts. The dependency discourse undermines the dignity of those who are poor and requiring of state assistance. Research conducted by Lund and others on the impact of the Social Assistance programme points to the fact that our Social Assistance system is well targeted in that it reaches poor, rural, barely literate or undereducated women. It is these very people who will not find it easy to access the labour market.”

### **Conclusion**

There is no denying the significant value of investing more money and energy into a more comprehensive and effective social security system which prioritises children. ACCESS is concerned that policy debates and discussions by the department of Finance have failed to grasp and give effect to this elementary, but essential tenet of a healthy social and economic future for South Africa.

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