INTRODUCTION

Two studies commissioned by UNICEF, the Financial and Fiscal Commission of South Africa and the Department of Social Development are the first to look at the impact of the 2008-2009 economic recession on children in South Africa. The studies used quantitative and qualitative methods to determine the depth and breadth of the impact. Overall, the studies show that Government initiated policies and programmes prior to the crisis reduced the negative effects of the crisis on child poverty. The studies make relevant recommendations on how government policies and programmes can be strengthened to further protect poor and vulnerable children and their families.

BACKGROUND

Using per capita income at 40th percentile as poverty line shows that 65% of children live in poverty (about 12 million children); this compares with 45% of adults living in poverty. Thus children are far more affected by poverty than adults. Child poverty is highest among Black African children (71% of African children live in poverty).

The recent global economic crisis was very severe, the most severe since the Great Depression in the 1930s. Changes in the South African economy saw a significant decline in the country’s gross domestic product (GDP) in 2008-2009. According to government estimates, close to 900,000 jobs were lost in 2009, affecting approximately 4.8 million people.

The two studies sought to examine the effects of the recession on child well-being in South Africa.

RESEARCH FINDINGS

The studies confirmed that the economic recession disrupted the decline in child poverty in South Africa in past decade. However, this disruption (of child poverty reduction) was only partial due to the positive effects of the Child Support Grant (CSG). The CSG was found to have reduced both the depth and severity of poverty before crisis. Furthermore, it served as a form of diversified income, thus making poor households less susceptible to the effects of the shock.

As occurred globally, there was little time for an anti-poverty policy response when the economic recession struck South Africa. The existence of a well-functioning social protection system before the crisis was therefore very important for protecting the poor. The studies found the CSG to be one such viable pre-crisis social protection instruments.

In particular, the qualitative study examined the coping strategies utilized by affected households as well as the adequacy of existing social protection programmes in dealing with the effects of the shock.

Overall, the following findings were observed:

- The recession had significant negative impacts among the poorest, especially those who were not receiving state transfers. However, while the quantitative study found the Child Support Grant to have a significant ameliorating effect during a recession, the qualitative study showed that in addition to social grants, unemployment insurance provided a critical source of income that cushioned many of the affected individuals and their families from the adverse effects of the recession.
- Affected households who were not receiving state support were impacted more negatively by the recession as they were more likely to cut food expenditure, change the type of food eaten in the household and reduce the number of meals eaten per day in the household than those who were receiving state support. Conversely, the results also showed that the majority of affected

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2 Methods were a combination of simulation techniques and a household survey. Details can be found in the two reports.
individuals whose food consumption patterns were not affected were in fact receiving state support. Children’s education was particularly negatively affected in households suffering from job loss due to the recession and not receiving state support. These households were more likely to remove children from school, transfer children to a cheaper school or lack transport money for the children to go to school than similar households receiving state support. It was also found that the school fee exemption policy for children is not being consistently implemented as envisaged by the South African Government in all areas. Thus having an impact on poor children’s access to schools.

- With respect to failure to pay for medical treatment, affected households who were receiving state support were less affected than those not receiving state support.
- Many of the affected households either failed to pay for medical treatment for themselves or for their family members in the private health sector where treatment is viewed as comparatively superior to that provided for free at government clinics and hospitals. Among households who experienced these negative health impacts, the majority were not receiving state support. Individuals and families who usually used private medical facilities started to use government clinics and hospitals, thus increasing the burden on the public sector.
- The research also indicates that the recession contributed to interpersonal relationships problems among household members, particularly between spouses and children as households became financially vulnerable due to loss of income. This was particularly the case among households who were not receiving state support and those who are the poorest.
- The most common coping strategies among affected households who ventured into alternative means of survival were: (i) starting a small business and (ii) own food production. However, the majority of affected households (80 percent) had neither the knowledge/skills nor the capital to venture into such activities, leaving them exposed to the shock and impacts of the recession.

RECOMMENDATIONS

The following recommendations emerge from the studies:

- Public awareness regarding the grants and other services offered by DSD through more outreach programmes so that when a crisis hits an area, people know where to go for assistance and which grants they can apply for. For example, the Social Relief of Distress grant was virtually unknown by most of the households.
- The enforcement of contributions to the unemployment insurance fund (UIF) should be seen as a top priority irrespective of an employee’s contractual status.
- A definite and priority effort needs to be made to accelerate the pace to reach some 2 million eligible children who are not receiving the CSG for mainly administrative reasons. This should include relaxing the means test and/or a move towards faster universalization of the CSG. This will combat persistent child vulnerability.
- The consolidation of various social protection instruments (CSG, UIF, etc.) should be accelerated as the combined effects are significant for child poverty reduction.
- The Government should ensure that the implementation of the school fee exemption policy for poor children is adhered to and operates optimally.
- The optimal provision of free public health care should also be addressed to ensure that all poor people, especially children have access to health care.
- Expanding the quantity and quality of public services, especially in poor areas will cushion the poorest from adverse effects of economic shocks.

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