



Social Development

Budget Brief 2021



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Preface

This budget brief is one of five that explores the extent to which the national budget and social services sector budgets addresses the needs of children under 18 in South Africa. For the 2021 Budget Brief series, three budget briefs are devoted to an analysis of progress in equity over the last decade (national, basic education, and social development), while two briefs are thematic contributions in the areas of prevention and early intervention in social development and child nutrition, as a cross-cutting issue for children.



Key messages and recommendations

During the last decade (2010-2019), national and provincial social development funding was heavily prioritised, and the sector notched up significant policy gains. Joint social development budgets were 34% larger in real terms in FY2019 as opposed to the start of the decade in FY2010. The budgets grew at a real average annual rate of 3.3% over this ten-year period.

Driving this growth was the generous allowance for inflation-pegged social grants, and the Child Support Grant's overall spending level was raised by 47% over the last decade and grew by 4.4% in real terms on average over the same period. Spending on the Care Dependency Grant produced similar results; its level of spending was raised by 43% over the same period and it grew at an annual average rate of 4.0%. Overall, the entire social assistance budget's level was raised by nearly 37% and spending on the programme grew by 3.5% on average during the last decade.

At the provincial level, the last decade also saw the embedding of the requirements of the Children's Act into provincial programming with the establishment of the Children and Families programme. If one removes the effect of the real growth of social grants from the joint social development budgets, provincial budgets still managed to grow at a real average annual rate of 3.6% over a ten-year period.

This level of spending enabled the government to address child hunger, expanded the provision of Early Childhood Development (ECD) for young children, and rapidly expanded the Child Support Grant. External research shows that real gains in child hunger were made between 2002 and 2017; the national rate of participation for ECD for children aged 0-4 doubled from 17% in 2010 to 35% in 2019; and the Child Support Grant now covers more than 60% of eligible children. Households that received at least one Child Support Grant grew from 29% in 2010 to 35% in 2019. Black African children and children from lower-income households have benefited greatly from the expansion of pre-school ECD services.



The COVID-19 health pandemic has created formidable problems for all government service delivery units.

Much-needed resources that would support the continued policy reform agenda had to be redirected to address the pandemic. The net aggregate impact has also meant a smaller economy, and hence a smaller revenue base to finance social development spending. Given the fact that the country's economy was in a rut prior to COVID-19, it was predictable that key social indicators would worsen. The food poverty levels using national survey data in 2019 (estimated at 41% for children) would now be much higher, although the continuation of the Social Relief of Distress Grant may counter some of these effects.

Benefit incidence analyses of the Child Support Grant using survey data confirmed that the grant, despite its broadening appeal and use, is still effectively targeting children from poor and low-income households.

Children in the bottom three quintiles received at least 80% of the total grant resources, while Black African children also received the largest benefits in 2019. Despite the pro-poor orientation of the Child Support Grant, our research shows that children in the richest quintile would have received more than R3 billion of the available R70.6 billion in 2019, thus lending credence to researchers' observations that targeting of the grant has become less stringent over time.

Funding gains made over the last decade are now being reversed with the government's cutting of social expenditures. Joint social development funding is planned to be decreased by 6.0% annually over the next three years. For the first time, social grants are not pegged to the prevailing consumer inflation rate, and all programmes at the provincial level are planned to be reduced over the 2021 Medium Term Expenditure Framework (MTEF).

In view of these challenges, the government is encouraged to:

- I. Develop a fair system of spending trade-offs that will allow the social sectors serving children to maintain momentum on key child-focused programmes.
- II. Invest in a durable consultation and accountability framework that brings together government, civil society, labour, and the private sector to discuss these trade-offs and build consensus on the key areas for sustained funding over the medium-term.
- III. Revisit its decision to decouple the financing of social grants from the prevailing consumer inflation rate to protect the integrity of the grants and preserve the minimal spending power of the social grants.
- IV. Now, more than ever, keep a close handle on the utilisation of the budget to protect programme spending and avoid a situation where programme funding is reduced because of poor management of spending.





Section 1: Introduction

GOVERNANCE AND NATIONAL POLICY

South Africa has nine sub-national (provincial) departments of social development, and a national Department of Social Development that leads policymaking and co-ordination in the sector. The mandate of the social development sector has been established through several laws and policies and these include:

- The Social Assistance Act (2004), which provides the legislative framework for providing social assistance (the social grants system).
- The 1997 White Paper for Social Welfare, which sets out the broad principles for a developmental social welfare system in South Africa.
- The Children’s Act (2005), which sets out the principles relating to the care and protection of children.
- The Older Persons Act (2006), which provides a framework for empowering and protecting older persons.
- The Non-profit Organisation’s Act (1997), which establishes an administrative and regulatory framework for NPOs.
- The Social Services Professions Act (1978) amended 1995, 1996 and 1998, which provides for the establishment of a South African Council for Social Service Professions and for establishing control over the various social work professions.
- The Prevention of and Treatment for Substance Abuse (2008) (Act No. 70 of 2008), which provides for a comprehensive response for the combating of substance abuse and for mechanisms aimed at demand and harm reduction in relation to substance abuse through prevention, early intervention, treatment and re-integration programmes.

The South African government’s 2019–2024 Medium Term Strategic Framework (MTSF)ⁱ places the primary responsibility for “Priority 4 – Consolidating the social wage through reliable and quality services”, with the departments of social

development (DSD). Within this priority, the MTSF notes the need to prioritise social protection for children. It states that *“breaking historical patterns of poverty and inequality requires the provision of services that interrupt the intergenerational transmission of risks, which keeps historically marginalised children trapped in a cycle of poor development.”* It also notes the need for the “adoption of a rights-based developmental childcare and protection policy that provides a nationwide vision for driving investment in programmes that guarantee the universal rights of all children to survival, protection, development and participation.”

The Children’s Act of 2005, as amended, gives legal force to such a policy. South Africa’s challenge is therefore not to adopt the policy, but instead to implement it. And it needs to allocate adequate resources to do so.

The high-level targets for social development (and their corresponding share of the social protection commitments) are articulated in the country’s National Development Plan 2030ⁱⁱ and confirmed in the sector’s Medium-Term Strategic Framework (MTSF). These include:

- By 2030, South Africa should have a comprehensive system of social protection that includes social security grants, mandatory retirement savings, risk benefits (such as unemployment, death and disability benefits) and voluntary retirement savings.
- Social welfare services should be expanded, with more education and training for social work practitioners (social workers, auxiliary social workers, child and youth care workers, and community development practitioners) and a review of funding for non-profit organisations.
- The government ensures that individuals and households that are eligible to receive social grants receive the support they need to access much-needed grants.

The 2016 Review of the Welfare White Paper of 1997 MTEF observed that while DSD continues to provide or fund the mainly institutional services of the apartheid era, it has introduced a range of new services, including many that are community-based. The latter include drop-in centres, home- and community-based care services, and “prevention and early intervention programmes such as Isibindi” (Ministerial Committee on the Review of the Welfare White Paper, 2016:77). These shifts reflect the introduction of the developmental social welfare approach, which is seen as the key underlying thrust of the Welfare White Paper of 1997.

i. Department of Planning, Monitoring and Evaluation (2020). Medium-Term Strategic Framework 2019-2024. Pretoria: Government Printers

ii The Presidency (2011). The National Development Plan 2030: Our future – make it work. Pretoria, Government Printers

SOCIAL DEVELOPMENT INDICATORS, 2019 TO 2023

The Children and Families programme institutionalises the requirements of the Children’s Act and is a key programme for the realisation of children’s rights.

Figure 1 below shows that nationally, in 2019, the country spent R404 on average per child on this programme, whereas if the services were purely targeted to children who are located in income-poor families, then that number would be approaching the R600 mark. The Northern Cape appeared to have spent the most on children generally, and on poor children more specifically, while Gauteng and the Western Cape would have offered its poor children a relatively larger investment.

Nationally, 36% of South Africans were considered food-poor in 2019, while the corresponding tally for children was 41% (see Figure 2 below). KwaZulu-

Natal stands out in that 53% of its children were considered food-poor in 2019, while the North-West had almost half of its child population classified as food-poor. A clutch of provinces, including Free State, Mpumalanga, the Northern and Western Cape had roughly one-third of its children who fell in the food-poor category. Generally, these are concerning numbers and predated the impact of the COVID-19 pandemic.

The country’s development agenda requires a focus on prevention and early intervention as opposed to an approach that merely responds to existing and an unfolding crisis for children. Figure 3 below shows that provincially, the county plans to spend roughly 6% of provincial social development resources on prevention and early intervention. Gauteng, Limpopo, and the Northern Cape plan to spend above the national average, while the Western Cape and KwaZulu-Natal plan to spend far less than the national average (roughly between 2% and 4% respectively).

FIGURE 1: Per capita spending on children and poor children in the Children and Families programme by province in FY2019 (R)

Source: Estimates of Provincial Revenue and Expenditure 2021 and General Household Survey 2019 (Own calculations)

Note: The inflation-adjusted Upper Bound Poverty Line (R1227 per person per month) was used to define poor children.

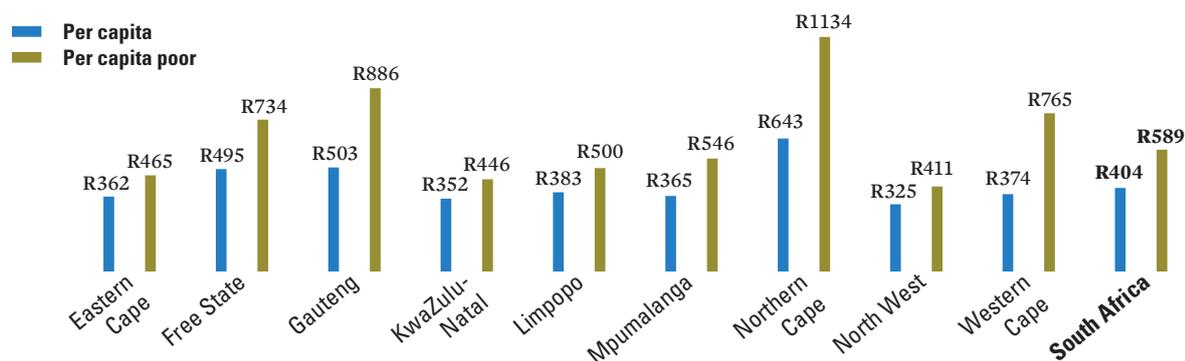


FIGURE 2: Food poverty for the entire population and for children in 2019 (%)

Source: General Household Survey 2019 (Own calculations)

Note: The inflation-adjusted Food Poverty Line (R561 per person per month) was used.

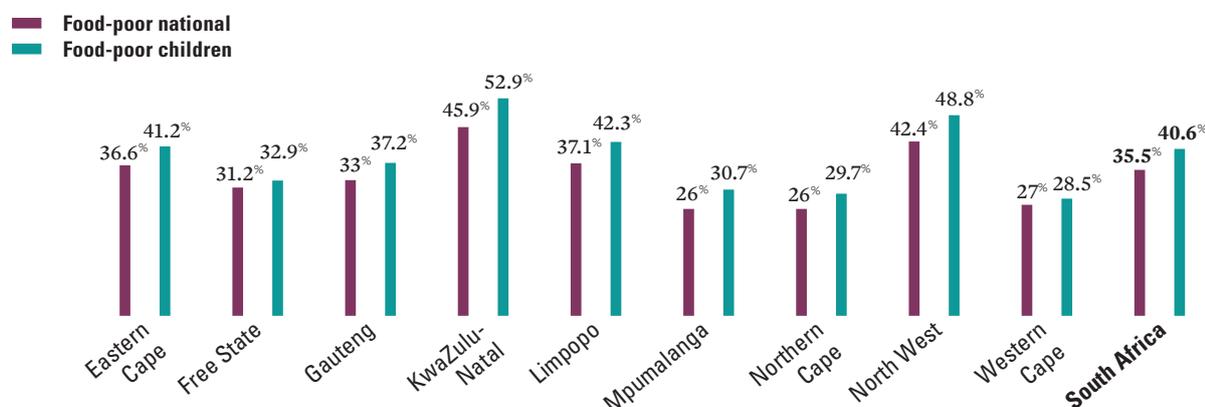
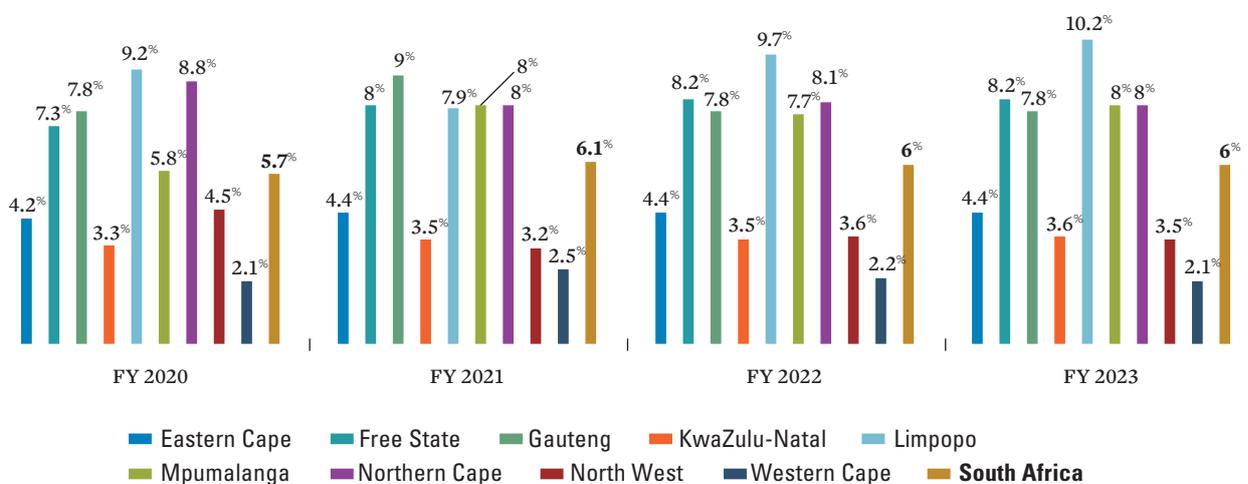




FIGURE 3: Prevention and early interventionⁱⁱⁱ as a % of provincial social development budgets, FY2021 to FY2023

Source: *Estimates of Provincial Revenue and Expenditure 2021 (Own calculations)*



Takeaways

The social development sector’s role in fighting poverty and vulnerability in South Africa is well recognised in the latest MTSF, and external observers will follow developments keenly as to how this department is financially supported to fulfil its mandate over the medium-term.

South Africa has put into place foundational legislation for the development, care, and protection of children but is at the early stages of full implementation of such legislation.

Pertinent in this regard is the adoption of a prevention and early intervention orientation. The data indicate that only 6% of provincial resources are dedicated to this task, and that substantially more is needed to address vulnerability among children.

The country’s general economic malaise means more South Africans are vulnerable to hunger, and in 2019, our estimations suggest that 41% of children nationally were food

deprived. The numbers are worse for children in the Eastern Cape, KwaZulu-Natal, and the North-West.

The aggregate snapshot provides a compelling rationale for the preservation of the country’s social protection programmes, while pointing to the need for economic growth and investments in core social sectors, to change the fortunes of ordinary citizens.

iii. The Budget Brief follows the convention adopted in the 2016 UNICEF Budget Brief, which defines prevention and early intervention programmes as a combination of the two provincial sub-programmes, namely “Care and services to families” and “Community-based care services”. The Western Cape does not have a community-based care services programme



Section 2: Aggregate Spending Trends in the Social Development Sector, FY2010-2019 and FY2021 MTEF

SPENDING ON CHILDREN IN SOCIAL DEVELOPMENT: 2010, 2015, AND 2019

Both the Department of Social Development and the provincial departments of social development experienced a decade of budget growth. In inflation-adjusted terms, the joint social development budget grew from R104 billion in FY2010 to R139 billion in FY2019 at a real average annual rate of 3.3%. If only the level of spending is concerned, then the joint social development budgets were almost 34% higher in FY2019, compared to the corresponding period in FY2010.

The growth of the joint social development budget was driven by the generous increases in the social assistance (or social grants) budget. During the last decade, the social assistance budget grew annually by 3.5% (inflation-adjusted), while between FY2010 and FY2015, the corresponding performance was at a real average rate of more than 5%. During the same overall period, reductions to the allocations for the Social Security Agency meant that rapid efficiency improvements had to be made to deliver social grants to the country's most vulnerable citizens.

The provincial social development budget is comparatively much smaller than the budget of the national Department of Social Development due to the large role and weight of social grants in the national budget. In terms of the level of spending provincially, in FY2019, that level was 38% higher than the comparable level in FY2010, and the joint provincial social development budgets grew on average by 3.6% over the last

decade. Two programmes, namely Children and Families, and Restorative Services were introduced after FY2010, and hence we cannot determine the magnitude of change of these programmes over the decade in question. Nevertheless, between FY2010 and FY2015, all provincial social development programmes achieved positive growth rates, led by the Social Welfare programme (2.4% average growth) and the Restorative Services programme (at 2.9% average growth).

THE SOCIAL DEVELOPMENT BUDGET OVER THE 2021 MTEF

Unlike the story of the last decade, for the next three years, the social development sector is projected to shrink at a real average annual rate of nearly 4%. The declines happen across the national and provincial social development departments, appear to be sustained, and in the absence of any uptick in the economy at large, this may become the new spending norm for the immediate future. Planned allocations for the Free State social development department have been reduced by 5.5%, while the Eastern Cape will shed 5.0% on average for the next three years. The national Department of Social Development is projected to shed budgetary resources at the alarming rate of 6% for three years, and social grants have been most affected in this equation.

The Child Support Grant is projected to decline on average by 6.8% in real terms over the new MTEF, while the Child Foster Grant and the Care Dependency Grant are projected to decline on average by 14.4% and 1.3%, respectively.

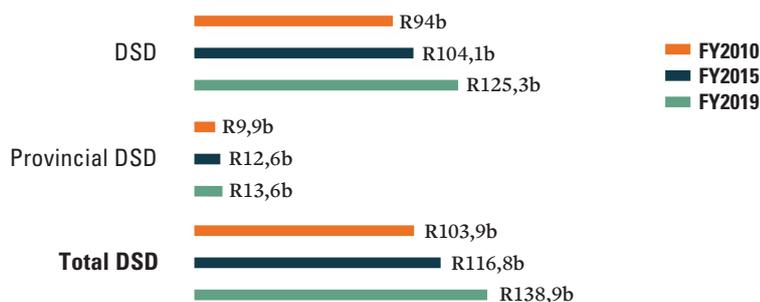


FIGURE 4: Real (inflation-adjusted) level of social development in FY2010, FY2015, and FY2019 in R billion (In FY2010 constant Rands)

Source: Estimates of National Expenditure 2012, 2017, and 2021 and Estimates of Provincial Revenue and Expenditure 2012, 2017, and 2021 (Own calculations)

Note: Provincial transfers have been removed from the budget of the Department of Social Development

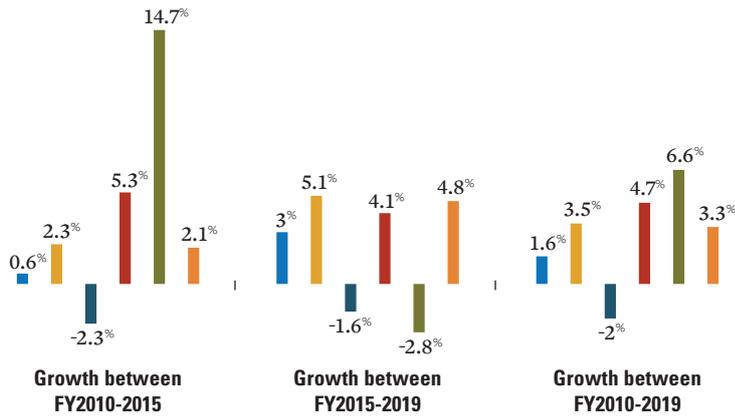


FIGURE 5: Growth in expenditures at the national social development level: FY2010, FY2015, and FY2019 in R billion (% and in constant FY2010 Rands as base)

Source: Estimates of National Expenditure 2012, 2017, and 2021 (Own calculations)

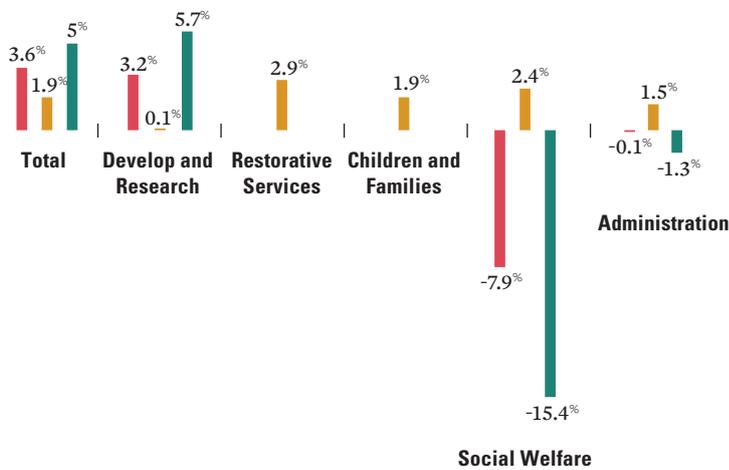


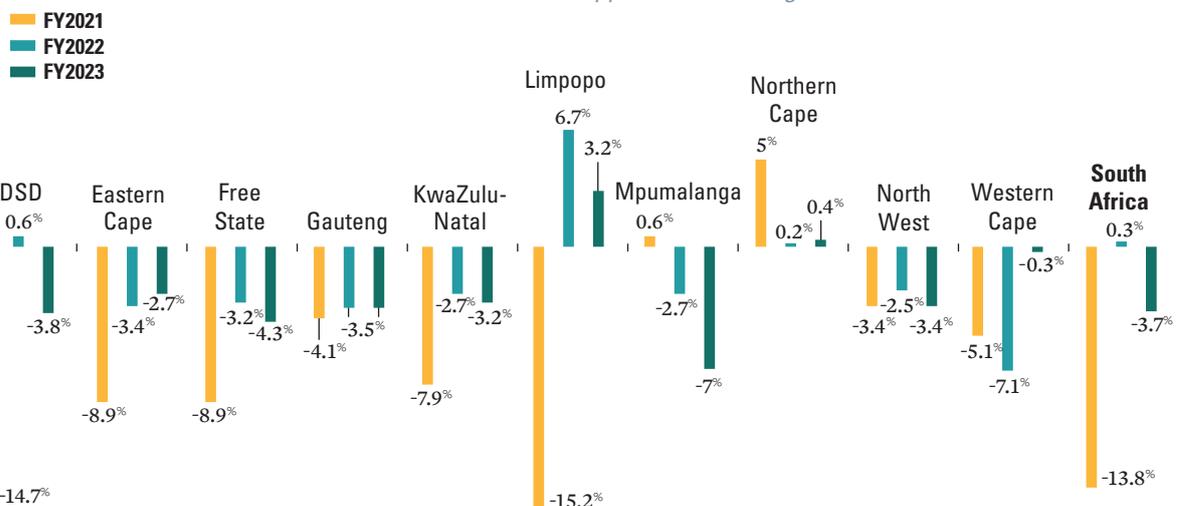
FIGURE 6: Growth in expenditures at the provincial social development level: FY2010, FY2015, and FY2019 in R billion (% and in constant FY2010 Rands as base)

Source: Estimates of Provincial Revenue and Expenditure 2012, 2017, and 2021 (Own calculations)

FIGURE 7: The social development budget framework over the 2021 MTEF (% and in constant FY2020 Rands as a base)

Source: Estimates of National Expenditure 2012, 2017, and 2021 and Estimates of Provincial Revenue and Expenditure 2012, 2017, and 2021

Note: Provincial transfers are stripped from the budget of the DSD to avoid double-counting



Takeaways

The social development sector, like other social sectors, profited from generous budgetary investments during the last decade.

Joint national and provincial social development budgets grew at a real average annual rate of 3.3% for ten years, and the overall level of spending was elevated by 34% over the corresponding period.

The performance of the sector was driven by above-inflationary

increases allocated to social grants. The social assistance budget's level was raised by nearly 37% over the ten-year period and grew at a real average annual rate of 3.5%.

Although the absolute size of provincial social development budgets is much smaller than their national counterpart, they too enjoyed robust growth of 3.6% on average during the last decade. They also had the benefit of the addition of two

new programmes, namely Children and Families and the Restorative Services programme.

These impressive gains are being rolled back. Over the next three years, joint social development budgets are planned to be reduced by nearly 6% annually. Social grants are not linked to the country's inflation rate and appear to bear the burden for the large reductions in social development allocations over the medium-term.



Section 3: Progress in Equity in the Social Development Sector, 2010, 2015, and 2019

THE GROWING IMPORTANCE OF EARLY CHILDHOOD SERVICES IN SOUTH AFRICA, 2010-2019

Between 2010 and 2019, young children in income-poor families, gradually increased their uptake of ECD services. In addition, young children in Gauteng dominated access to ECD services and more than one-third of ECD users came from that province. As expected, the Eastern Cape, KwaZulu-Natal and the Western Cape have higher than average shares because of the strength of the private ECD sector in the urban areas of these provinces. The aggregate profile of this sector remains the same; however, access to money vastly improves access to private ECD services. However, government was clearly making ground during that period, with better access for public ECD services.

The evidence regarding the increasing access to public and private access to ECD services can be viewed in the national rate of participation for the three timepoints represented below. Between 2010 and 2019, the rate of participation for this service increased from 18% in 2010 to 35% in 2019.

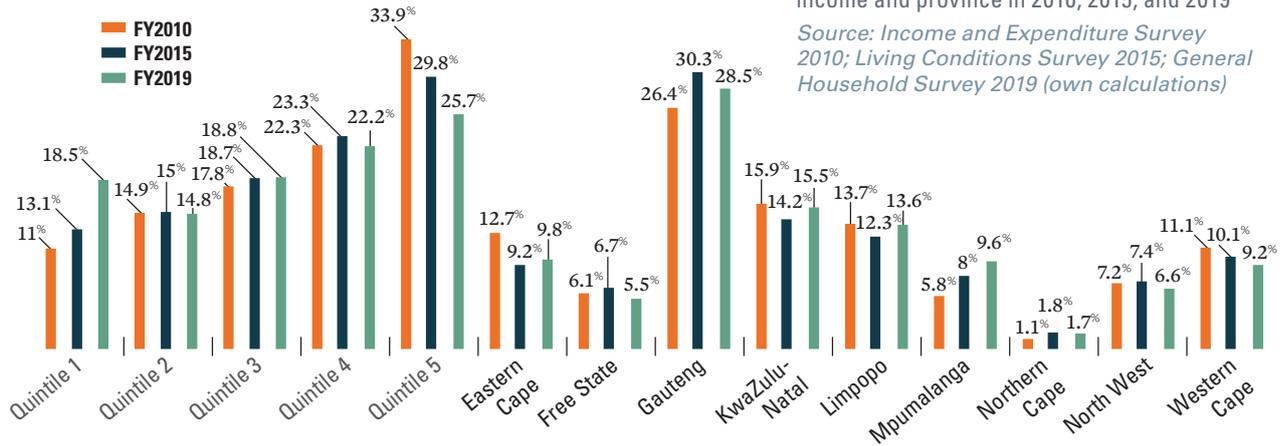
Black African children doubled their participation rates from 17% in 2010 to 35% in 2019, while 58% of young White children accessed some form of ECD services in 2019. The same pattern can be observed across income groups; all groups improved their access over this period, which bodes well for the future of pre-school ECD provisioning.

THE GROWING IMPORTANCE OF THE CHILD SUPPORT GRANT AND CHILD GRANTS IN SOUTH AFRICA: 2010, 2015, AND 2019

Households that received at least one Child Support Grant grew from 29% in 2010 to 35% in 2019, while the Child Foster Grant dipped from 1.4% in 2010 to 1.0% in 2019. The Care Dependency Grant also experienced a dip from its level of 0.9% in 2010 to 0.6% of households receiving at least one such grant in 2019.

Cumulatively, of all children who received the Child Support Grant in 2019, almost 80% of these children

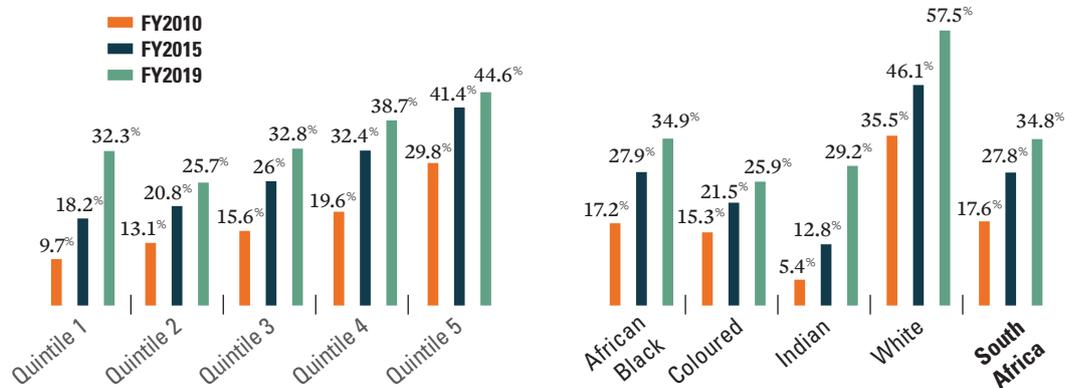
FIGURE 8: Shares of actual access to public and private ECD services^{iv} for children aged 0-4 by income and province in 2010, 2015, and 2019



Source: Income and Expenditure Survey 2010; Living Conditions Survey 2015; General Household Survey 2019 (own calculations)

FIGURE 9: Rates of participation^v in public and private ECD services for children aged 0-4 by income and population groups in 2010, 2015, and 2019

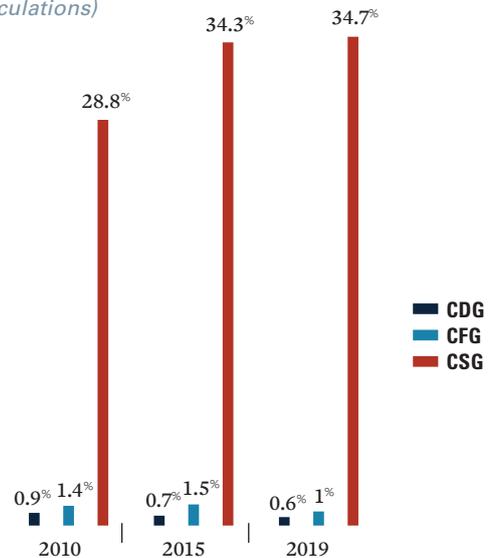
Source: Income and Expenditure Survey 2010; Living Conditions Survey 2015; General Household Survey 2019 (own calculations)



are 12 years or younger. Comparatively, a smaller number of children who are closer to 17 years old access the grant, based on the estimations provided in the General Household Survey 2019. For example, while nearly 750,000 children who were 12 years old accessed the grant according to the survey data, only 450,000 children who were 17-years old appeared to have received this grant in 2019. For the Child Foster Grant, young children barely feature, and the real take-up jumps up drastically from the age of 11 and then grows rapidly up until the age of 17. The Care Dependency Grant has a more even uptake across the ages, although there are age groupings where the take-up is much higher, for example, the 5-7 age grouping and the 11-12 year-old grouping.

FIGURE 10: Percentage of households that have received at least one child grant (Child Support Grant, Child Foster Grant, and Child Dependency Grant) in 2010, 2015, and 2019

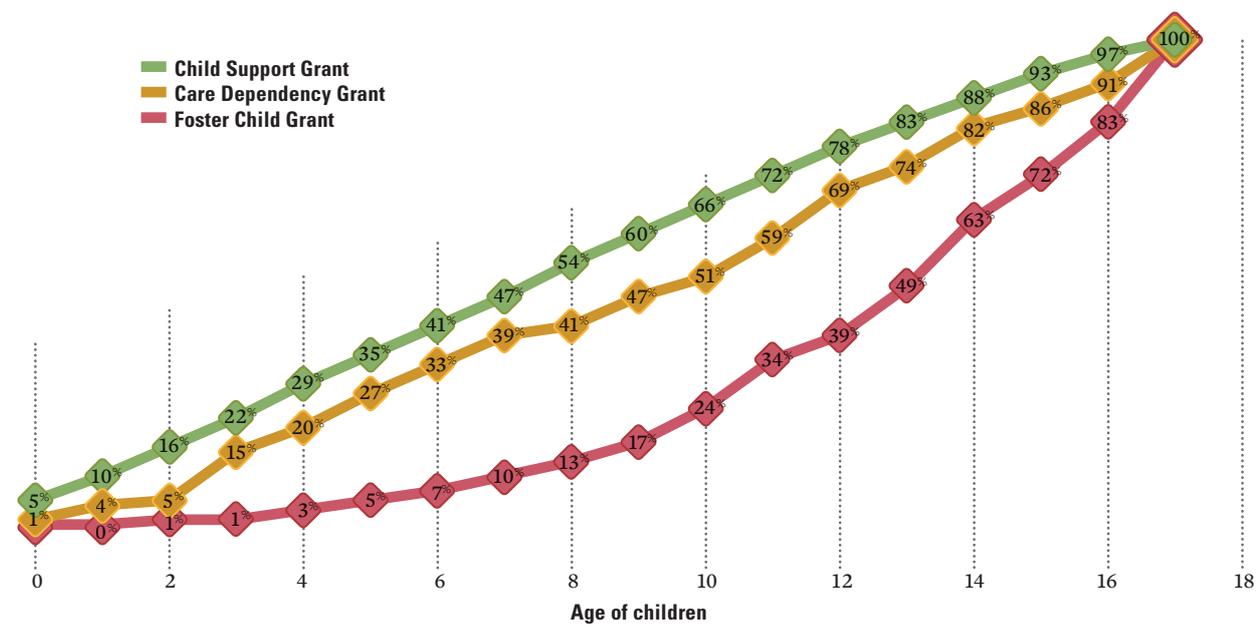
Source: Income and Expenditure Survey 2010; Living Conditions Survey 2015; General Household Survey 2019 (own calculations)



iv. In benefit incidence analyses, "shares of services" refers to weighted actual use/access to a service for a group (income, population, province etc.) over the weighted total pool of actual use/access to a service. The benefit incidence analyses were performed with the Distributive Analysis Stata Package (or DASP, version 2.3, 2013: A Araar and JY Duclos)

v. In benefit incidence analyses, "rate of participation" refers to weighted actual use/access to a service for a group (income, population, province etc.) over the weighted total eligible number of potential users of that service

FIGURE 11: Access to the Child Support Grant , Care Dependency Grant and Foster Child Grant by relevant age-grouping (%)
 Source: General Household Survey 2019 (own calculations)



WHO BENEFITED FROM THE CHILD SUPPORT GRANT AND CHILD GRANTS IN SOUTH AFRICA IN 2019?

The official administrative data provided by the Social Security Agency (SASSA) indicate that roughly 12.6 million children (calendar year average) accessed the Child Support Grant in 2019. The GHS 2019 data provided a much higher estimate of 13.3 million in 2019. Given the generally reliable data produced by SASSA, one is inclined to accept the official administrative estimate, but for analytical and comparative purposes, the survey data is mined further below.

While the SASSA data on total expenditure on the Child Support Grant extend over two calendar years (April 2019-March 2020), using the same actual total spending on this grant in FY2019 produced very similar monetary benefits per province in 2019. The survey estimates for most provinces are close to the actual spending as reported by SASSA, despite the fact that the survey data only apply to a calendar year (January-December 2019). By these numbers, children in Kwazulu-Natal drew the largest benefits on this grant (more than R16 billion), while children in Gauteng collected almost R11 billion in 2019. According to the SASSA data, children in the Northern Cape received R1.8 billion of the R70.7 billion spent on this grant in 2019, while our survey estimates put that figure at R1.4 billion.

Predictably, Black African children received the largest share of the Child Support Grant (R65.3 billion of the available R70.6 billion), while Coloured children received nearly R5 billion (7%) when using the 2019 survey data. Indian and White children received R367 million (0.5%) and R244 million (0.3%), respectively.

While it is not surprising that the three bottom quintiles would have received R57 billion of the available R70.6 billion (or 80.3%), it is noteworthy that young children in the richest quintile were estimated to have received more than R3 billion (or 4.3%) from this grant in 2019. This accords well with the observations made by Van der Berg (2009)^{viii} who indicated that the targeting for the Child Support Grant was less stringent over time, thus explaining the lower concentration indices over time.

Whether the ranking income variable included grant income or not, the Child Support Grant can be considered absolutely progressive. The exclusion of grant income from total household income has a much bigger impact on the Gini index of inequality, which increases from 0.63 to 0.72%. However, due to the large number of zeros on the household income and given that no adjustments were done to that variable, the interests focus more on the extent to which the Child Support Grant continues to serve large segments of low-income households' children. There is less of a claim on the accuracy of measuring the Gini index in a survey that does not have a complete and sophisticated rendering of the household income variable.

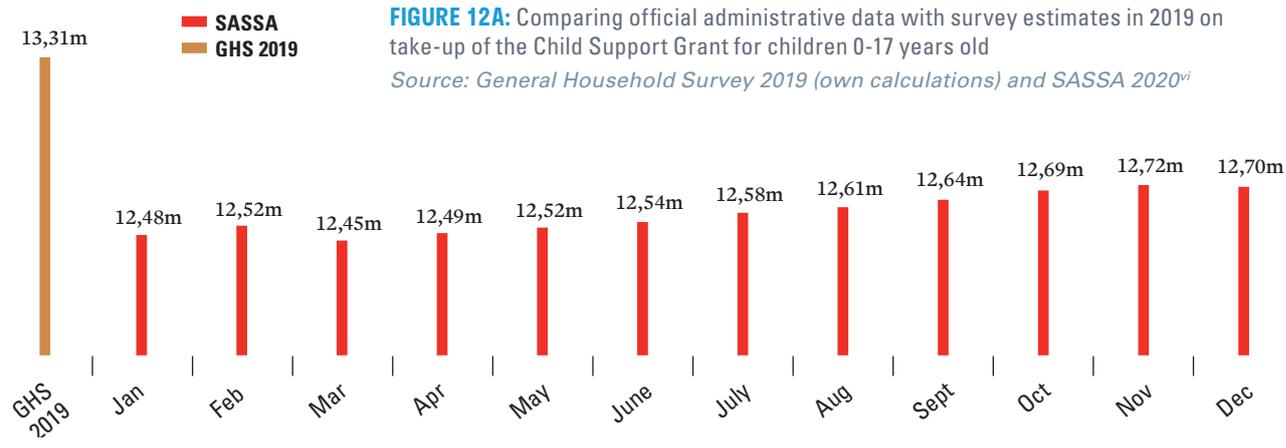


FIGURE 12A: Comparing official administrative data with survey estimates in 2019 on take-up of the Child Support Grant for children 0-17 years old

Source: General Household Survey 2019 (own calculations) and SASSA 2020^{vi}

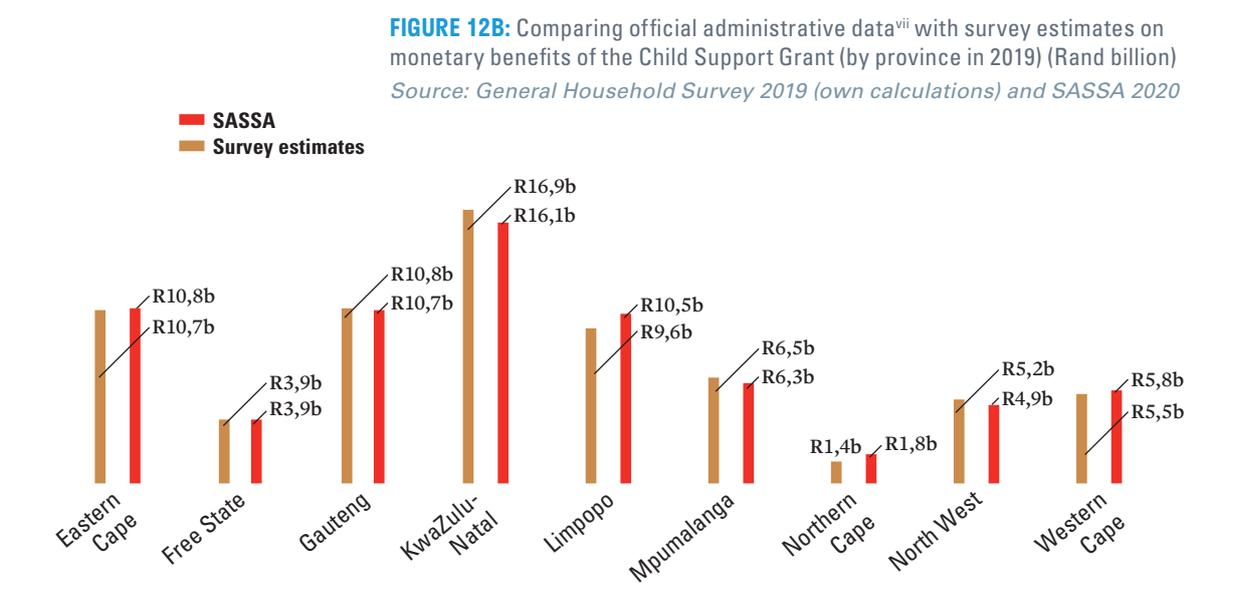


FIGURE 12B: Comparing official administrative data^{vii} with survey estimates on monetary benefits of the Child Support Grant (by province in 2019) (Rand billion)

Source: General Household Survey 2019 (own calculations) and SASSA 2020

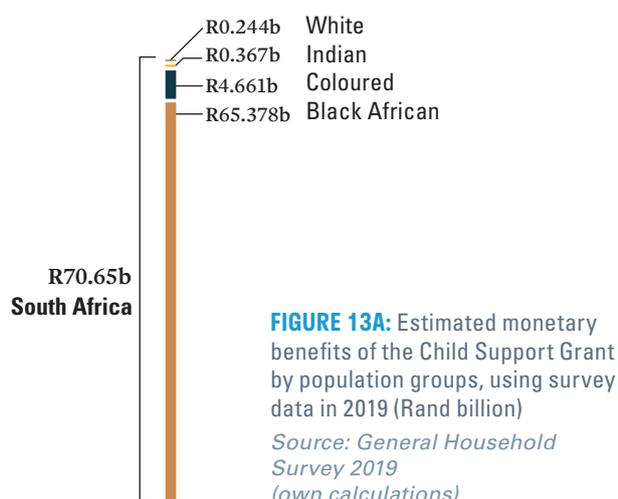


FIGURE 13A: Estimated monetary benefits of the Child Support Grant by population groups, using survey data in 2019 (Rand billion)

Source: General Household Survey 2019 (own calculations)

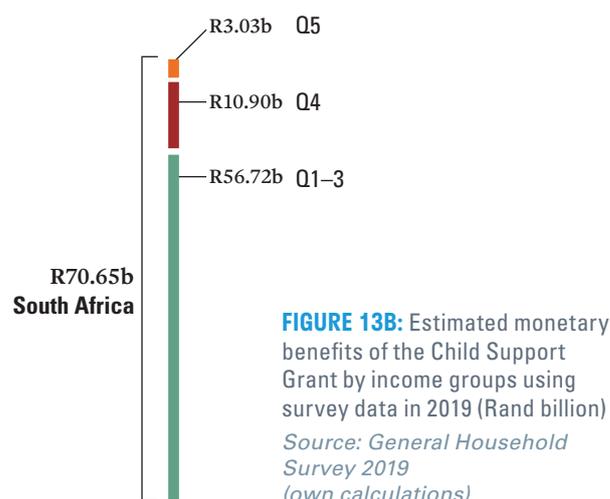


FIGURE 13B: Estimated monetary benefits of the Child Support Grant by income groups using survey data in 2019 (Rand billion)

Source: General Household Survey 2019 (own calculations)

vi. South African Social Security Agency (2020). Twelfth Statistical Report: Payment System, March 2020. Pretoria: Government Printers
 vii. The SASSA financial data cover the period April 2019-March 2020 (FY2019), whereas the GHS 2019 survey data cover the calendar period January 2019-December 2019. The non-coincidence of fiscal year spending data and calendar year utilisation data may introduce error/noise in the statistical estimation of monetary benefits received

viii. Van der Berg, S. (2009). Fiscal incidence of social spending in South Africa, 2006. Paper prepared for the National Treasury

Inequality indices	Inclusive of grant income	Exclusive of grant income
Gini index	0.63	0.72
Concentration index	-0.16	-0.17
Standard error	0.00	0.01
Lower bound	-0.18	-0.18
Upper bound	-0.15	-0.15

TABLE 1: Comparing the estimated Gini and the concentration coefficients using per capita income inclusive and exclusive of social grant income on the Child Support Grant in 2019

Source: General Household Survey 2019 (own calculations)
Note: The standards errors and confidence interval estimates apply to the concentration indices and not the Gini index.

Takeaways

Although the extent of the progress in accessing ECD services for young children is still limited, South Africa doubled the participation rate from 17% in 2010 to 35% in 2019.

Black African children and children from income-poor households have benefited greatly from the expansion in ECD services over the last decade.

Households that received at least one Child Support grant have

increased from 29% in 2010 to 35% in 2019. The other child grants have experienced small dips over the corresponding period.

National survey data in 2019 show that most of the Child Support Grants are allocated to children 12 years and younger, while the Child Foster Grant has a much larger percentage of older children who benefited from that grant in 2019.

Benefit incidence analyses show that Black African children and children in the bottom three

quintiles gained the largest benefit from the Child Support Grant in 2019.

However, the analyses also point to the fact the children in the richest quintile drew more than R3 billion benefit in 2019, suggesting that the grant has become less targeted and could conceivably become a universal child grant.

Despite such extensions, the Child Support Grant is overwhelmingly biased towards children from poorer households.



Section 4: Equity for Children in the Last Decade: How Far Are We?

THE STRONG DIVIDENDS OF THE LAST DECADE (2010-2019) FOR SOCIAL DEVELOPMENT AND ITS KEY CONSTITUENTS, CHILDREN

The last decade was vital for the fortunes of the social development sector in that it first embedded the Children’s Act into provincial programming, while growing the social assistance budget consistently over a decade. More children were added to both the social assistance system and the social welfare system.

The diversity and flexibility of the social development portfolio allowed it to make a larger contribution to improving the welfare of vulnerable South Africans. As is well known in policy development and implementation, it takes a long time to bed-down norms and standards, and an uninterrupted path of funding would have been vital in encouraging reform in the social protection and social welfare system. Statistics South

Africa (2017)^{ix} documented the reduction in poverty between 2006 and 2011, even though the period between 2011 and 2015 resulted in more adverse poverty outcomes for ordinary citizens. Progress was also confirmed by researchers attached to the NIDS-CRAM initiative, which details the reduction in children’s hunger levels between 2002 and 2017.^x

The Child Support Grant has continued its upward expansion path and whether one believes the official data (63% plus coverage rate) or the national survey data in 2019 (66% plus coverage rate for children), it is undeniable that progress happened consistently. Furthermore, the gains in ECD for young children should also be added to the achievements, especially since the introduction of the ECD conditional grant, which aimed to further improve access for children from vulnerable and poor communities. The national participation rate for ECD for young children (0-4 years) doubled over the last decade, providing further evidence of the strength of the funding support.

THE IMPLICATIONS OF FUNDING CUTS FOR THE SOCIAL DEVELOPMENT SECTOR

Reductions in funding across the social sectors follow the same pattern: programmes and activities that drove the strong funding gains over the last decade are now targeted for serious reductions. Social grant funding, for long the

mainstay of the social assistance support, will decline at a serious annual rate over the next three years. More worryingly is the fact that such a funding path is unlikely to be changed during the announcements expected in the Medium-Term Budget Policy Statement (MTBPS), which makes the immediate future bleak for social grant recipients.

The reductions also put into perspective calls for the intensifications of reform efforts in the White Paper for Social Welfare. Funding cuts normally induce stakeholders to hold on to what they have in order to preserve existing benefits, which means that the push for the prevention and early intervention agenda will probably be halted, as would be the attempt at broadening the pre-school ECD base.

The equity gains of the last decade are under serious threat. Social grants that are no longer benchmarked to the inflation rate could have an impact on hunger levels of vulnerable children. The reduction in social grants’ real value could potentially be countered with elevated funding for the school nutrition programme and other child nutrition interventions. The reduced focus on prevention and early intervention may increase response costs and could overburden the social welfare system, which will be deprioritised over the medium-term. In the social development sector, enhanced partnerships between government, civil society, and the private sector are badly needed to counter the lull in funding, which appears to be extended over multiple years.

Takeaways



The consistent reduction in funding across the entire social development sector is cause for concern.

While this is a sectoral issue, more evidence is needed if there are complementary plans across government to counter the devastating impact of funding

reductions and their associated impact on the well-being of children.

A fair system of trade-offs needs to be developed urgently to enable the social sectors to maintain some of the momentum gained during the last decade. In the absence of any such plans, it

will take a long time to repair the damage of inconsistent and poor funding for vital social sectors.

More than ever, enhanced partnerships between government, civil society, and the private sector are needed to fill the gaps left by reduced government funding.

ix. Statistics South Africa (2017). Poverty trends in South Africa: An Examination of Absolute Poverty between 2006 and 2015. Pretoria: Government Printers

x. Van der Berg, S., Patel, L. and Bridgman, G. (2021). Hunger in South Africa during 2020: Results from Wave 3 of NIDS CRAM

