

**ARE CHILD SOCIAL GRANTS CREATING DEPENDENCY CULTURE AMONG
BENEFICIARIES? A CASE STUDY OF NKONKOBE MUNICIPALITY, EASTERN
CAPE, SOUTH AFRICA**

By

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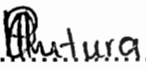
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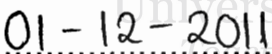
Professor P. Tangwe Tanga

DECLARATION

I, the undersigned, Priscilla Gutura hereby declare that the work contained in this dissertation is my own work, except where due acknowledgement is made with full references in the text and it has not previously been submitted to any university or institution of higher learning for any qualification or certificate.

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DEDICATION

This work is dedicated to my mother, Mrs. Perpetual Gutura.



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ACKNOWLEDGEMENTS

At the completion of this dissertation, I should firstly like to thank my Almighty Lord and Creator for giving me inspiration, courage, strength, insurance and intelligence to make this work possible. I wish to express my sincere appreciation and thanks to my supervisor, Professor P. Tangwe Tanga for his constant guidance and advice during the writing of the dissertation. I am grateful to him for being readily available for consultation and for his criticism, which helped me to improve the quality of the work.

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ABSTRACT

The aim of the study was to investigate whether beneficiaries of child social grants (CSG and FCG) in Nkonkobe Municipality are dependent on the grants. Using the triangulation method, two hundred beneficiaries were administered questionnaires and twenty-five in-depth interviews were conducted. The major findings of this study outline the greatest level of discretionary spending of child grants on school fees, labour force participation, nutrition and health in addition to investments in human and physical capital. It is also acknowledged in the study that child grants impact positively, beyond individual recipients, on household members. It can be concluded that social grants have certainly alleviated suffering. However, confirmation of the existence of an unintended effect, that of a dependency culture emerging among child social grants in Nkonkobe municipality or the increase thereof, could not be established through the quantitative data analysis. The issue of possible pervasive incentives with a qualitative study was positive.

In the context of the overwhelming positive effects that social grants have on beneficiary households, the existence of this possible unintended effect seems relatively important. Social grants have been designed to be a temporary relief strategy but beneficiaries have made it permanent by not graduating from receiving them. Hence, it means the beneficiaries still remain in the poverty trap. The study therefore recommends that the government should reform and improve exit strategies from social welfare. Failure to do so is likely to lead to the creation of a welfare state and reliance on social grants will continue due to the triplicate problems of unemployment, poverty and orphan crisis.

TABLE OF CONTENTS

DECLARATION	i
DEDICATION	ii
ACKNOWLEDGEMENTS	iii
ABSTRACT	iv
TABLE OF CONTENTS	v
LIST OF TABLES	ix
LIST OF FIGURES	x
ACRONYMS AND ABBREVIATIONS	xi
CHAPTER 1: GENERAL OVERVIEW OF THE STUDY	1
1.1 Introduction	1
1.2 Background of the study	1
1.3 Problem statement	4
1.4 Aims and Objectives of the study	5
1.5 Research questions	6
1.6 Hypotheses	6
1.7 Significance of the study	7
1.8 Delimitations and Scope of the study	7
1.9 Definition of terms	8
1.9.1 Social grant	8



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1.9.2	Child social grants	8
1.9.3	Beneficiary	8
1.9.4	Means-test	9
1.9.5	Dependency culture	9
1.10	Chapter outlines	9
1.11	Conclusion	10
CHAPTER 2: LITERATURE REVIEW		11
1.1	Introduction	11
2.2	Theoretical framework	11
2.2.1	Merton's theory of unintended consequences	12
2.2.2	Bane and Ellwood models of behavior	13
2.3	Social assistance programs in other countries	15
2.4	Nature and extent of poverty in South Africa	19
2.5	Brief history of social security system in South Africa	22
2.6	Types of social grants in South Africa	31
2.7	Social grants for children	34
2.8	Government expenditure on social grants	40
2.9	Socio- economic impact of social grants on beneficiaries	43
2.9.1	Impact of social grants on labor market	43
2.9.2	Impact of social grants on poverty	48
2.9.3	Impact of social grants on nutrition and health	51
2.9.4	Impact of social grants on education	52
2.9.5	Impact of social grants on saving and investment	53



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2.10	Dependency	54
2.11	Conclusion	61
CHAPTER 3: RESEARCH METHODOLOGY		63
3.1	Introduction	63
3.2	Research design	63
3.3	Justification of the use of research methods	65
3.4	Population	66
3.5	Sample	67
3.6	Sampling technique	69
3.7	Data collection Instruments and administration	70
	3.7.1 Questionnaires	70
	3.7.2 In-depth interviews	72
3.8	Data analysis	73
3.9	Ethical considerations	75
	3.9.1 Voluntary participation	76
	3.9.2 Avoidance of harm	76
	3.9.3 Anonymity and confidentiality	76
	3.9.4 Informed consent	77
3.10	Limitations of the study	78
3.11	Conclusion	79
CHAPTER 4: FINDINGS AND CONCLUSIONS		80
4.1	Introduction	80



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4.2	Presentation of quantitative findings	80
4.2.1	Biographical information of the respondents	81
4.2.2	Length of time as a beneficiary	86
4.2.3	The use of child social grants money	87
4.2.4	The drive of beneficiaries to search for employment	90
4.2.5	The extent to which living conditions have changed over time as a beneficiary	92
4.3	Presentation of qualitative findings	95
4.3.1	Reasons for seeking child social grant	96
4.3.2	The uses of child social grant money	96
4.3.3	Other sources of income	98
4.3.4	Standard of living	99
4.3.5	Attitudes of beneficiaries towards seeking work	100
4.3.6	Attitudes of beneficiaries towards child social grants	101
4.4	Discussion of findings	103
4.5	Conclusion	115

CHAPTER 5: SUMMARY OF FINDINGS, CONCLUSIONS AND

	RECOMMENDATIONS	116
5.1	Introduction	116
5.2	Summary of findings	116
5.3	Conclusions	120
5.4	Recommendations	126

5.5	Implications for social work practice	129
5.6	Suggestions for future studies	132
REFERENCES		133
APPENDICES		150
APPENDIX 1: CONSENT FORM		150
APPENDIX 2: QUESTIONNAIRE		151
APPENDIX 3: IN-DEPTH INTERVIEW GUIDE		160



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LIST OF TABLES

Table 2.1	Number of social grants beneficiaries by region and years from 2006-2011	42
Table 2.2	Amounts of social grants payable to beneficiaries since 2005-2011	42
Table 3.1	Beneficiaries of social grants according to grant type and gender in Nkonkobe Municipality	67
Table 4.1	Age of respondents	81
Table 4.2	Number of people staying in each household	85
Table 4.3	Period as a beneficiary	86
Table 4.4	Number of children receiving child social grants	87
Table 4.5	Estimated amount of money received by respondents	88
Table 4.6	Uses of social grants money	90
Table 4.7	Applications for work submitted	91
Table 4.8	Obstacles in finding jobs	91
Table 4.9	Extent of hunger before and after the start of receiving the grant	94

LIST OF FIGURES

Fig 3.1	Selecting a sample	68
Fig 4.1	Race of respondents	82
Fig 4.2	Marital status of respondents	82
Fig 4.3	Major areas of municipality	83
Fig 4.4	Educational qualifications	84
Fig 4.5	Head of households	85
Fig 4.6	Uses of social grants money	89
Fig 4.7	Standard of living for beneficiaries before and after they started receiving the grants	93



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ACRONYMS AND ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
ASGISA	Accelerated Shared Growth Initiative South Africa
BEE	Black Economic Empowerment
CASASP	Centre for the Analysis of South African Social Policy
CDG	Care Dependency Grant
CSG	Child Support Grant
DG	Disability Grant
DOSD	Department of Social Development
EPWP	Expanded Public Works Program
FCG	Foster Care Grant
FET	Further Education and Training
GEAR	Growth, Employment and Redistribution Strategy
GIA	Grant in Aid
GDP	Gross Domestic Product
HCSR	Human Sciences Research Council

HIV	Human Immune Virus
MCDSS	Ministry of Community Development and Social Services
MDGs	Millennium Development Goal
MOAFS	Ministry of Agriculture and Food Security
OAG	Old Age Grant
OECD	Organization for Economic Co-operation and Development
RDP	Reconstruction and Development Program
RSA	Republic of South Africa
SASSA	South Africa Social Security Agency
SMG	State Maintenance Grant
SMME	Small Medium and Microenterprises
SOAP	Social Old Age Pension
SPSS	Statistical Package for Social Sciences
UNHCR	United Nations High Commission for Refugees
UK	United Kingdom
UN	United Nations
WVG	War Veteran's Grant



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CHAPTER ONE

GENERAL OVERVIEW OF THE STUDY

1.1 Introduction

This chapter presents the general orientation of the study. It provides the background of the study and highlights the initial interest in conducting the study. The research problem, main questions and hypotheses of the study are also stated here. This chapter defines the primary terms employed in the study and demonstrates how the research contributes to society at large in addition to how it might improve the standard of living of the subjects in question (child social grant beneficiaries). The outline of the ensuing chapters is also presented here.



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1.2 Background of the study

The question of a possible dependency culture emerging amongst beneficiaries has been deliberated upon for some time. In addition to anecdotal evidence from some communities many assumptions have been made about this phenomenon. These assumptions have been made in the absence of comprehensive information on social grant beneficiaries. In order to act and respond to these assumptions, this study investigated the possible existence of an unintended effect of dependency on child social grants. If this dependence is found to exist, the study sets out to specify its character.

During the apartheid era, exclusion in South Africa was based on race and class. This led the country to rank amongst those countries with the highest rate of income

inequality in the world with a gini coefficient of income concentration of 0.70 followed by Mexico (Organization for Economic Co-operation and Development (OECD), 2010). According to Altman, Hart & Jacobs (2009), in comparison to other middle income countries, South Africa has extremely high levels of abject poverty. They further argue that most South African households experience outright poverty or vulnerability to being poor although, in per capita terms, South Africa is an upper-middle income country. Many households still have unsatisfactory access to clean water, energy, healthcare and education. The democratic South Africa was born amidst high hopes for the reduction of income poverty and inequality from their high levels under apartheid (Wilson and Ramphele, 2004). However, the poor have become even poorer over the past eight to ten years. According to Aliber (2002), deep-rooted poverty is endemic in South Africa and threatens to become more profound, contrary to the hopes of many.

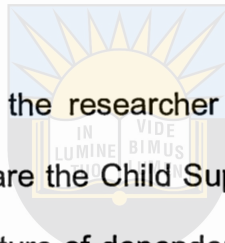
The South African government has therefore committed itself to halving poverty between 2004 and 2014 (Altman, Hart & Jacobs, 2009). Poverty alleviation is one of the primary objectives of social welfare policy (Republic of South Africa, 1997; Van der berg, 1998). The ANC-led government has introduced various types of poverty-alleviation measures in the past fifteen years with social assistance assuming a prominent role which includes assistance to vulnerable groups that are unable to provide for their own minimum needs. This assistance is primarily offered through the child support grant, the disability grant and the old age pension (Voster, 2006). Social grants fulfill a crucial function in the poverty alleviation process and are intrinsic in helping poor households enjoy an adequate standard of living. These grants also help

to ensure that the poor obtain basic human rights in terms of having a life of dignity. Social assistance grants alter the levels of inequality only marginally but have been crucial in reducing poverty among the poorest households (OECD, 2010). The social security system in South Africa, which includes social insurance and social assistance, is substantial in international terms but still has gaps in coverage.

Social grants have continued to be a major source of poverty reduction for millions of South Africans with over 14 million beneficiaries (South African Social Security Agency (SASSA), 2011). According to Voster (2006), the increase in grant uptake was facilitated by government through improvements of systems for both grant delivery and the dissemination of grant information to potential beneficiaries, coupled with changes to the eligibility criteria. In the context of large-scale poverty and unemployment, as well as the present economic downturn, it is probable that reliance on grants will continue, if not increase. Currently, South Africa has seven types of social grants in its social assistance system: old age grant, disability grant, war veterans' grant, foster care grant, care dependency grant, child support grant and grant in aid (an additional grant for recipients of an old age, disability or war veteran's grant who are unable to care for themselves). All grants are awarded subject to means-tests (Department of Social Development, 2009).

Motivation for this research was thus borne from an observation that in Sub-Saharan Africa, South Africa is one of the countries which boasts significant financial expenditure on social grants and in which social grants have been the source of income for most

households. De Vos (2005) argues that a research topic may arise through observation of reality. In recent years, a worrying discourse has become more pronounced in the public debate on social security in South Africa, particularly with regard to the future of social grants. However, it is frequently argued that the expansion of South Africa's social grant system is leading to a culture of dependency. Skweyiya (2007) stated that without other complementary measures, social grants are bound to lead to dependency and stigmatisation.



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It is against this background that the researcher felt there was a need to explore whether child social grants, which are the Child Support Grant and Foster Care Grant, have led to the emergence of a culture of dependency amongst its beneficiaries within the Nkonkobe Municipality in the Eastern Cape province of South Africa. According to Statistics South Africa (2011), the Eastern Cape region is the second highest province in terms of grant beneficiaries. Some governments are concerned about graduation since they would prefer to consider the financial commitment to supporting people who are unable to meet their minimum food and basic needs requirements as temporary and they would therefore also like an exit strategy built into the design of any large scale transfer program (Ellis et al, 2009).

1.3 Problem statement

The major problem that prompted this research is the increasing number of social grant beneficiaries instead of a reduction in the number of beneficiaries, as a result of individuals who chose to save and invest rather than consume part of the grants. According to SASSA (2010), the average annual growth rate of grant recipients is

15.92%. Amongst all the regions, the Eastern Cape Province has the second highest number of grant recipients amounting to 2.4 million after the KwaZulu Natal region. The rapid increase in social grant beneficiaries has raised debates among the public and politicians as to running the risk of social grants becoming an end to themselves and thus nurturing a dependency syndrome among beneficiaries. Dependency on social grants renders people increasingly incapable of building and rebuilding their own livelihoods and they are therefore less likely to search for other sources of income. Unlike most of the government's poverty alleviation measures, the South African social assistance program was not specifically designed with exit strategies for beneficiaries, other than a change in their living circumstances and income levels. There is a lack of a proactive and deliberate strategy to link social grant beneficiaries to opportunities for economic activity. Consequently, an intolerable proportion of able-bodied poor South Africans (inclusive of caregivers of children receiving the child support grant), and those persons with disabilities, capable of rehabilitation continue to face particular barriers to entering into, remaining in and progressing from such employment. The study therefore seeks to examine whether the beneficiaries of child grants are dependent on them.

1.4 Aims and Objectives of the study

The principal aim of the research is to obtain evidence as to whether beneficiaries of children's grants in Nkonkobe Municipality are dependent on the money they get from the grants. Concomitant to this aim is an investigation into the extent to which receiving these social grants discourages beneficiaries from engaging in employment activities, hence, fostering a culture of dependency.

To achieve the aim of the study the following specific objectives were formulated:

- To find out what the beneficiaries use the money they get from the grants for.
- To find out whether beneficiaries of child social grants have other sources of income.
- To investigate the degree to which a beneficiary of a child social grant has the drive to search for employment.
- To establish the extent to which the living conditions of child social grant beneficiaries have changed over time.
- To explore the attitudes of beneficiaries towards the social grants they are receiving.

1.5 Research Questions

The study seeks to answer the following research questions:

- What do the beneficiaries of child social grants use the money they get from these grants for?
- Are there any other sources of income that exist besides the social grants that the beneficiaries receive?
- What are the attitudes of beneficiaries towards seeking work?
- Are beneficiaries better off claiming child social grants than working?
- Are child social grant beneficiaries dependent upon the grants they are receiving?
- To what extent do these beneficiaries depend on social grants?

1.6 Hypotheses

The following hypotheses guided this study:

- Child social grant beneficiaries do not have the drive to search for employment.

- Child social grant beneficiaries are not graduating from receiving the grants.
- Child social grants do not impact on household wellbeing.

1.7 Significance of the study

In South Africa, a greater need exists for research which provides a deeper understanding of social grants. The study is of importance to the future of social grants in South Africa as it contributes to the literature on social grants. The existing literature on social security systems dwell on the positive impact of social grants in alleviating poverty in South Africa. Given these apparent successes, many are calling for further expansions in social security provisioning with the idea of developing conditional cash transfer schemes surfacing in policy circles from time to time. Rapid increases in government expenditure on social security between 2005-2011 has further increased poor households' reliance on welfare grants as many have become eligible to receive social grants; this has been important in the fight against poverty. However, as will be argued in this study, various constraints to such expansions of the welfare net do exist as people will become dependent on the social grants. This research will therefore help to raise awareness, amongst beneficiaries, of the importance of self reliance as opposed to total dependence on social welfare. The lessons that drawn from this study could thus provide a starting point for reforming and improving social welfare exit strategies.

1.8 Delimitations and Scope of the study

The research explores the highly debated issue on the perceived dependency culture arising among social grant beneficiaries. It focuses on the beneficiaries of child social grants in the Eastern Cape province of South Africa by paying attention to two specific children's grants: the Child Support Grant and the Foster Care Grant. A case study of the Nkonkobe municipality was used.

1.9 Definition of terms

1.9.1 Social grant

According to the definition provided by the South African Social Security Agency (2009), the term 'social grant' refers to income transfer or financial award provided by the government in the form of a disability grant, grant for the aged, war veteran's grant, grant in aid and/or children's grants.

1.9.2 Child social grants

Children's grants refer to the foster care grant, child dependency grant and child support grant. In this study, the term 'child social grants' refers to the state fund designed to provide for the welfare of children in South Africa. This includes the child support grant and foster care grant.

1.9.3 Beneficiary

A beneficiary is any person who receives social assistance in terms of sections 6,7,8,9,10,11,12 or 13 of Social Assistance Act of 2004 (Act No 13 of 2004), (SASSA, 2009). In this study, therefore, the term beneficiary is used interchangeably with the term recipient.



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1.9.4 Means-test

This is a way of measuring a person's income and assets. If one applies for a grant SASSA will evaluate his/her income and assets. If one's income and/or assets are higher than the thresholds set by government, then he/she will not qualify for a social grant. The means test depends on one's own income and assets if he/she is not married, and on the income and assets of their spouse if married (SASSA, 2011).

1.9.5 Dependency culture

The Oxford English Dictionary (1997) defines this as a way of life characterized by relying on a certain provision. In this study, 'dependency culture' refers to a way of life characterized by dependence on child social grants provided by the government. It is a situation where welfare provision leads many people to depend permanently on state handouts and consequently drop out of the labour market.

1.10 Chapter outlines

Chapter 1: General overview of the study

This is the introductory chapter, it essentially introduces the topic. The background of the research is presented in this chapter. It outlines the research aims and objectives, research questions and the hypotheses.

Chapter 2: Literature Review

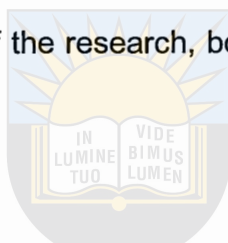
This chapter provides the definitions of the main concepts used in the study. It also contains the literature that has been reviewed as well as the theoretical framework of the research. The gap in the literature is identified which this study intended to fill.

Chapter 3: Research Methodology

This chapter of the study renders the reader with a description of the research methodology, research approach and research design, sampling, methods of data collection, trustworthiness of the research instrument and the ethical considerations pertaining to this study. It also discusses the limitations of the study.

Chapter 4: Findings and Discussion

This chapter presents the results of the research, both quantitative and qualitative, and offers a discussion of the findings.



Chapter 5: Summary of findings, Conclusions and Recommendations

This chapter contains a summary of the results of the research whilst presenting the conclusions and recommendations of the study. This final chapter also suggests areas for further research.

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1.11 Conclusion

It is evident that the topic is worth researching in democratic South Africa since it is here that social grants have increased significantly whilst beneficiaries have not graduated from receiving the grants; this has caused debate as to whether a dependency culture is emerging amongst grant beneficiaries.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

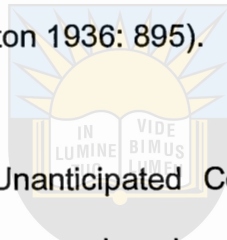
The purpose of this chapter is to explore the existing information on social grants. The literature review is a vital component of research, as Hart (1998) explains that it provides a background to the study being undertaken. This chapter begins with the theoretical framework for dependency on social grants, after which it highlights some of the social protection programmes found in other countries. The chapter then considers the nature and extent of poverty in South Africa and provides a brief history of the social security system as part of the government's efforts to eradicate poverty and inequality in the post apartheid era. The seven types of social grants, which fulfill a crucial function in the poverty alleviation process, are then briefly described; this is followed by a detailed explanation of the social grants of children, as they are the main focus of this study. The government's expenditure on social grants is explored through careful consideration of the increasing number of beneficiaries and the values of the grants awarded during 2005-2011 period. After exploring these aspects of the study, the chapter discusses the socio-economic impact of social grants in South Africa. The final section explores the notion of a dependency culture in relation to social grants.

2.2 Theoretical Framework

In the effort to understand dependency associated with social grant beneficiaries, the study made use of two theories; these are Merton's theory of unintended consequences and Bane and Ellwood's models of behaviour. The theories are explained below.

2.2.1 Merton's Theory of unintended consequences

The Law of Unintended Consequences states that almost all human actions have at least one unintended consequence. In other words, each cause has more than one effect, including unforeseen effects. Merton (1936) popularized the concept in speaking of the "unanticipated consequences" of "purposive social action," emphasizing that his term "purposive action" is exclusively concerned with "conduct" as distinct from "behaviour." That is, with action this involves motives and, consequently, a choice between various "alternatives" (Merton 1936: 895).



In Merton's (1936) essay "The Unanticipated Consequences of Purposive Social Action", the social theorist outlines several explanations for how the outcomes of any action—policy, program, or other—can deviate from the intended purpose. Merton listed five causes of unanticipated consequences:

- Ignorance: It is impossible to anticipate everything.
- Error: Incomplete analysis of the problem or following habits that worked in the past but may not apply to the current situation.
- Immediate interest: These may override long-term interests.
- Basic values: These may require or prohibit certain actions, even if the long-term result might be unfavourable. These long-term consequences may eventually cause changes in basic values.
- Self-defeating prophecy: The fear of certain consequences drive people to find solutions before the problem occurs, thus the non-occurrence of the problem is unanticipated.

This research applied this theory to poverty alleviation measures in the form of social grant endeavors in order to illuminate the unintended consequences and pitfalls that often accompany such interventions, which include the possible emergence of a dependency culture, in order to highlight the importance of best practices and illustrate the dichotomy between good intentions and poor outcomes. Merton (1936: 897) holds that “with the complex interaction which constitutes society, action ramifies, its consequences are not restricted to the specific area in which they were initially intended to center, they occur in interrelated fields explicitly ignored at the time of action. Yet it is because these fields are in fact interrelated that the further consequences in adjacent areas tend to react upon the fundamental value-system.”

2.2.2 Bane and Ellwood’s models of behaviour

Bane and Ellwood (1994) distinguish between three models of behaviour: the rational choice model, the expectancy model and the cultural model. The rational choice model suggests that individuals examine the options they face, evaluate them according to their tastes and preferences, and then select the option that brings them the greatest utility or satisfaction. This is the type of model espoused by Piachaud (2000:56); he does not argue that there is direct causation as he claims “I do not believe women read about the latest change in the benefit rules for unwed mothers and use a pocket calculator to decide whether or not to get pregnant”. Piachaud espouses a less extreme version of models of behaviour: “the increases in the benefits . . . were steps in a quiet, commonsensical, cumulative process whereby having a baby as a single mother went from extremely *punishing* to not so *bad*”. By 1997, when the social assistance act was

passed, poor young women looking at the world around them could see that single mothers in their neighborhoods were getting along, whereas a similar young woman during apartheid would have looked around and concluded that single motherhood was an awful state to be in. While the rational choice model can be highly complex, it tends to be formulated in terms of reduced-form individual choices, such as the simple dependence hypothesis.

By contrast, the expectancy model emphasizes the individual's sense of control over a desired outcome. Persons suffering repeated failure may lose motivation. According to expectancy theory, dependency may result when people lose a sense of control over their lives - when they cease to believe that they can realistically get off welfare. People become overwhelmed by their situation and lose the ability to seek out and use the opportunities available to them. A related notion is that dependency may reflect a lack of information. In the expectancy model, people often incorrectly perceive their level of control over their destiny. Such misperceptions are likely if people simply did not have important information. A young woman who does not understand or who has not thought seriously about birth control could understandably see pregnancy as something outside her control (Bane and Ellwood, 1994).

Finally, cultural model is a theory that typically emphasizes that groups differ widely in values, orientations and expectations. For example, sub cultural models of the underclass suggest that its members have different values from the rest of society. Only in Bane and Ellwood's rational choice model are the levels of social security benefits

likely to be a major influence on dependence on social security. The cultural and expectancy models both suggest that people's attitudes and perceptions play a major role in family structure decisions, whereas the choice model often treats such preferences as given. A more realistic rational choice model would need to include social attitudes and treat them as variable, since they change over time. For example, the OECD attributes the high rate of people on disability benefits in the Netherlands partly to a socio-cultural climate in which it has become increasingly acceptable to stay away from work owing to vague physical and psychological complaints (Gilbert, 1992).

2.3 Social assistance programmes in other countries

Social protection has been defined by the UN as "The set of public and private policies and programmes undertaken by societies in response to various contingencies to offset the absence or substantial reduction of income from work; to provide assistance for families with children as well as provide people with health care and housing" (UN, 2001). According to Adato and Hoddinott (2008), social protection involves policies and programmes that protect people against risk and vulnerability, mitigate the impact of shocks, and support people who suffer from chronic incapacities to secure basic livelihoods. It can also build assets, reducing both short-term and intergenerational transmission of poverty. It includes social insurance (such as health, life, and asset insurance, which may involve contributions from employers and/or beneficiaries); social assistance (mainly cash, food, vouchers, or subsidies); and services (such as maternal and child health and nutrition programmes). Interventions that provide training and credit for income-generating activities also have a social protection component.

Interest in social protection is growing across Africa, fuelled by persistent high rates of poverty and malnutrition; the undermining of livelihoods and family-based support systems by shocks such as the AIDS epidemic; volatile food prices and the calamities of weather and war; extensive evidence that denying children basic nutrition, health, and education has lifelong, irreversible, and intergenerational consequences (Adato and Hoddinott, 2008). There is evidence of the growing effectiveness of social protection in low-income countries throughout the world - particularly in contributing to poverty reduction and improved health, nutrition, and education. Approaches vary across regions and countries with a notable introduction or scale-up of cash transfers for the very poor in Southern and East Africa. While many programmes have been undertaken on a pilot basis, successful implementation of large-scale social protection programmes in Ethiopia and South Africa, each with more than 8 million beneficiaries, has demonstrated that social protection systems are no longer only within the reach of rich countries (Devereux, 2001).

Social protection, broadly defined, is not a new instrument for development in Africa. A wide array of social protection schemes have been implemented in the immediate post-independence years. Many of these schemes were abandoned during the structural adjustment years of the 1980s. There was a revival of social development both at international and domestic levels in the 1990s and 2000s; in particular, social protection schemes have been increasingly considered an additional instrument to achieve growth and the other MDGs in Africa.

Meade et al. (2004) offer a description of the non-conditional old-age and disability cash transfers and conditional education and health grant (Bolsa Família) program in Brazil. The objective of the program is to eradicate extreme poverty in targeted groups. The non-conditional support consists of a monthly transfer, non-contributory, which targets the extremely poor and those over the age of 65 or with a severe disability. Research shows that 2.5 million people are benefiting with a cost of 0.4% GDP, the impact of this is that the grant has been found to alleviate short term poverty by transfers and long term poverty by incentives to human capital accumulation. The conditional cash transfer includes education and health. It is targeted at the poor through the differentiation of values according to number of school age children and the supplementation of incomes which assumes that families can have other sources of income. Eleven million people are beneficiaries. Conditional grants alleviate short-term poverty but also provide incentives for human capital accumulation, thereby alleviating long-term poverty.

In Mexico there is a program that targets poor households through a mix of geographical and proxy means-test targeting. According to Makiwane (2007), it is the main social assistance program of the Mexican government and covers over 5 million beneficiary households in extreme poverty in 2005 in both urban and rural areas. It currently provides four types of monetary grants:

- education grants;
- health/nutrition grants;
- energy grants; and
- a pension or income support for the elderly (above 70 years of age).

Malawi has successfully awarded publicly-funded grants to smallholder farmers to achieve broader rural development. Agriculture is an important sector of Malawi's economy. The sector contributes towards 39% of the GDP, accounts for the 80% of foreign exchange, and accounts for 80% of the total workforce (MoAFS – Ministry of Agriculture and Food Security, 2008). The agricultural sector comprises two distinct sub-sectors: smallholders and large-scale commercial or estate farming enterprises. The smallholder agricultural sector comprises a large number of 'very poor families heavily dependent on low-input maize production' on small plots which are mainly nitrogen-deficient (School of Oriental and African Studies et al, 2008). Therefore, production from these farmers is commonly inadequate in meeting annual consumption needs and provide for adequate annual growth.

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Targeted cash transfers to vulnerable groups exist in a number of countries including Mozambique (Programa Seguranca Alimentar or PSA), Ethiopia, Namibia, and Botswana, and smaller scale government programmes exist in Kenya, Malawi, Ghana and Zambia. Several other countries are currently considering implementing cash transfers on a trial basis; these include Rwanda, Tanzania, and Uganda (Handa et al, 2009). Lesotho introduced old age pension to the elderly people who are 70 years and above since November 2004 (Tanga, 2008). There are many other social protection programmes, throughout the globe, which target the poor. According to Makiwane (2007), the following are some of the social protection programmes:

- Targeted employment creation programmes, e.g. Public works programmes (although with limited effect) and employment guarantee schemes (India).

- Community-based social insurance (with possible government co-funding – e.g. Community Health Insurance in Tanzania), Micro-lending and micro-insurance.
- Welfare funds (e.g. tax imposed on aggregate output of industry, and used for the social protection of workers in the industry, and their dependents) (India).
- State-created contributory-based social protection schemes for informal economy workers (possible government co-funding) (India).

2.4 Nature and Extent of poverty in South Africa

Most South African households experience outright poverty or vulnerability to being poor although in per capita terms South Africa is an upper-middle-income country (Seekings & Natrass, 2005). In addition, the distribution of income and wealth in South Africa is among the most unequal in the world, and many households still have unsatisfactory access to clean water, energy, health care and education. During the apartheid era, exclusion was based on race and class. In the post-1994 era, inequality features other categories of people who are excluded, and the shift profiles new zones of exclusion. According to Seekings and Natrass (2005:6), “the distributional regime in South Africa has long served to privilege one section of the population while excluding others” but the composition of the privileged group and the basis of privilege have changed over time.

According to Statistics South Africa (2008), poverty is distributed unevenly among the nine provinces: the Eastern Cape (71%), Free State (63%), and North West (62%) have the highest poverty rates, while Gauteng (17%) and the Western Cape (28%) have the

lowest. Poverty is deepest in the Eastern Cape, Free State and Northern Province. Poverty is not confined to any one race group, but is concentrated among blacks, particularly Africans since 61% of Africans and 38% of Coloureds are poor, compared to only 5% of Indians and 1% of whites. Three children in five live in poor households and many children are exposed to public and domestic violence, malnutrition, as well as inconsistent parenting and schooling.

There is a very strong correlation between level of education and standard of living: the poverty rate of people with no education is 69%, compared with 54% for people with primary education, 24 % for those with secondary education and 3% for those with tertiary education. There is also a correlation between poverty and ill health and between poverty and unemployment: 55% of people from poor households are unemployed, compared with 14% of those from non-poor households. Poor households typically rely on multiple sources of income, which helps reduce risk. Lack of access to basic services such as electricity and piped water is also correlated with poverty (Statistics SA, 2008).

The Eastern Province is one of the poorest provinces in South Africa, along with Limpopo and KwaZulu-Natal. May et al (2009) cites Liebbrandt and Woolard (2007), showing that the province was the poorest, containing 27% of those likely to be ultra poor, while KwaZulu-Natal and Limpopo accounted for 19 and 17 % of the ultra poor, respectively. Also, in 1995, the poverty gap was about R15 billion per annum, or about

4% of the GDP. In the years between 1995 and 2000 the poverty gap measures were below those for several provinces including KwaZulu Natal and Limpopo.

The Eastern Cape Province inherited a massive legacy of poverty and inequality when the first democratic government took power in 1994. Poverty in the Eastern Cape is both widespread and deep, with 43% of its people living in poverty. Most of these are concentrated in the former Bantustan areas, what now makes up O.R Tambo, Alfred Nzo, and parts of the Amathole, Chris Hani and Ukhahlamba districts (Department of Social Development, 2009). While poverty is concentrated in rural areas, there is also significant urban poverty, with growing township and informal settlement populations. Poverty is multi dimensional and must be seen as more than lack of income; it is primarily characterised by a lack of access to opportunities for a sustainable livelihood (income, assets, skills, knowledge, self-confidence and access to decision making). Poverty in the Eastern Cape and in South Africa is inter-generational and structural, with economic, social and political dimensions.

According to a study conducted by Department of Social Development (2009) on population distribution by region, it was found that a common pattern among the districts (with the exception of one) was that the overall population is composed of 55% females and 45% males. This is in line with provincial distribution and suggests that most regions are affected by fewer male members of the population. In the study's analysis of poverty and gender, female headed households are poorer than their male headed counterparts. It has also been observed, from population distribution, that the bulk of the

population is in the 10-19 year old age group. This is an explanation for the high levels of dependency. There is always a relationship between poverty and levels of education, hence, the results have always shown that poverty decreases as education increases. This has been an explanation for the Eastern Cape, together with the Limpopo and Mpumalanga provinces, as it has higher incidents of poverty with lower access to education. It is suggested, nonetheless, that access to economic opportunities is more likely to determine the wellbeing of a household than the educational attainment of the household's members. The study also found that, among all households in the province, the average number of children is 2.5. There is, indeed, a greater concentration of children in poorer households. The study mentions the 2006 Japan Bank of International Co-operation which states that poverty in non-urban areas has been deeply affected by structural factors born under apartheid, in particular the Bantustans.

2.5 Brief history of the social security system in South Africa

During the apartheid era, white South Africans were given protection against poverty and vulnerability in the form of social pensions, while black South Africans were excluded through discriminatory social and economic policies. Social pensions for white people formed part of the safety net in poverty prevention. In Africa as a whole, South Africa was the first country to institute a state pension and it has the longest history as a welfare state although the shortest history of universal democratic elections (Pelham, 2007). The first parliamentary proposal for an old age grant was instituted in 1928, carried forward by the coalition Pact Government and reformed under the National Party's apartheid rule from 1948. Once it had been adopted, there was multiparty

support for the pension. Act No. 22 entitled all 'White' and 'Coloured' residents of South Africa, aged 65 years and older, to receive a pension, subject to an income-based means-test.

In 1937, eligibility for women claiming the pension was reduced to 60 years but it was not until 1943 that the inequality embedded within the pension was challenged from the liberal wing of the United Party, under the premiership of Smuts. Reforms were proposed by his politically moderate Minister for Social Welfare, Jan Hofmeyr, who amended the 1928 Act and extended the pension to all South Africans (excluding South-West Africans) in the 1944 Union of South Africa. The Old Age Pensions Act of 1928 provided grants in the form of social (non-contributory) pensions for Coloureds and Whites with the Blacks and Indians initially excluded. It was argued that Blacks could rely on their rural kinship ties to provide security in their old age.

The evolution of the pension is dominated by two main events. Following Hofmeyr's campaign from the liberal wing of the United Party, black South Africans were first granted the right to claim the pension in 1944, although at a lower rate than the value transferred to white and coloured residents. There were also differentials in the higher rate paid to black South Africans in urban areas and the lower rate paid to those in rural areas, with stringent tests applied to urban claimants in order to prevent the mobilisation of black South Africans to the towns. The second significant debate came with the end of the apartheid government in 1994, when the pension was finally equalised across all

citizens (subject to meeting the age criteria and a means-test). The blind and old age pension scheme was only extended to Blacks and Indians in 1944.

However, the value of the grants received differed across racial groups. For example, Bhorat (1995) notes that in 1947 the maximum pension for Whites was five times higher than that for Africans, while Coloureds and Indian pensioners received half as much as whites. Coloureds and whites also benefited from the disability grant introduced in 1937. Disability grants were extended to Blacks and Indians in 1947. State old age pensions for Whites saw a constant increase over the years, while those for blacks were reduced. The gap between the two widened until 1971. Then, in the early 1970s, the South African economy began to stagnate. Van der Berg (2002) describes the period extending from 1972 to 1990 as “a trend towards re-incorporation and reduced inequality.”

The introduction of the first old-age pension in 1928 followed the Carnegie Commission of Inquiry into the ‘poor white’ problem. The Old Age Pensions Act of 1928 provided pensions for white and coloured people, but excluded Africans and Indians (Triegaardt, 2005). Black people were largely dependent on rural subsistence agriculture and missionary or church-based services for survival; these reasons were used to justify their exclusion from the social pension system. Old-age pensions were extended to Black and Indian people in 1944 with more stringent means-testing and a lesser amount allocated for people of colour (Sagner, 2000; Van der Berg, 1998). A dominant political

view at the time was that the pension scheme would facilitate white working-class loyalty towards the government and Nationalist Party ideology (Legido-Quigley, 2003).

In 1947 there was an introduction of the State Maintenance Grant (SMG) which was a social grant for single parents. According to Triegaardt (2005), the Child Protection Act of 1913 was the forerunner of the social security system introduced by the Department of Welfare in 1937 and it provided the basis for the formation of SMG. It was also discriminatory in nature but it later included coloureds and Indians. However, social security legislation continued to be discriminatory. During the period 1948–1961, the gap between white and African pensions widened considerably. By 1987, African grants were only 17 per cent of white grants (Community Agency for Social Enquiry (CASE), 2000). The Social Assistance Act of 1992 made provision for the extension of all social security measures to all South African citizens on an equal scale (Vorster, Rossouw & Muller, 2000). The national government of South Africa introduced the principle of parity in social pensions in 1993.

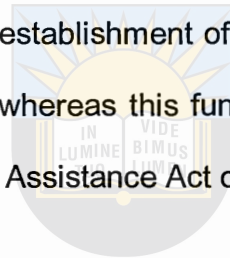
The provision of social security has, historically, been seen as a core feature of the welfare system aimed at the prevention of poverty during the transition to a multi-racial democracy in South Africa. Post-apartheid South Africa moved from residual and institutional models of welfare policy to developmental social welfare, focusing on needy people who have been excluded from mainstream welfare and social security systems. The focus of welfare was on moving people out of poverty, and not only on the

construction of social security for prevention, social compensation and income distribution, but on poverty alleviation too (Republic of South Africa, 1997).

The Social Assistance Act of 1992 provided the steps and measures to deracialised access to state grants (Vorster, 2000). By 1993, pension parity was achieved and discrimination eliminated. In 1994, the new ANC government faced the challenge of transforming the existing fragmented social security system into one based on comprehensive coverage for the population as a whole. The approach that the new government had to choose was based on the concept of developmental social welfare. It emphasised that social development cannot occur without economic development and that economic development is meaningless unless accompanied by improvements in social welfare (Midgley, 1996). The newly elected democratic government had the task of reforming apartheid-created structures by amalgamating the 14 separate social security systems into one (Department of Social Development, 2002). Each of the social security systems had its own management and information system, rules and procedures, leading to ambiguities that could be exploited by officials and members of the public.

The purpose of the reforms was to secure equal access and the same quality of service for all South Africans by introducing some provincial flexibility and autonomy, following the principles of efficiency, effectiveness and fraud prevention (Committee for the Restructuring of Social Security, 1997). The White Paper on Social Welfare, published by the Department of Welfare in 1997, contained the policy framework for restructuring

social welfare in South Africa. The Social Assistance Act of 2004 deems the national government responsible for social security grants. The national Department of Social Development (formerly the Department of Welfare) performs a regulatory role by implementing policies regarding who qualifies for social assistance grants and monitoring the newly formed South African Social Security Agency's (SASSA) operations. SASSA is responsible for administering social assistance by implementing policies, programmes and procedures for an effective and efficient system of social assistance grants. Thus, since the establishment of this agency in 2005, all grants are administered at the national level, whereas this function was previously carried out at the provincial level under the Social Assistance Act of 1992.



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The democratic South Africa was born amidst high hopes for the reduction of income poverty and inequality from their high levels under apartheid (Wilson and Ramphela, 2004). The results were not favourable as levels of poverty and inequality in South Africa remained very high throughout the 1990s and, although there appears to have been some improvement since the early 2000s, remain unacceptably high, with little prospect that the Millennium Development Goal of halving poverty by 2015 will be reached. The South African Constitution guarantees the right to “appropriate” social assistance for all people who are not able to provide for themselves and their dependents. The introduction of social security nets complies with the rights to a decent standard of living, food, housing, health, protection, education and social security (UN, 2002). Currently, the system provides means-tested grants for children up to the age of 18 and people over the age of 60 (De Koker et al, 2006). The provision of social

assistance seeks to impact on the living conditions and income levels of beneficiaries (DoSD, 2005). The social grant system has become less of a net devised to catch an unfortunate few in terms of temporary distress, and more of a major commitment to help a large fraction of the population over sustained periods.

According to Barrientos et al (2004) and Tanga (2007), social protection in the guise of grants play an important part in the poverty paradigm, either by (i) reducing poverty, (ii) preventing people from falling into poverty or (iii) helping people to cope with poverty. From a human rights perspective, it is implicit in helping people acquire an adequate standard of living and in addressing income vulnerabilities, thus preventing people from slipping into chronic poverty. It also helps in preventing inter-generational poverty, which is cyclically hard to break due to its tenacity in being transmitted to the descendants of older generations. Social protection, by enabling people to acquire both physical and human assets and improve their capabilities can help to stave off further poverty. In South Africa, a larger proportion of beneficiaries of social grants are women and children; therefore, these grants serve as an important poverty alleviation tool in female-headed households (De Koker et al, 2006; Tanga, 2007).

The government implemented a number of programmes to address the problems faced by its people. Faced with enormous challenges, the ANC promised 'a better life for all' in its 1994 election campaign. Its election manifesto – the Reconstruction and Development Program (RDP) – promised that 'attacking poverty and deprivation' would be 'the first priority of the democratic government'. The RDP would empower the poor to

seize opportunities 'to develop to their full potential' and 'to sustain themselves through productive activity', with the state ensuring improved access to social security, public education and other services. All South Africans should enjoy 'a decent living standard and economic security' (ANC, 1994: 15, 16, 79). The RDP described itself as an integrated, coherent socio-economic framework. It set ambitious goals such as job creation through public works programmes, redistribution via land reform and major infrastructure projects in housing, services and social security.



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In 1996 the Growth, Employment and Redistribution (GEAR) program was introduced which presented a formal macroeconomic framework for growth and aimed to increase growth and stimulate job creation. According to Van der Berg (2002:16), "the strategy included anti-inflationary policies, including fiscal restraint, continued tight monetary policies and wage restraint." GEAR identified many of the structural weaknesses inhibiting economic growth and employment, and focused attention on market-based policies to address them. The strategy recognizes that a sustained reduction in inequality requires accelerated job creation which, in turn, requires structural transformation to achieve higher and more labour-absorbing economic growth.

In the 2001/2002 South African year book it is indicated that the health department has aimed to improve access to health care through the primary healthcare approach. These programmes included a Free Healthcare policy which would cater for women and children under the age of six and an Immunization program which saw to the elimination of deaths due to measles and the reduction in the incidence of polio. To bring greater

access and equality to the education sector, the government embarked on various changes to the education system so that the unfair practices and inequalities would be redressed.

The Basic Income Grant Coalition was formed mid-2001 to develop a common platform among advocates of a universal income support grant and to mobilize popular support for the introduction of the grant. The Basic Income Grant Coalition calls for the introduction of a Basic Income Grant which would:

- provide everyone with a minimum level of income,
- enable the nation's poorest households to better meet their basic needs,
- stimulate equitable economic development,
- promote family and community stability, and
- affirm and support the inherent dignity of all.

In the decades before South Africa achieved democracy in 1994, the apartheid government systematically excluded African, Indian and Coloured people from meaningful participation in the country's economy. In 2003 the government introduced South Africa's policy of Black Economic Empowerment (BEE) which is not simply a moral initiative to redress the wrongs of the past but a pragmatic growth strategy that aims to realize the country's full economic potential. It aims to broaden the economic base of the country and, in this manner, stimulates further economic growth and creating employment. The strategy is broad-based, as shown in the name of the legislation: the Broad Based Black Economic Empowerment Act of 2003.

In 2004, the Expanded Public Works Program (EPWP) was introduced. The purpose was to create jobs for the unemployed utilizing labour intensive methods rather than capital based technologies which aimed to create opportunities for the unemployed to engage in productive work, and obtain skills which would be sustainable. Most of the jobs that have been created are located in construction. Since its inception, 300 000 jobs have been created, the majority of which are in the rural areas, and mostly for women (Manuel, 2007).



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In February 2006, the Accelerated Shared Growth Initiative South Africa (ASGISA) strategy was formally launched. Its purpose was to focus on areas of greater priority in tertiary education and training which include (1) recapitalizing the FET colleges to improve their capacity and increase throughput to one million learners (2) increasing the number of black graduates and (3) expanding faculties that produce specialist skills such as engineering, among black people.

2.6 Types of social grants in South Africa

In comparison to that of other developing countries in the region, such as Lesotho or Malawi, South Africa's government is clearly making the strongest commitment to social grants. "This shows that the South African government is on track. Comparatively, its welfare system is fairly proficient," believes Laryea-Adjel (2010) chief of social policy and economics at the United Nations Children's Fund. There are seven types of social grants in South Africa, to date, which include:

2.6.1 Child Support Grant (CSG)

This refers to a grant paid to a primary caregiver of a child who satisfies the criteria in terms of Section 6 of the Social Assistance Act of 2004 (Act No 13 of 2004). It has a value of R260 per person per month (as of April 2011), and is given to caregivers of children on the basis that the caregivers have very low incomes or no incomes at all. A person cannot apply for more than six children.

2.6.2 Old Age Grant (OAG)

This refers to a grant paid to an aged person in terms of Section 10 of the Social Assistance Act of 2004 (No 13 of 2004). The rationale behind the OAG is that the elderly (60 years for women and 65 for men) cannot or should not be expected to work and, in the absence of adequate savings or support from family members, risk falling into desperate poverty. According to SASSA (2011), the amount payable to older persons is R1140 per month.

2.6.3 Disability Grant (DG)

The disability grant is a grant paid to a disabled person in terms of Section 9 of the Social Assistance Act of 2004 (Act No 13 of 2004). This is given to a person who is unable to work due to illness and who receives a low income; they can get a grant of R1140 per month (SASSA, 2011). A means-test is used to decide if he/she is poor enough to qualify. If there is a need for a lot of care and nursing one may also be able to get a grant in aid of a further R160 per month. Disability grants are paid to those with physical or mental disabilities that render them unable to work and support themselves.

2.6.4 Care Dependency Grant (CDG)

The care dependency grant exists for children with severe mental or physical disabilities and thus requires permanent home care. It can be accessed by both adult and child HIV/AIDS sufferers who are confined to full-time care at home owing to their morbidity. Infected persons who have full-blown AIDS and whose CD4 count falls below 200 can utilise this grant, provided their situation is deemed “in need” by a medical doctor, and they apply to the social development office (Frohlich, 2005:365). The grant is means-tested and amounts to R1140 a month (SASSA, 2011). There is no specific provision for children with chronic illnesses such as HIV/AIDS and relatively few children in the terminal stages of the virus have managed to access this grant (Foster, 2004).

2.6.5 Foster Care Grant (FCG)

This refers to a grant paid to a foster parent in terms of Section 8 of the Social Assistance Act of 2004 (Act No 13 of 2004). It was designed to support foster parents who have had children placed in their care by the Children’s Court because the children have suffered abuse or neglect. This grant has a value of R740 per month (as of April 2011). It has become, increasingly so, an extra income for relatives and other people caring for children who have lost one or both parents through violence, HIV/AIDS or other diseases.

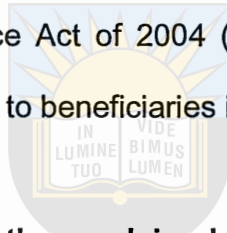
2.6.6 Grant in Aid (GIA)

This is a grant paid to a person who satisfies the criteria in terms of Section 12 of the Social Assistance Act of 2004 (Act No 13 of 2004). It offers income support to people

(already getting Older Persons; War Veterans or Disability Grant) who need full-time care from someone else. The amount payable is R260 per month as from April 2011.

2.6.7 War Veteran's Grant (WVG)

WVG refers to a grant paid to a person who is a former soldier who fought in the First World War (1904-1918), Second World War (1939-1945), the Zulu uprising (1906) or the Korean War and unable to support him/herself, who satisfies the criteria in terms of Section 11 of the Social Assistance Act of 2004 (Act No 13 of 2004). According to SASSA (2011), the amount payable to beneficiaries is R1160 per month.



2.7 Social grants for children further explained

The fundamental purpose of the right to social assistance is to ensure that people living in poverty are able to access a minimum income sufficient to meet their basic subsistence needs. The South African government is obliged to support children directly when their parents or caregivers are too poor to adequately support them. This is done primarily through social assistance programmes, the biggest of which is the Child Support Grant coupled with the Foster Care Grant and Care Dependency Grant. Since this study concentrates on the impact of child social grants it is necessary to provide a full description of these three grants.

2.7.1 Child support grant (CSG)

In April 1998 the CSG was introduced, at an amount of R100 per month, for each child younger than seven years of age. The money was to be paid to the primary caregiver of the child. Applicants for the grant were required to pass a means-test (based on

household income), produce certain documents, and demonstrate efforts to secure funds from other sources. The strict nature of the requirements prevented many genuine caregivers of poor children from applying for the grant (Leibbrandt and Woolard, 2010). A year later, only 21 997 children had been signed up. In response to this low uptake rate, the government altered the means-test from a household based measure to one which considered only the income of the primary caregiver plus that of his/her spouse (not of other social assistance grants). The introduction of the CSG came with certain conditions which included the stipulation that applicants were initially expected to participate in “development programmes” and to have proof that the children for whom they were applying were immunised. This, however, was dropped after it became obvious that such programmes simply did not exist in many areas. It was noticed that children who were already disadvantaged in terms of access to services were discriminated against; hence, the requirement in respect of immunisation was dropped.

The distribution of the CSG was very low in the first 3 years of the program. Surveys of provincial social development offices identified contradictory interpretations of the means-tests, and conditions for the child support grant severely undermined take-up. For example, single mothers had to provide ‘proof of efforts’ to obtain private maintenance from the father of the child, proof of immunisation and health clinic registration, and proof of efforts to secure employment or to join a development program (Samson et. al, 2006). Two years into the program, only 150 000 children were receiving their entitlement. In 2000 the South African Cabinet appointed a Committee of

Inquiry into Comprehensive Social Security (the Taylor Committee), which examined the shortcomings of the existing system. The Committee recommended the introduction of a universal grant to all South Africans (a Basic Income Grant), beginning with the extension of the child support grant to all children. Following the submission of the report, the Department of Social Development extended the grant from age 7 to age 14, thus doubling its scope. In January 2002 State-of-the-Nation Address, President Mbeki announced a government-led campaign to “register all who are eligible for the child grant” (Samson et.al, 2008). The President’s strong commitment sent a clear message to the bureaucracy that social grants provided the central pillar for the poverty eradication strategy. By April 2003, 2.6 million children had been signed up for the grant and take-up continued to escalate.

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The CSG grant has since been dramatically expanded with older age groups gradually included. As from 2010, all (income eligible) children born after 1996 started receiving the CSG until they turn eighteen. Even the means-test was relaxed in October 2008, as it was increased to ten times the value of the grant for single caregivers (and double that for married caregivers) so that the means-test automatically keeps pace with inflation (DoSD, 2009). Until that time the means-test had been fixed at the same nominal level of R800 in urban areas and R1100 in rural areas for ten years. In the most extreme example, this meant that the means-test for a married caregiver in an urban area changed from an income ceiling of R800 per month to R4600 (Statistics SA, 2009). Estimates based on survey data suggest that this change in the means-test should have brought an additional 1.5 million children into the net (Leibbrandt et.al, 2010). Statistics

indicate that by 31 March 2011 the number of children getting child support grants amount to 10.371.950 with a growth rate of 2.15 % during the year (SASSA, 2011).

2.7.2 Foster Care Grant (FCG)

The FCG is paid to those who have gone through a court process to become the registered foster parents of a child. The grant is intended for children up to the age of 18 years “in need of care” and who are not receiving such care from their biological parents. This includes children who are abused as well as children in trouble with the law. The grant is not primarily intended to deal with poverty and thus has no means-test, except when the child has an independent income. Because the grant is several times larger than the CSG, there is a clear incentive for caregivers to choose the FCG over the CSG if they have the opportunity to do so. The significant difference between the two amounts is a legacy of the haphazard way in which the grant system came into being. The Lund Committee was aware of this problem when it deliberated, however, it could not propose a higher amount for the CSG if it was to keep within the budget limit in its terms of reference and did not want to recommend lowering the value of the Foster Care Grant.

Foster care is a crucial element of care for children whose parents have died and/or who are unable to care for themselves. The original role of the foster care system, namely that of protecting children in distress, has been supplanted by a broader welfare function. Like any social grant, the foster care grant has drawn some remarks. Epstein (2000) criticized it as being ineffective in catering for needy children, creating

administration for the formal child protection system, being costly and not very user-friendly. In one fell swoop, due to the high prevalence of the HIV/AIDS pandemic, the foster care system has been put under significant pressure. According to Statistics SA, there was an increase of 346% in the FCG from March 1998 to March 2004, and the jump was most striking during the period March 2002 and March 2003 (117%). The reasons behind the increase in the number of FCG beneficiaries included rising poverty and unemployment in poorer provinces as well as changing emphasis on the scope of the grant. Naicker (2004) found that the FCG was utilised as a poverty reduction strategy rather than a means to protect children. The number of beneficiaries of the FCG grew from 245 798 in March 2005 to 300 119 in March 2006, an increase of 22%. To date, the number of FCG beneficiaries stands at 480 431 (SASSA, 2011).


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In 2009 the Department of Social Development conducted a survey to show the details of relationships between foster parents and foster children. In a large number of cases, foster parents are related to foster children in that they were grandmothers (41% of cases), aunts (30%) or other relatives (12%). The fact that most foster parents are related to foster children is indicative of the practice of placing children with their relatives. Only in a small number of instances (9%) was there no relation between the foster child and his/her foster parent. Moreover, in most cases, foster parents are in receipt of other grants. It was found that nearly two out of three foster parents receive more than one type of grant, that is, the OAP, the DG and/or the CSG. The DoSD (2009: 6) report also indicated that most children come into the foster care system when they are older than 7 years of age whilst only 10% were younger than 7.

The mushrooming number of children orphaned by HIV/AIDS is cared for by the extended family. Government's intervention in dealing with the HIV/AIDS crisis has focused on the foster care system which allows people, especially extended family members who have fostered vulnerable children, to collect a foster care grant (FCG) to help meet the financial requirements of upbringing and care. The application process, which involves going through the High Court, is costly and lengthy. However, the uptake of the fostering initiative has not been enthusiastic. According to Lalthapersad-Pillay (2007), a sample of 1 068 foster parents found that a high proportion (57%) of foster parents were 50 years old or above, indicating that grandparents are often the caregivers of children orphaned by HIV/AIDS. Thus, the Human Rights Watch (2005) found that in one region only 2% of orphans were receiving FCGs, compared to the means-tested child support grant which was more widely received, although its value amounted to less than a third of the foster care grant. The difference between the CSG and the FCG also encourages caregivers who would be providing care anyway to have children formally placed in their care by the court.

2.7.3 Care Dependency Grant

The care dependency grant (CDG) is given to the caregivers of children who are severely disabled to the extent that they need full-time care. Thus, if such care were not available in the home, they would need to be institutionalised. The grant is available for children from one to 18 years of age. It has also seen a marked increase in take-up over recent years. This can be partly attributed to an increase in general awareness of the grant, but is also related to the HIV/AIDS pandemic as the grant is used, in some cases,

to provide for children affected or infected by AIDS. To date, 112 085 children receive the care dependency grant (SASSA, 2011).

2.8 Government expenditure on social grants

According to Lalthapersad-Pillay (2007), over the period 1994 to 2006, social expenditure by government encompassed three broad fields, namely:

- expenditure on the social wage and meeting basic needs in terms of the provision of water, sanitation, energy, housing, health and education
- comprehensive social security systems directed at certain vulnerable groups to serve as safety nets. Included in this scheme is the provision of child grants, including the child support grant (CSG), the foster care grant (FCG) the care dependency grant (CDG), the old age pension (OAP), the disability grant (DG) and the school feeding system
- Initiatives focused on job creation, small, medium and micro-enterprises (SMME), development and land redistribution or reform.

The number of beneficiaries grew from 2.6 million to over 14 million (SASSA, 2011). These grants contribute towards more than half the income of the poorest 20% of households and have doubled, in real terms, over the past five years (DoSD, 2010). The number of beneficiaries of social grants, especially in the case of the child support grant (CSG) and disability grant (DG) has grown quite rapidly in the past few years. Figures relating to the period October 2005 highlight some important dimensions of social grants. In October 2009, it was estimated that 22% of the South African population

received grants and that adult women comprised a third of grant beneficiaries, either in the capacity of beneficiaries of the disability grant (DG), the old age pension (OAG) or as collectors of grants on behalf of children. Furthermore, it was found that 10% of the beneficiaries received more than one type of grant and that, in terms of the combination of grants received, the most likely combinations were (i) the DG and the CSG (5.7%), (ii) the OAG and CSG (2.1%), and (iii) the OAG and FCG (0.7%). In terms of the ability of grants to directly target poor children, 59% of all poor children were indeed receiving social assistance grants by October 2009 (SASSA, 2009).

Table 2.1 provides a summary of the number of social grants beneficiaries by region and years. The table shows that a total of 14 935 832 South Africans benefited from social grants as at 31 March 2011. KwaZulu Natal (KZN) has the highest number of grants followed by the Eastern Cape (EC) and Limpopo (LIM) regions respectively. Amongst all the regions, Northern Cape (NC) has the lowest number of grants (SASSA, 2011).

Expenditure on social grants (all types) grew from R10 billion in 1994 to R55 billion in 2005 and it stood at R89 billion in 2010. The amounts of money payable to beneficiaries have been reviewed each year. Table 2.2 shows the value of the social grants payable to beneficiaries since 2005-2011.

Table 2.1: Number of Social Grant beneficiaries by region and years from 2006-2011

Region	Total number of beneficiaries				
	2006/07	2007/08	2008/09	2009/10	2010/2011
EC	2,244,303	2,228,201	2,325,456	2,516,001	2, 585, 593
FC	723,698	752,763	752,694	844,052	890, 886
GP	1,406,445	1,450,009	1,530,018	1,735,415	1, 825, 491
KZN	2,931,722	3,119,502	3,302,953	3,584,885	3, 710, 581
LIM	1,751,512	1,802,325	1,905,435	2,071,881	2, 162, 624
MPU	901,386	924,958	974,645	1,053,990	1, 090, 087
NW	1,001,629	982,904	1,020,906	367,613	387, 820
NC	232,102	303,974	329,367	1,104,138	1, 120, 774
WC	790,344	821,760	884,630	1,065,135	1, 155, 483
Total	11,983,141	12,386,396	13,026,104	14,343,110	14, 935, 832

Source: SASSA Annual Statistical Report 31 March 2011: 5

Table 2.2: Value of Social Grants payable to beneficiaries since 2005-2011

Grant type	2005	2006	2007	2008	2009	2010	2011
Old age Grant	R780	R820	R870	R960	R1010	R1080	1140
Disability grant	R780	R820	R870	R960	R1010	R1080	1140
War veterans grant	R800	R838	R890	R980	R1030	R1050	1140
Grant in Aid	R160	R180	R200	R230	R240	R250	260
Child Support grant	R180	R190	R200	R230	R240	R250	260
Foster care Grant	R560	R590	R620	R650	R680	R710	740
Care Dependency Grant	R780	R820	R870	R960	R1010	R1080	1140

Source: Department of Social Development Report 31 April 2011:5

2.9 Socio-economic impact of social grants on beneficiaries

Social grants enable people and families to avoid destitution and have a marked positive effect on consumption and welfare. Not only have cash transfers reduced South Africa's poverty gap by 49 percent and the gini coefficient inequality measure by seven percentage points (Samson et al, 2004), but analysis of household datasets in South Africa suggests that social grants support development, including poverty reduction, and improved levels of nutrition, health and education for grant recipients and their children.

2.9.1 Impact of social grants on the labour market

Not receiving a salary, the individual and his/her family may slide into a state of poverty. The timing and intensity of the fall into poverty depends on each household's characteristics, such as: other working members, the availability of savings and the solidarity of relatives. Micro-economic analyses of the impact of social transfers on the labour market tend to focus on labour supply, and theorize two types of negative effects: income effects and incentive effects. The theory behind income effects is that as people become wealthier their marginal benefit from additional consumption decreases relative to their marginal benefit from additional leisure, and they will thus tend to work less (or be less likely to search for a job). In the South African context, this theory has often been applied to the Old Age Grant (Bertrand et al 2000). Although the pension targets people who are generally out of the labour force, Case and Deaton (1998) show that pension income is usually pooled with other household income, and could therefore affect the decisions of household members of a working age.

According to SASSA (2011), the OAG and DG are each R1080/month, and the CSG is R250/month for each child up to a maximum of six children. These amounts are substantial for a poor family in South Africa. The incentive effects of social grants could operate both directly and indirectly. Directly, means-tested social grants disincentivize employment by requiring beneficiaries and their spouses to fall below a certain income threshold. In South Africa, this effect would apply principally to the CSG, which imposes thresholds of R800 or R1100 per month – low enough to disqualify wage earners above the 34th and 46th percentile of workers. Alternatively, the direct disincentive effect may result from a problem of intra-household allocation. If the members of the household share a grant, and the amount an individual successfully claims varies inversely with his/her own income, the incentive to work could be reduced (Bertrand et al, 2000).

The logo of the University of Fort Hare, featuring a shield with a sunburst and the motto 'IN LUMINE VERITAS' and 'BIMUS TUO LUMEN'.
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Social grants represent a significant insertion of resources into poor households, but the side effects of this might indirectly disincentivize employment by affecting the household affiliation decisions of working-age individuals. Although most household level studies of poverty consider household formation to be exogenous, in high-poverty situations individuals will tend to join households with more resources. According to DoSD (2006), in South Africa, social grants represent a large proportion of the income for the poor, and since OAG and CSG beneficiaries are disproportionately concentrated in rural areas (as with the population of children and the elderly in general) this may lead to working-age individuals attaching themselves to rural households. This could occur either by migration to rural areas, or by rural youth delaying leaving home to set up their own households or to join relatives in urban areas. Since both unemployment rates and

the cost of a job search tend to be higher in rural areas than in urban areas, using social grants to cope with poverty could pull workers away from jobs and indirectly discourage their job search (Klasen and Woolard, 2005).

However, there are also several channels through which social grants, particularly the CSG, might lead to improved labour market outcomes. On an international level, this potential of cash transfers has been recognized by a variety of observers (Ravallion, 2003; Devereux and Sabates-Wheeler, 2004; Samson 2002; Samson et al, 2004). The common factor in these theories is the idea that having, or being in a household that has, a steady income in the form of a grant may make it possible for poor individuals to make high-return investments that liquidity constraints would otherwise prohibit. Some, but not all, of these investments may be directed towards seeking remunerative employment.

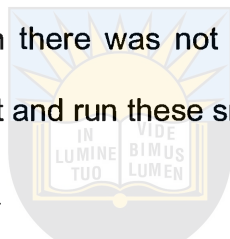
Most directly, social grants may play an important role in financing a job search (Samson et al, 2004; Kingdon and Knight, 2000). Searching for a job can be expensive, both in terms of expenditures like transportation or telephone calls and the opportunity cost of not performing other remunerative or non-remunerative labour. Childcare can be another expense. In their study of a sample drawn from the working class in Cape Town, Shoër and Leibbrandt (2006: 22) report that the “most significant constraint on the ability of passive searchers to pursue (more active) search methods is the obligation to do domestic duties.” Having a steady income in the form of a grant, or being in a household that does, may make seeking employment possible or improve the

effectiveness thereof. Alternatively, this income might permit beneficiaries to migrate in pursuit of employment, both by financing their move and by providing for children and other dependents who remain in the household of origin (Posel et al, 2004).

A variant of the search-financing theory applies to holding a job. A grant may allow a single mother to place a young child in a crèche, or daycare center, while she is at work. One possible confounding factor is that having access to a means of support may allow individuals to be more selective about accepting jobs. While this would appear to have a negative impact on employment, it may actually be economically beneficial; if individuals simply take the first job that comes along out of desperation, high productivity worker-firm matches may be precluded (Wittenberg, 2002). The role of social grants in reducing the cost of seeking employment may be especially important in households that have recently experienced negative shocks. In the context of HIV/AIDS, Booysen (2004: 543) write that social grants may “be important in mitigating certain aspects of the impact of the epidemic, for example ensuring food security, making sure that children attend school and mitigating the burden of funeral costs, particularly in the case of households that have directly experienced illness or death and that are chronically poor.” Having access to a stable income may help household members seek employment as a response to such crises.

Alternately, the steady income stream from the grant may be used to finance small enterprise creation. Lund (2002: 684) cites studies by Ardington and Lund (1995) and Cross and Luckin (1993) which show that the pension was being used “to secure credit,

hire equipment, buy improved agricultural inputs, and showed the importance of the regularity of the pension across the production cycle - ploughing, planting, weeding, and harvesting.” Although social grants are clearly responsible for generating significant amounts of economic activity, as evidenced by the markets that spring up at pay points on the monthly pension disbursement day (Lund, 2002), their role in funding small enterprises has remained largely uninvestigated. In its small sample, the Financial Diaries (2005) study found that between 10% and 25% of grant households are also running small businesses, although there was not enough evidence to conclude that social grants helped individuals start and run these small businesses.



Social grants may also improve a worker's productivity and therefore make him/her a more attractive prospective employee (Samson, 2002). Workers who are malnourished or in poor health are likely to be less productive and thus increasing their consumption can increase their employment prospects. Similarly, increased income may allow workers to invest in training and education, although it is possible that the grants would be used primarily to fund the education of children, rather than adults. Hunger and health are also important constraints to a job search. Shoer and Leibbrandt (2006: 20) report that, in their sample, health problems hindered 13% of searchers, while hunger hindered 25%.

One interesting possibility is that social grants may act as an indirect wage subsidy by reducing the necessity of sending remittances and thereby encouraging even non-beneficiaries to work more. Remittances continue to play an important role in the South

African economy, in part, because of the lack of government support for the unemployed, but it is the working poor and working class who bear the heaviest burden in providing for their even poorer friends, family, and neighbours. This effectively creates a tax on income (Samson, 2002: 22). However, there is strong evidence to suggest that when a household receives a social grant there is a drop in the value of remittances it receives, meaning that the sender of the remittances gets to keep more of her money as a result (Jensen, 2004). This lowers the effective tax on labour and therefore encourages an increased labour supply. However, this theory is difficult to test with existing data because it requires information about both the household that sent the remittances and the household that received them.

2.9.2 Impact of social grants on poverty

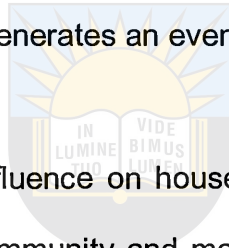
Much of the earlier work on the impact of social grants on poverty focuses on the success of the old age pension (Case & Deaton, 1998; Jensen, 2004) and the importance of this source of income for household security and household food security (Lund, 1999). There is a body of evidence that has highlighted the role of social assistance in South Africa in poverty alleviation (Lund, 1999; Samson, 2002; Samson et al, 2004; Seekings, 2002; Woolard, 2003). Ravallion (2003) emphasises the important role of targeted transfers in alleviating poverty, based on the growing evidence of some successes that contradict the often held belief that the benefits of targeted transfers are captured by others or that coverage of such transfers is too low to make any real difference. Devereux (2002:657) in turn argues that social safety nets can help mitigate chronic poverty insofar as part of welfare transfers is invested in “income-generating

activities, education, social network, and the acquisition of productive assets". Research conducted by Samson (2002) reveals that a large proportion of the South African population, as much as half of the population according to one report, would remain in poverty even if take-up rates of current grants were 100%.

According to Tanga (2007) and Siebrits et al (2008), South Africa's system of social security successfully reduces poverty, regardless of which methodology is used to quantify the impact measure or identify the poverty line. Nevertheless, the quantitative measure of poverty reduction is sensitive to methodological choices. Thus, we may not conclude safely that poverty has indeed declined or that social grants played a major role in this regard. Social grants are an important source of income particularly for the rural poor. Such grants are the best targeted of all social spending programmes, for instance, when one compares them to education or health spending.

The current social security system is most successful when measured against destitution, and the impact is smallest when poverty lines ignore economies of scale and adult equivalence issues. According to DoSD (2009), South Africa's social grants reduce the poverty headcount measure by 4.3%, as measured against the Committee of Inquiry's expenditure poverty line (with no scales). The social security system, however, reduces 45% of the total rand destitution gap — an impact more than ten times greater. Using the Committee of Inquiry expenditure poverty line (without scales), a 10% increase in take-up of the State Old Age Pension (SOAP) reduces the poverty gap by only 1.2%, and full take-up by only 2.5%. The take-up rate for the SOAP is

already very high, and many of the eligible elderly not already receiving the SOAP are not among the poorest South Africans. As a result, further extensions of the SOAP have limited potential in reducing poverty. Extensions of the Disability Grant offer greater promise, although at substantially greater expense. A 50% increase in DG take-up reduces the total rand poverty gap by 1.7%, and full take-up generates a 5.1% reduction. The greatest poverty reducing potential lies with the progressive extension of the Child Support Grant. Extending the eligibility age to 18 reduces the gap by 21.4%. Increasing the real grant payment generates an even greater impact (DoSD, 2009).



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Social grants have a significant influence on household formation: they empower old people by retaining them in the community and making them less dependent on their children whilst keeping them at the centre of households rather than in old age homes. Poor children often join or remain in pensioner households, so grant income also offers them a major source of support in the absence of enough jobs. This, however, has a variety of effects. It is perhaps one of the reasons why there is less migration to urban areas and a smaller informal sector in South Africa than one would usually expect in a middle-income country with such high levels of unemployment. (Kingdon & Knight 2000; Klasen & Woolard 2002). Social grants also have an important impact on savings behaviour and private provision for retirement. According to Van der Berg (2007), the poorest in South African society are those who now have neither social grants, nor employment. The child support grant was partly intended to cover this gap and may have done so quite successfully as far as that is possible in a country with such high levels of unemployment. However, there is a strong relationship between social security

and the nutrition of household members. The results of the expenditure model provide important insights into the positive significant impact of social security grants on food share expenditures, implying improvements in household nutrition.

2.9.3 Impact of social grants on nutrition and health

Social transfers are strongly associated with improvements in the quantity and quality of food consumption, which improves nutritional status and lowers documented levels of morbidity and stunting (Gertler and Boyce, 2001; Devereux, 2001). These effects are evident in relation to both the SOAG (Ardington and Lund, 1995; Case and Deaton, 1998; Lund, 2002), and the CSG (Delany et al, 2008). Food is typically the largest category of expenditure for the poor; comparative studies between CSG recipients and matched households that have CSG-eligibility but non-receiving individuals clearly show differential levels of food expenditure (Delany et al, 2008).

There is a strong relationship between social security and the nutrition of household members. The results of the expenditure model provide important insights into the positive significant impact of social security grants on food share expenditures, implying improvements in household nutrition. The improvements in nutritional status associated with social grant receipt are a significant developmental outcome. Inadequate nourishment, particularly in preschool children, leads to lower levels of physical growth and impaired cognitive development. In Zimbabwe, children affected by the 1982 and 1984 droughts lost an average of over two centimetres of height, 0.4 grades of schooling and experienced a school delay of almost four months (Hoddinott and

Kensey, 2001). When correlated with Zimbabwean employment data, it is revealed that the affected children would experience a seven percent loss in lifetime earnings (Hoddinott and Kinsey, 2001).

2.9.4 Impact of social grants on education

The statistical evidence from research carried out by the Department of Social Development in 2004 documents the extent to which poverty exerts a negative impact on school enrolment rates. Many poor children cannot attend school due to the costs associated with education, including the necessity to work to supplement the family income. In addition, communities that are resource constrained provide lower quality educational services, which negatively affect enrolment rates. Social security grants counter these negative effects by providing households with more resources to finance education. The old-age pension transfer program is particularly effective in this regard. The findings of the above study show a positive and statistically significant effect of government pension transfers on the school attendance rates of poor children.

Economic theory suggests that social grants, by raising incomes, affect education in three ways. Firstly, to the extent that there are financial barriers to school attendance – purchasing school supplies, uniforms, tuition and transportation (Samson et al, 2004). This means that a social grant could help pay the otherwise unaffordable costs of attending school. Secondly, a grant could relieve the opportunity cost of school attendance. This is so because, with a cash transfer in hand, a family might be more able to forgo a child's contribution to household income in favour of making a long-term

investment in education. Finally, by indirectly increasing the resources available to schools, the quality of education may improve, making education a more attractive option to households.

2.9.5 Impact of social grants on investments and savings

Many studies consequently show either no statistically significant correlation between social transfers and growth (Perotti, 1992) or, as an Organisation for Economic Cooperation Development (2004) study suggests, significantly positive results only for certain types of direct social transfers (Arjona, Ladaique and Pearson, 2001). Further, little evidence exists to suggest they inhibit growth (Bourguignon, 2004). The investment effect associated with social grants is important and has been noted in several countries, including Bolivia, Brazil and South Africa (Grosch et al, 2008). The economic effects of public transfers are further magnified if they are used to multiply income. According to Devereux (2001:515), “at the individual level, even tiny consumption-smoothing public transfers can have mean-shifting outcomes, since the capital-constrained poor often invest some incremental income in farming or small-scale enterprises.”

In the South African context, cash transfers have been variously shown to support investments in productive assets and activities (Lund, 2002; Ardington and Lund, 1995); facilitate labour market engagement (Keswell, 2004; Kingdon and Knight, 2000; Posel, Fairburn and Lund, 2004); and contribute to the development of local markets (Cichon and Knop, 2003). Lund (2002) notes how rural beneficiaries strategise to use grant

income to secure credit, hire equipment, and buy agricultural inputs across the entire production cycle of ploughing, planting, weeding and harvesting. Other evidence from South Africa shows how savings from the state pension allow people to buy consumer durables, improve housing and invest in productive assets (Ardington and Lund, 1995). The potential investment benefits of social grants are contextually dependent and vary across programmes, groups and settings.

Even though the CSG is significantly smaller (less than a quarter of the size) than the state old age pension, and the literature on social transfers is far from unanimous on whether there are critical income levels below which households cannot invest (Carter and Barrett, 2006), research shows evidence of savings and investment. Child Support Grant recipients are more likely to have bank accounts and some form of savings as opposed to those who are eligible but non-receiving. Of CSG recipients, 42 percent have a bank account (versus 24 percent of eligible non-recipients) and are more likely to report savings in some form, versus 20 percent of grant-eligible non-recipients (Delany et al, 2008:34). Disaggregated by province, about 30 to 40 percent of recipients have bank accounts reflecting that they are relatively near to bank facilities and range from a high of 56 percent in Gauteng to a low of 23 percent in the Northern Cape. Delany et al (2008) find that although having a bank account was more common in urban areas, the proportion of savings accrued did not vary markedly across urban and rural sites. Focus group data suggests that while savings levels are low, the CSG grant does enable recipients to participate in stokvels (informal mutual savings societies).

2.10 Dependency

Debates surrounding social grants invoke concerns about their negative effects, including how they provide opportunities for corruption in relation to the state, dependency, the distortion of markets, negative impact on family structures, work disincentives and discourage private savings (Neves et al, 2009). Perverse incentives such as elevating fertility rates among teenagers have also been attributed to social protection. Several of these, such as the potential problems of clientalism, market distortions and dependency, either appear to be under or not researched at all, or are generally unnameable to empirical inquiry. The following section examines the literature on the notion of dependency in relation to the receipt of social grants.

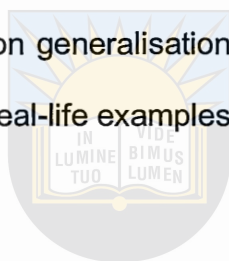
There are clearly a number of different meanings attached to the term dependency and different levels at which dependency can be seen as an issue. Individuals, communities, districts and countries can all be seen as dependent. Dependency may be a different issue for donors, recipient governments, NGOs and beneficiaries of relief programmes, each of which may become dependent in different ways on continuing relief assistance. Investigating the concept of dependency requires an examination both of the ways in which beneficiaries of relief assistance view aid and incorporate it into their livelihood strategies, and the ways in which arguments about dependency and attitudes towards beneficiaries influence relief policies and programming within aid agencies and governments (Harvey and Lind, 2005).

The rising cost of social security is of widespread concern. Among social security specialists, the most significant attention has been concentrated on the consequences of changing social and economic conditions for numbers dependent on social security. By contrast, many critics of social security have tended to approach the relationship from the opposite direction and have become increasingly concerned with the consequences of social security benefits for “dependence” on social security. There is increasing concern that social security creates dependence. It is a situation where welfare provision leads many people to depend permanently on state handouts and drop out of the labour market. All societies accept that certain members must be supported – young children, older persons, and the chronically ill and severely disabled. So ‘dependency’ must be differentiated between those who are genuinely unable to care for themselves, and those who need temporary support but can be assisted to become self-reliant in the future.

According to Devereux (2008), the concern to avoid dependency confuses the two, quite separate, roles of social protection:

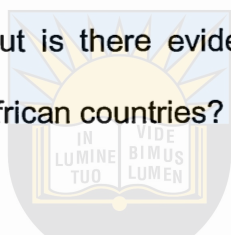
- Temporary support for economically active people who become vulnerable due to a livelihood shock or humanitarian emergency (e.g. unemployment insurance for workers who are retrenched, or famine relief for drought-affected farmers, earthquakes, hurricanes); and
- Continual support to those people who are not able to work to provide for themselves (e.g. infirm elderly widows living alone with no support).

While people in the first category clearly have the potential to 'graduate' once their circumstances improve (e.g. if they find a job, or when the next harvest comes in), people in the second category have much lower prospects of graduating – and should not be expected to do so. Skeptics often talk about 'dependency syndrome' – a tendency for beneficiaries of regular social transfers to become permanently reliant on these 'handouts', and to lose any incentive to improve their circumstances using their own initiative and resources. Devereux (2008) argues that these concerns about the risks of social transfers are based on generalisations and flawed thinking. He provides evidence from several studies and real-life examples of social protection programmes to support his view.



Several social protection programmes in Africa recognize this fundamental distinction by combining different types of support: cash or food transfers with a labour requirement for eligible people who are able to work, and unconditional cash or food transfers for eligible people who are unable to work. It is also important to emphasise that while many social protection programmes may seem to create dependence on the state in the short-term, may actually reduce dependence on the state in the long-term. For example, child benefits, school feeding and conditional cash transfers, all provide immediate relief to poor households, but they also enhance children's health, nutrition and access to education. This provides big potential returns to the national economy in the next generation (Makiwane, 2007).

Economic theory suggests that people who receive regular free transfers will be discouraged from seeking work, especially if the value of the transfer is close to the income that the recipient could expect to earn from paid employment (Devereux, 2008). The 'dependency trap' refers to a situation where transfer beneficiaries have no incentive to take steps to stop receiving these transfers (such as finding work) – or even worse, when employed people leave work and 'choose leisure' instead, preferring to survive on state benefits. These fears of a 'dependency syndrome' are common in affluent northern welfare states. But is there evidence of similar behaviour by poor beneficiaries of social transfers in African countries?



Devereux (2002) says there is intriguing evidence from southern Africa that social grants have precisely the opposite effect. In South Africa, a study of the Child Support Grant and Old Age Pension found that adults living in recipient households were more likely to seek work, and more likely to find work, than people in similarly poor households that do not receive these grants. The authors of that study speculate that this is because social grants give beneficiaries the resources and economic security they need to invest more in job searching – by spending some of this cash on transport costs, child care, and so on. Similar findings have been reported from large-scale conditional cash transfer programmes in Latin America (UNDP, 2006).

According to Devereux (2002), in Namibia, a Basic Income Grant (BIG) is being piloted in a severely impoverished rural community, where unemployment stood at 64% in November 2007 – much higher than the national unemployment rate of 37%. From

January 2008, every adult in Otjivero-Omitara was given N\$100 (US\$12) each month, unless they were already receiving a social pension. In July 2008, six months after the BIG was introduced, unemployment in Otjivero had fallen to 52%, while the proportion of those still unemployed yet looking for work had risen significantly. Much of the increased employment was in the informal sector, with women and men using the BIG cash as working capital to engage in income-generating activities. These small enterprises operate within the community, with other community members using their BIG cash to purchase the products. This illustrates how injections of cash can stimulate local economic growth. Average monthly per capita income in Otjivero rose from N\$160 to N\$303, an increase of 89% in just six months, of which N\$100 (63%) is directly attributable to the BIG cash transfer, and N\$43 (27%) is additional productive income leveraged by the BIG. This evidence refutes the prejudicial belief that poor people who are given free cash or food will become lazy and choose to work less than before, thus becoming totally dependent on the cash transfers for their survival. In fact, the opposite is true. Guaranteed social grants give poor people the means to invest in productive activities and improve their livelihoods.

Though the spectra of the 'dependency culture' is most commonly raised by rightwing opponents of states espousing social democratic values in the northern hemisphere, its proponents have found sympathetic ears in South Africa. It is often said that, in South Africa, social grants foster dependency and that people should be given a 'hand-up' not a 'hand-out'." The view is often taken that a social safety net in the form of grants is anti-development, and is even antipathetic to home-grown anti-poverty solutions. Noble et al

(2008: 2) argue that “This is far from the truth – to be opposed to social grants for the unemployed, is to be aligned with western neo-liberals found in Anglo-Saxon states such as the US and to a lesser degree the UK.”

Research from developed countries which do provide a social security safety net has shown no evidence of a dependency culture. Although South Africa’s social grant system is becoming more comprehensive due to the expansion of the Child Support Grant (CSG), a big hole in the social safety net remains in the form of lack of support for healthy, unemployed people of an employable age. These individuals are denied unemployment insurance because most of them have never been formally employed; there are persuasive arguments for providing a social grant for this group as it would be an important part of any anti-poverty strategy and serve as a bridge until sufficient employment opportunities become available.

However, issues of affordability notwithstanding, those opposed to extending the social grant system may still raise arguments of ‘dependency’ as one of the reasons not to. The Centre for the Analysis of South African Social Policy (CASASP) at the University of Oxford and the Human Sciences Research Council (HSRC) consequently collaborated on research to seek evidence for the existence of a ‘dependency culture’ within South Africa. Using a specially designed module in the HSRC’s South African Social Attitudes Survey 2006, some hard facts emerged which demonstrated a positive orientation of both the unemployed and existing social grant recipients towards work; general support for an extension to the social security system to provide support for the

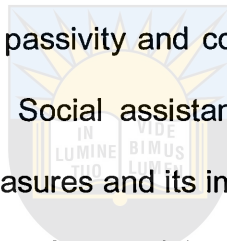
unemployed; and, importantly, no evidence that social grants generate a culture of dependency (Noble et al, 2008).

Lentz, Barrett and Hoddinott (2005) critically re-examine the notion of dependency, and make a useful distinction between positive dependency, which is welfare enhancing, and negative dependency, where external aid undercuts recipients' ability to meet their own basic needs in the future: they find little evidence of the latter in the African context. Furthermore, Devereux (2001: 513) argues that displacing informal safety nets with public or market-based alternatives is likely to be socially and economically preferable. It is useful to note that in many cases, narratives concerning the negative effects of social transfers in the South African context uncritically reiterate North American and Western European concerns regarding perverse incentives, moral hazards and dependency (Meth, 2004). These concerns reflect the particulars of the social contexts from which they originate; namely, relatively affluent societies with high employment rates and often historically comprehensive welfare benefits. Simply transposing these concerns locally is inattentive to the specifics of the South African context, and the precise dynamics of how social grants are actually used. These issues are the focus of the empirical findings of this research project.

2.12 Conclusion

The fact that there has been little analysis of the term dependency in the literature on state welfare forms part of the justification for this study. However, it is not a completely new subject. The literature that does exist tends to attack the myth of dependency, either by arguing that people are not in fact dependent, or by pointing out the negative

ways in which the concept influences aid agency policy and practice. An evaluation of UNHCR's community services programmes, for example, recommended that 'references to dependency should be purged from the UNHCR lexicon' (UNHCR, 2003). Despite these critiques, the term has remained remarkably persistent in debates about state handouts. This persistence suggests that the concept addresses some core issues related to welfare aid which cannot simply be dismissed. These include the possible negative effects of aid on labour markets, the sense that the way in which relief is sometimes provided encourages passivity and continuing failures to make progress with accountability to beneficiaries. Social assistance is an ineradicable part of any government's poverty alleviation measures and its importance has grown significantly in the post-apartheid decade in South Africa. While the numbers of beneficiaries have risen significantly, a large proportion of those in need remain outside the system (DoSD, 2006). There is little doubt that the triplicate problems of unemployment, poverty and a rampantly growing orphan crisis borne of the AIDS pandemic are likely to create further demand for social assistance.



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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methodological framework used in this study; that is, how the fieldwork was undertaken. It discusses, in detail, the research design and approach used and provides justification for the research method. The population for the study is highlighted as well as the sample. The sampling technique used in selecting the sample is also explained. Further, the instruments used in the collection of data are explained. The chapter also covers how the data were analysed and the ethical issues considered when conducting the research.



3.2 Research design

A research design can be defined as a strategic framework for action, to guide the arrangement of conditions for the collection and analysis of data in such a way that there will be a combination of research questions and the implementation of the research (De Vos, 2005). A research design, therefore, provides a plan that may specify how the research was executed in a manner that allows for the research questions to be answered. It may also involve multiple decisions about the way data were collected and analyzed. It also ensures that the final report answers the initial research question (Blanche, & Durkheim, 1999).

Triangulation was used in this study. According to De Vos (2005), triangulation refers to the use of more than one approach to the investigation of a research question in order to enhance confidence in the ensuing findings. It means mixing approaches to get two or more viewpoints upon the things being studied. The resulting dialectic of learning thrives on the contrasts between what seems self-evident in interviews, what seems to underlie the lay discourses, what appears to be generally true in surveys, and which differences arise when comparing all these with official interpretations of the same thing (Leedy and Ormrod, 2005). Denzin (1970) distinguished four forms of triangulation; these are data, theoretical, investigator and methodological triangulation. However, this study used methodological triangulation, which refers to the use of more than one method for gathering data. Both quantitative and qualitative data was collected. This included primary sources and secondary sources.

Quantitative data were collected through the use of survey questionnaires. According to Christensen (2004), quantitative research collects some type of numerical data to answer a given research question. The objective of quantitative research is to develop and employ mathematical models, theories and hypotheses pertaining to natural phenomena. The process of measurement is central to quantitative research because it provides expression of quantitative relationships. Qualitative data were collected through the use of in-depth interviews. Christensen (2004) defines qualitative as the interpretative, multi-method approach that investigates people in their natural environment.

3.3 Justification of the use of research methods

Much social research on dependency on social grants (Noble, Ntshongwana and Surrender, 2008) is founded on the use of a single research method and, as such, may suffer from limitations associated with that method or from the specific application of it. The triangulation method used in this study offers the prospect of enhanced confidence. The research used questionnaires for quantitative data. In relation to child social grants the questionnaires strived to unearth the type of the people concerned, regarding their dependence on social grants. This quantitative analysis helps, in this case, to identify potentially important variables and to generate hypotheses and possible relationships among child social grants and dependency culture. The other method was in-depth interviews in which face-to-face in-depth interviews were conducted. This use of the qualitative method in the study was to try to describe and interpret the people's feelings and experiences in human terms rather than through quantification and measurement. The idea behind the in-depth interviews is not to try and test any hypothesis but is a way of finding out about the participants' experiences and what they make out of those experiences. The researcher works from the assumption that when people are allowed to talk freely and express their feelings and experiences about a certain topic then they tend to know what is going on. Qualitative research helps to draw valuable conclusions in situations where it is difficult to say what the variables are or how to measure them.

The idea of triangulation has been criticized on several grounds. First, it is sometimes accused of subscribing to a naive realism that implies that there can be a single definitive account of the social world. Such realist positions have come under attack

from writers aligned with constructionist and who argue that research findings should be seen as just one among many possible renditions of social life. On the other hand, writers working within a constructionist framework do not deny the potential of triangulation; instead, they depict its utility in terms of adding a sense of richness and complexity to an inquiry. As such, triangulation becomes a device for enhancing the credibility and persuasiveness of this research.

A second criticism is that triangulation assumes that sets of data deriving from different research methods can be unambiguously compared and regarded as equivalent in terms of their capacity to address a research question. This view fails to take account of the different social circumstances associated with the administration of different research methods, especially those associated with a between-methods approach. For example, the apparent failure of findings derived from the administration of a structured interview to converge with focus group data may have more to do with the possibility that the former taps private views as opposed to the more general ones that might be voiced in the more public arena of the focus group.

3.4 Population

In this study, the population refers to all beneficiaries of child social grants in the Nkonkobe Municipality; these include the Foster Care Grant and Child Support Grant. According to Statistics SA (2010), the population of these two grant beneficiaries is approximately 30 000. Simon (2002) defines a population as a collection of items of interest in research; the population represents a group that one wishes to generalize the

research to. Populations are often defined in terms of demography, occupation, time and care requirements. The Nkonkobe municipality is composed of five major areas which include Fort Beaufort, Alice, Hogsback, Seymour and Middle-drift. The population of the people in the Nkonkobe municipality is approximately 145 000 (Statistics S.A, 2011). According to Borg (1990), the population, or target population, is all those members of a real or hypothetical set of people, events, objects to which the researcher wishes to generalize the results of the research. Table 3.1 illustrates the numbers of beneficiaries distributed among the different types of grants.

Table 3.1: Beneficiaries of social grants according to grant type and gender in the Nkonkobe Municipality

Grant type	Number of beneficiaries		
	Male	Female	Total
Child Support Grant	12 627	12 074	24 701
Foster Care Grant	0	32	32
Old Age Grant	4 032	10 133	14 165
Disability Grant	2 855	2 289	5 144
Grant in Aid	15	17	32
Care Dependency Grant	451	218	669
Total number of beneficiaries	19 980	24 763	44 743

Source: Statistics S.A (2011)

3.5 Sample

The total sample of the study was 225 participants. A sample is a subset of a population. In a given population, it is impossible to consider all entities and therefore a

small part of the population is chosen to represent the whole. A sample can be defined as a set of respondents (people) selected from a larger population for the purpose of an investigation. This study consists of 2 sets of samples, the first one consists of 200 beneficiaries who were administered a survey questionnaire. The other set is made up of 25 beneficiaries who were interviewed using in-depth interview guides. The sample that was drawn was representative of all the child social grant beneficiaries and every possibility was taken to ensure that the sample is representative of these diverse grant types. The gender in the sample was proportionately selected from each group. Certain measures have to be taken when selecting a sample. These include defining the target population, constructing a sampling frame, determining how to select sample members and deciding how to convert sample estimates into population. Figure 1 illustrates the steps taken in selecting the sample.

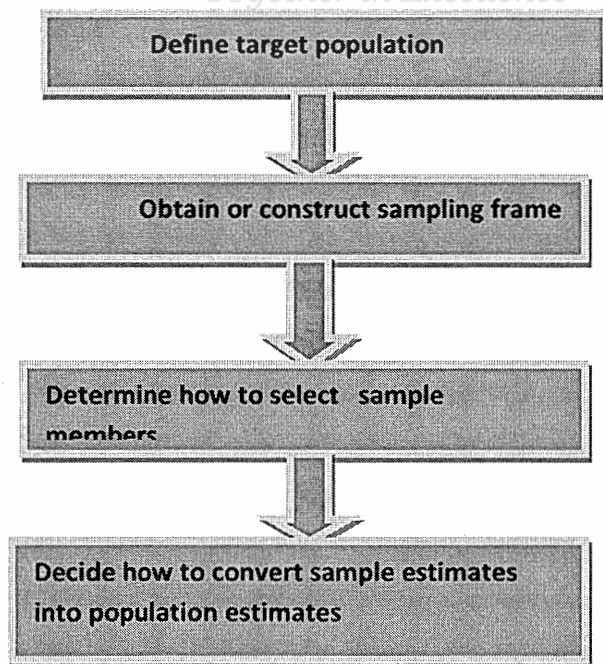


Fig 3.1: Selecting a sample

Source: Collis and Hussey (2003: 37)

3.6 Sampling technique

Sampling involves selecting individual units to measure from a larger population (De Vos; 2005). There are two sampling methods that were used in this study. The first one was for survey questionnaires, which is systematic sampling. This sampling method can be defined as a statistical method involving the selection of sample members from a larger population according to a random starting point and a fixed periodic interval for example every k^{th} element is selected from the total population for inclusion in the sample population (De Vos, 2005). In this study, the starting point was random by purposefully selecting a beneficiary and the choice thereafter was a regular interval; that is, every 10th person that followed was selected.

The second sampling method for in-depth interviews was purposive/judgemental sampling. Bless et al (2007) argue that a sample is chosen according to what the researcher considers to be typical units. The participants were purposefully selected to obtain rich data. The strategy was to select units that were judged to be the most common in the population under investigation. Saunders, Lewis and Thornhill (1997) state that purposive or judgmental sampling enables a researcher to select cases that best enable him/her to answer research questions and meet objectives. Neuman (1997) agrees with Saunders et al (1997) that a purposive sample is also used when research is informative and the sample size is small. Saunders et al (1997) go on to mention that under purposive sampling there is a common strategy called heterogeneous or maximum variation sampling which enables a researcher to collect data in order to describe and explain the key themes under observation. In this case the research

project seeks to acquire in-depth information from respondents, within a particular context.

3.7 Data collection Instruments and Administration

This research used two instruments to collect data: questionnaires and in-depth interview guides. Phase one of the research conducted a survey by distributing 200 questionnaires. Phase two included in-depth interviews.

3.7.1 Questionnaires

The questionnaire used in this study had mixed question types: open-ended and closed-ended questions. According to De Vos (2005), an open-ended question enables respondents to answer in any way they please, whereas a closed ended question requires that respondents choose from a limited number of predetermined responses. Closed-ended questions have a finite set of answers from which the respondent chooses and generated quantitative data. The benefit of closed-ended questions is that they are easy to standardize, and data gathered from closed-ended questions lend themselves to statistical analysis. Open ended questions generated qualitative data.

The questionnaire was composed of six sections, which include:

- Section A: Background and biographical information.
- Section B: Type of child social grant received and its usage.
- Section C: Other sources of income besides the child social grant.

- Section D: The degree to which a beneficiary of a child social grant has the drive to seek employment.
- Section E: The extent to which a beneficiary's standard of living has changed over time as a beneficiary of a child social grant.
- Section F: Attitudes of beneficiaries towards child social grants.

Section A, which covered background and biographical information, contained questions on demographic characteristics including age, gender, marital status, educational level and the major area of the municipality in which the respondent lives. It had questions on the head of the household and number of people staying in that household. Section B focused on the type of grant being received, number of children receiving grants, duration and estimated total amount as well as what the grant is used for. The following Section C investigated whether or not beneficiaries had other sources of income and whether these were higher than the grant or not, in addition to what the money was used for.

Section D focused on the employment status of the beneficiaries. It explored the degree to which unemployed beneficiaries have the drive to search for employment and their attitudes towards work and how jobs are perceived in their communities. The next part of the questionnaire, Section E, dealt with the extent to which the grants have impacted on the beneficiaries. This section investigated the extent to which the standard of living for beneficiaries has changed since the start of receiving grants. The last section, Section F, explored the attitudes of beneficiaries towards child social grants.

3.7.2 In-depth interview guides

Face-to-face in-depth interviews were conducted with twenty-five women receiving child social grants. This was done to get people's feelings and experiences in human terms rather than through quantification and measurement. An interview guide was used to ensure that there was uniformity in the information obtained from the research participants; this means that the questions asked to participants were more or less the same, and were designed so as to avoid collecting irrelevant information. The interviewees were representative of the beneficiaries of the two child social grants and they were chosen with the expectation that they would offer the typical perception and perspectives related to the topic. All the interviews were conducted at the houses of the participants as they felt comfortable there. The participants signed informed consent forms. Each interview took an average of thirty minutes.

There was also use of a recording instrument. The interviews were tape recorded and later transcribed. The tape recorder allowed a much fuller record than notes taken during the interview. It also allowed the researcher to concentrate on how the interview was proceeding and gave a sense of direction. Transcripts of the recorded discussions gave a detailed reproduction of the conversation which assisted the researcher to overcome the tendency of transcribers to "tidy up" the "messy" features of natural conversation. In cases where someone else collected the grant and managed the money on behalf of the beneficiary, that person acted as the beneficiary respondent. The questions included in the interview guide were open-ended, clear and neutral so as to remain unbiased and to enable research participants to easily formulate their

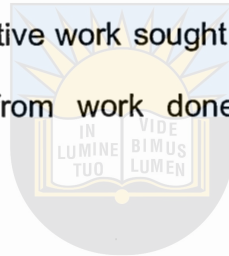
responses. Cooperation from the respondents was good and only three refusals were encountered.

3.8 Data Analysis

Data analysis is the process of bringing order, structure and meaning to the mass of collected data. The data that was gathered was analysed both quantitatively using frequency tables and graphs, and qualitatively based on the key themes that emerged.

The main aim of the quantitative analysis was to utilise existing data to establish a proper profile of grant beneficiaries to inform the debate on dependency. The Statistical Package for Social Sciences (SPSS) was used to analyse data. The analysis of quantitative data in this research followed a multifaceted approach. The approach was that of simple descriptive methods by explaining the trends and levels through tables and graphs. Emphasis was placed on statistical analysis using two variable regression analyses and correlation. The linear regression analysis method involved the dependence of one variable (the dependent variable) on the other variable (explanatory variable). The focus of the analysis was to determine whether there is any association between child social grants and dependency. This was followed by determining the degree of association between these two variables (if any) and finally checking if the values of one variable can be used to predict the values of the other. After determining whether there was any relationship between child social grants and dependency, a correlation was conducted. Correlation analysis seeks to measure the strength or degree of association between two variables.

Non-quantifying methods were used when analysing the in-depth interviews. A general analytical procedure was used in analysing the data. According to Creswell (1998), to begin the data analysis, the researcher should read the transcripts in their entirety several times thus immersing him/herself in the details and trying to make sense of the interview as a whole. After that, the researcher organizes the material from one theme or concept which runs across all the interviews (Patton, 2002). As data collected from the interviews was collated, it was also organized into themes that ranged from the general to the specific. This qualitative work sought to complement and further explore some of the findings obtained from work done in phase one, which was the administering of questionnaires.



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The following steps were taken after data collection:

- ❖ The first step was to convert the rough notes into written record. The rough notes consisted of the recorded interviews. These interviews were transcribed onto a word document. No interpretation was done and everything was copied word for word.
- ❖ When transcribing every interview, the diary was referred to and recorded a code to represent a certain interviewee, the date of the interview and the context in which the interview took place.
- ❖ The next step included the coding process. Similar trends within the data were observed. The code was either a word or phrase. The significance of that word or phrase to the research was explained. Data was reorganised and categorised.

- ❖ After finding the necessary codes, the next step was to categorise the codes into smaller categories. Certain themes emerged from the data and data was reorganised and further categorised.
- ❖ After each category, summaries were written and thoughts were put on paper.
- ❖ In the last step, generalisations were constructed from the findings.

The process of analysis took place in workbooks which helped differentiate the raw data, coded data, categorised data, summarised data and generalisations. The following are the work papers used in the research:

- Work paper 1: contained raw material from interview notes
- Work paper 2: summarised the raw data in work book 1 for each of the main points
- Work paper 3: reconstructed the data in work book 2 and further reorganised and categorised
- Work paper 4: contained summaries of findings and the overall assessment of the child social grants
- Work book 5: contained the findings of the research and the recommendations

(adapted from, Collis & Hussey, 2003)

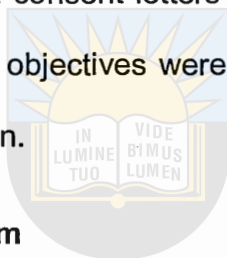
3.9 Ethical considerations

Ethical considerations are an important aspect of research, especially social science research. Ethical procedures are established in order to protect the physical and mental integrity of individuals, to respect their moral and cultural values as well as their religious and philosophical convictions, in addition to their other fundamental rights

including respect for privacy whilst maintaining the highest level of confidentiality. With regard to ethics in research, the following ethical considerations were exercised:

3.9.1 Voluntary participation

Respondents were encouraged to participate out of free will. Social research, according to Babbie (2004: 63), represents an intrusion into people's lives. A major tenet of social research ethics is that participation should be voluntary. Women and men who participated in the study were given consent letters to confirm that they were willing to participate. The research aims and objectives were properly explained to them before the commencement of data collection.



3.9.2 Avoidance of harm

In carrying out the study, dangers such as physical, emotional or psychological harm were closely guarded against and thoroughly examined. Babbie (2004: 64) indicates that social research should never injure the people being studied, regardless of whether they volunteer for the study.

3.9.3 Anonymity and confidentiality

According to Fraenkel (1990), the issue of confidentiality is one which underpins all qualitative research and is seen to be a major issue in qualitative research. Privacy is highly valued and researchers need to ensure that participants' privacy is respected. Privacy often involves personal background and information such as age, political belief, religion, finance, and family. Since the topic under investigation involves information on people's age, beliefs and personal experiences, in-depth interviews were employed whilst maintaining participant anonymity. According to Byrne (2001), a researcher can

protect the privacy of research participant by ensuring anonymity and/or confidentiality. Anonymity exists when participants' identities cannot be linked, even by the researcher, to their actual data or responses. Confidentiality is the management of data to prevent participants' identities from being linked to their responses. The participants therefore were not asked for their names or identity numbers.

The respondents were clearly informed on the aspect of confidentiality. During the interviews no names were asked from the participants and confidentiality was adhered to. The confidentiality procedures were explained to the participants. They were also informed that no one will access the information they have shared with the researcher. The only person who will get the results is the thesis supervisor from whom their identity would be protected and their names would not be mentioned.

3.9.4 Informed Consent

Obtaining participant consent was one of the fundamental practices that adhered to. Consent was obtained by explaining the objectives of the study and what it entailed to the participant. According to Corti et al (2000), research should, as far as possible, be based on participants' free and voluntary informed consent. The authors further state that participants "Should be aware of their right to refuse to participate; understand the extent to which confidentiality will be maintained; be aware of the potential uses to which the data might be put; and in some cases be reminded of their right to re-negotiate consent." Informed consent can therefore be defined as "a procedure for ensuring that research participants understand what is being done to them, the limits to

their participation and awareness of any potential risks they incur” (Corti et al, 2000:67-70).

At the outset, the topic of the interview was described in detail. The interviewees were given a full non-technical and clear explanation of the role and tasks expected of them so that they are able to make an informed choice to participate in the research voluntarily. After all, explanations were completed the educated participants were requested to complete consent forms that contained the same information, however, the uneducated participants agreed verbally to the informed consent. During this period, privacy, confidentiality, and a non-condemnatory attitude prevailed; this became an important aspect. In providing a framework of trust, the participants were informed about the research so that they could choose willingly to participate in the research. According to Bless et al (2007:106), participants have a right to know what the research is about, how it will affect them, the risks and benefits of participation and the fact that they have the right to decline to participate if they choose to do so.

3.10 Limitations of the study

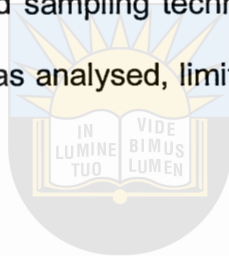
There were a number of problems as far as fieldwork was concerned. These included:

- The scheduled time for interviews took longer than anticipated.
- The participants were not willing to participate as they feared that they would be removed from the social grants however, after clear explanations of the research aims and objectives, they eventually cooperated.

- The number of participants was low so that the entire population was not represented and few males were interviewed because every 10th person selected was highly to be a female.

3.11 Conclusion

In this section of the study, the research design and the research approach employed in the study were described. This chapter covered detail related to the research design, population of the study, sample and sampling technique, instrument of data collection and administration, how the data was analysed, limitations encountered and the ethical considerations of the study.



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CHAPTER FOUR

FINDINGS AND DISCUSSION

4.1 Introduction

This chapter largely rests on presenting the quantitative and qualitative findings of this study, in addition to which it offers a discussion of these findings. The chapter is divided into three sections; the first section contains the results of the quantitative analysis which are presented as simple descriptive statistics. The trends and levels are presented through tables and graphs following the logic of the questionnaire. The second section contains the qualitative results of the interviews which are presented according to the themes that emerged. These are described and interpreted according to the people's feelings and experiences in human terms rather than through quantification and measurement. The last section provides a discussion of the findings of the study.

4.2 Presentation of quantitative findings

The main aim of this study was to determine the extent, if any, of a dependency culture emerging among child social grant (Child Support Grant and Foster Care Grant) beneficiaries in the Nkonkobe municipality. Against this background, quantitative data was collected through the use of questionnaires. The objectives of the quantitative survey were to provide detailed biographical information of beneficiaries, trends and levels of the use of child social grant money, the length of time individuals have remained beneficiaries, the drive of beneficiaries to seek employment and the extent to

which their living conditions have changed as beneficiaries. The results are presented according to the logic of the questionnaire.

4.2.1 Biographical information of the respondents

The study was conducted in the Nkonkobe Municipality; respondents were therefore selected from the five major areas of the municipality. Fig 4.3 shows that 26% of the respondents came from Alice; 19.5% from Fort Beaufort, 21% of Hogsback, 17% from Seymour and 16.5% are from Middle-drift.

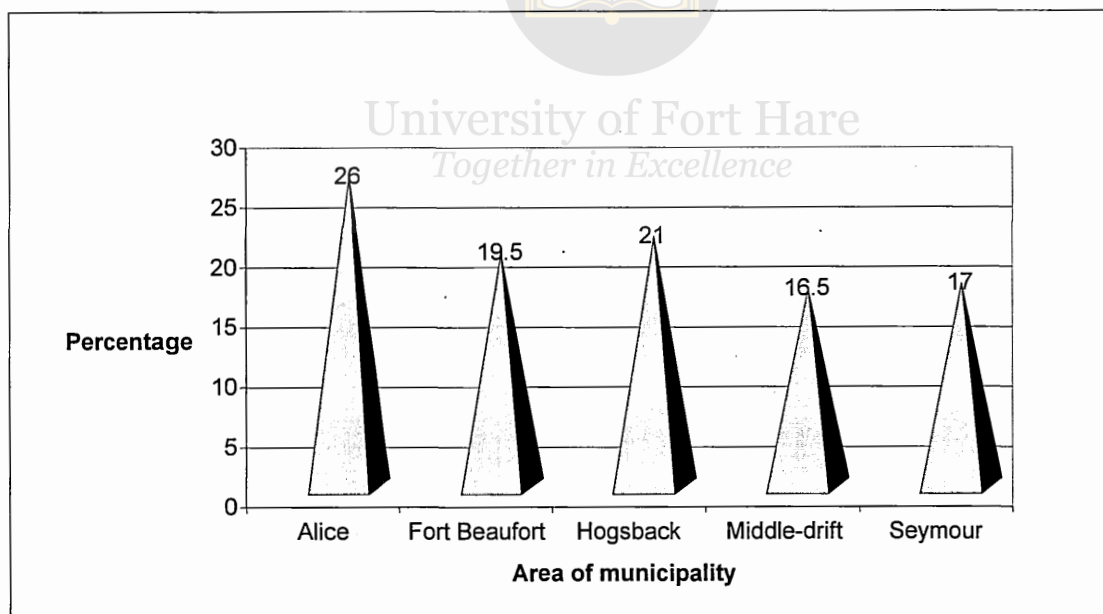


Fig 4.3 Major areas of the municipality

The results of the study indicate that 88% of the respondents were females. However, only 12% were males. Table 4.1 shows the age range of the respondents. According to the table, the group between the ages of 26 and 35 formed the largest component of the

respondents in this study. This group is followed by respondents aged 41 to 54 years and thereafter those aged 36 to 40 years. Furthermore, the table reveals that the age group between 21 and 25 years constitutes the least number of beneficiaries after the 55 years and above age group.

Table 4.1: Age of respondents

Age	Frequency	Percentage
21-25 years	10	5.0
26-35 years	80	40.0
36-40 years	36	18.0
41-54 years	43	21.5
55++	31	15.5
TOTAL	200	100

Fig 4.1, below, illustrates the frequency distribution of the race of respondents. According to the figure, 74.5% of the respondents were Black whilst 25.5% were Coloured. It also indicates that there were no White or Indian respondents.

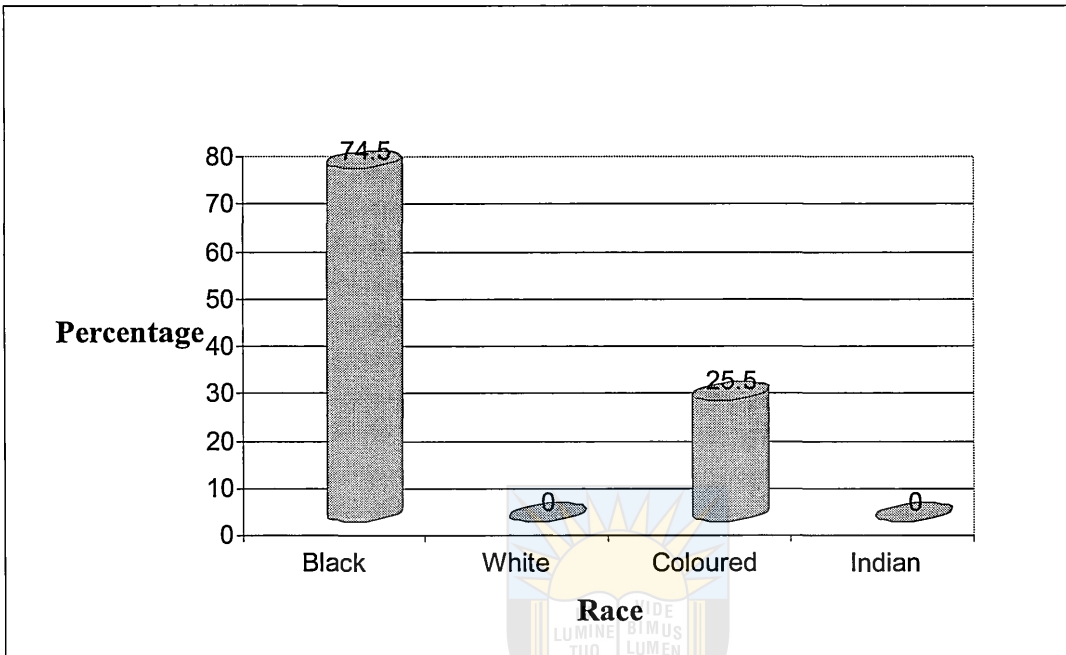


Fig 4.1: Race of respondents

Regarding the marital status of respondents and, according to Fig 4.2, 36% of the respondents were cohabitating, 34% single, 16% divorced, 14% widowed, and 9% married.

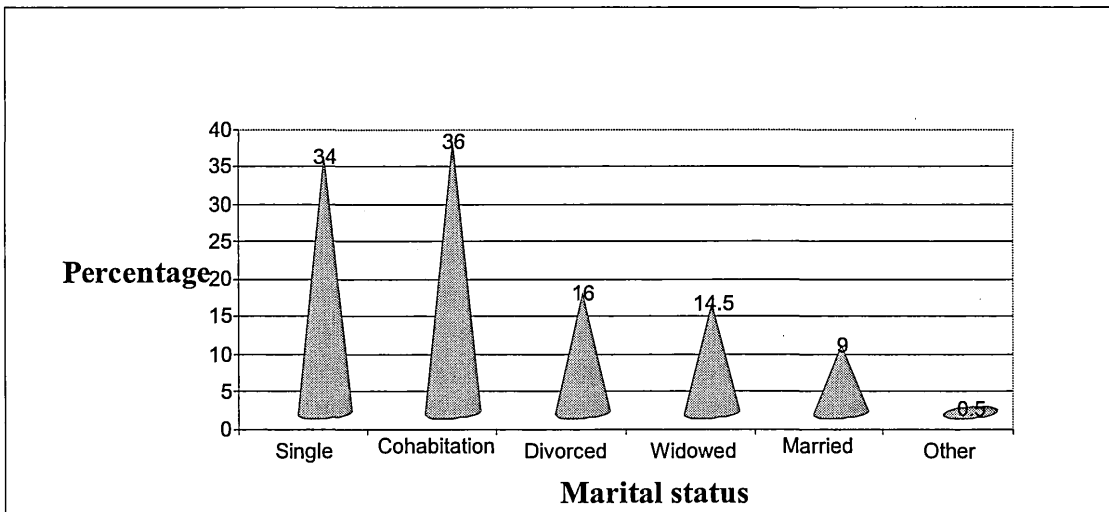


Fig 4.2: Marital status of respondents

Respondents were asked about their educational qualifications and the results are shown in Fig 4.4. The figure shows that the majority of respondents, that is 52%, had some secondary education followed by those who hold a matriculation certificate; these constitute 28% of the respondents. The figure further shows that 12% of the respondents indicated that they had tertiary qualifications whilst the least number of respondents had some primary education (8%).

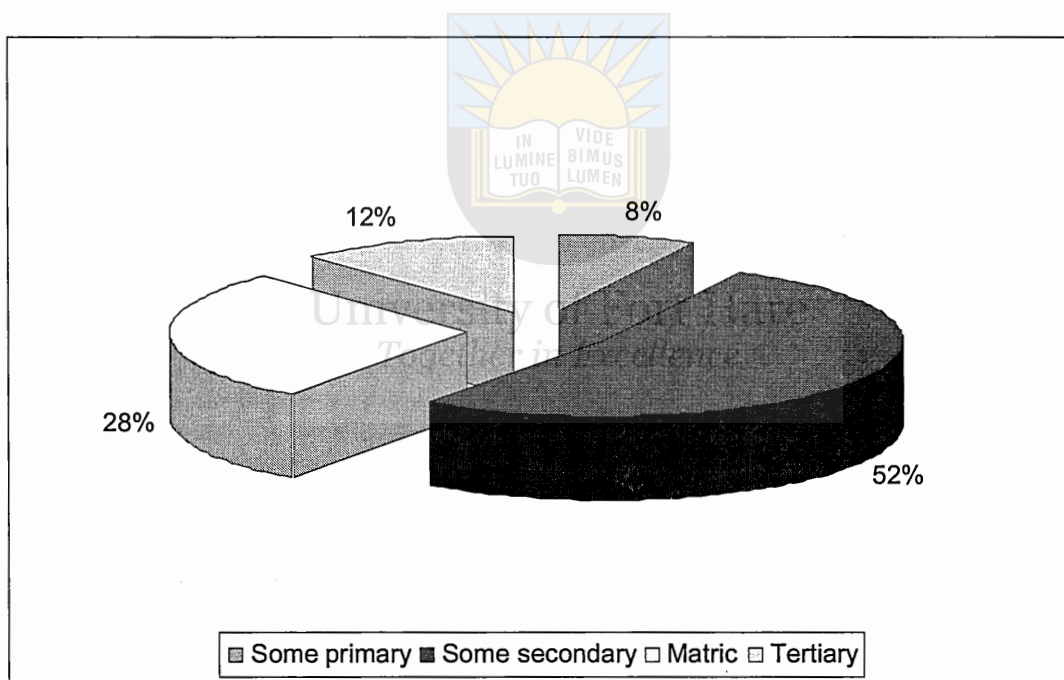


Fig 4.4: Educational qualifications of respondents

The respondents were further asked about the number of people staying in their households. Table 4.2, below, indicates the frequency and percentage of the number of people who were staying in each household. According to the table, most respondents stayed with 5-6 people in households (44.5%) followed by 3-4 people which constituted 31% of the respondents. However, the table also illustrates that 20.5% stayed in

households with more than 6 people whilst 4% indicated that they stayed in households with between 1-2 people.

Table 4.2: Number of people staying in each household

Number of people	Frequency	Percentage
1-2	8	4.0
3-4	62	31.0
5-6	89	44.5
more than 6	41	20.5
TOTAL	200	100

Concerning the head of the household, Fig 4.5 shows the distribution of the by respondents. The figure reveals that 35.5% of the households were headed by grandmothers, 9.5% by mothers, 6.5% by father and 1.5% by grandfather, whilst 1% was headed by aunts. Further, it is shown that 46% of the respondents were the head of the households.

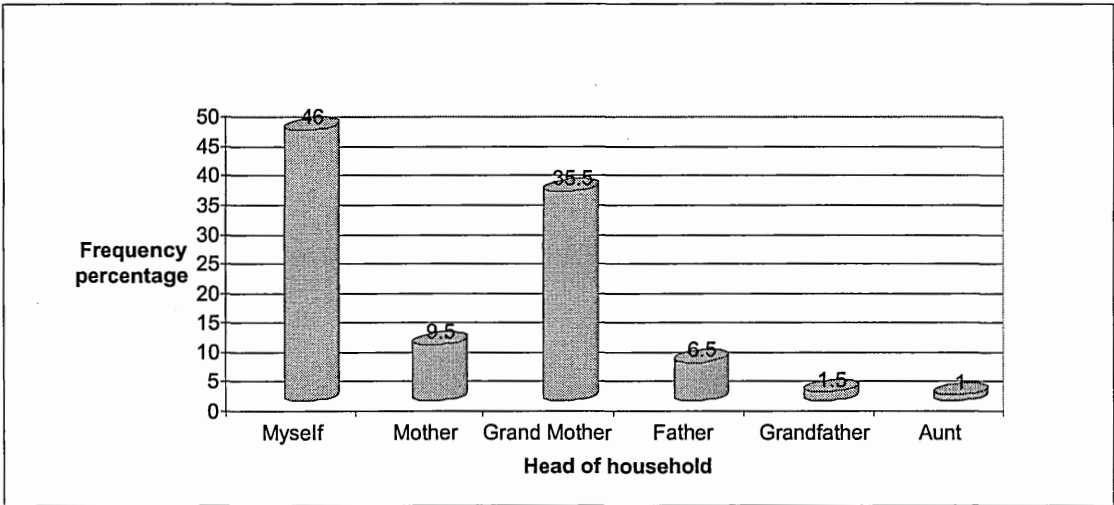


Fig 4.5: Head of households

4.2.2 Length of time as a beneficiary

The question of the number of years they have been beneficiaries was also posed to the respondents. Table 4.3 indicates that the majority of the respondents (40%) were beneficiaries for 6–10 years followed by 24.5% of the respondents who were beneficiaries for between 11-15 years. Furthermore, the table indicates that 17% of the respondents have been beneficiaries for 3-5 years whilst 9.5% were beneficiaries for 0-2 years. However, 8.5% of the respondents had been beneficiaries for 16-20 years.

Table 4.3: Period as a beneficiary

Number of years	Frequency	Percentage
0-2	19	9.5
3-5	34	17.0
6-10	81	40.5
11-15	49	24.5
16-20	17	8.5
TOTAL	200	100

Moreover, the respondents were asked if they were striving to get off of welfare in the future. Fifty one percent of the respondents maintained that they did not want to get off of welfare whilst 49% were striving to get off welfare but they indicated that there were no opportunities for them, hence, welfare was the only option.

4.2.3 The number of children receiving social grant and the use of child social grant money

Table 4.4 shows the frequency and percentages of the total number of children of each beneficiary who was receiving a social grant. The table indicates that most beneficiaries (46%) had between 3-4 children receiving the grants followed by 39% who indicated that they had 1-2 children who were receiving grants. Fifteen percent of the respondents had more than four children who were each receiving a grant.



Table 4.4: Number of children receiving child social grants

Number of children	Frequency	Percentage
1-2	78	39
3-4	92	46
5-6	30	15
TOTAL	200	100

In addition, regarding the estimated amount of money they get at the end of the month from child social grants they receive, Table 4.5 indicates that the majority of the respondents (42%) received an amount between R501 and R1500. The table further illustrates that 30.5% of the respondents received up to R500 whilst 16.5% get between R1501 and R3000; however 11% of the respondents got an estimated amount of above R3000.

Table 4.5 Estimated amount of money received by respondents

Amount	Frequency	Percentage
Up to R500	61	30.5
R501-1500	84	42.0
R1501-3000	33	16.5
R3001 and above	22	11.0
TOTAL	200	100

Fig 4.6 shows how respondents used the grant money they received for. The figure indicates that most beneficiaries used the money from the grants primarily for paying school fees (40.5%), followed by buying food (20%), clothing (18.5%) and for other things like fuel, transportation and paying for rent, electricity and water (8.5%). Nine and a half percent of the respondents indicated that they use the money for their health needs and 3% stated that they used the money for their well-being.

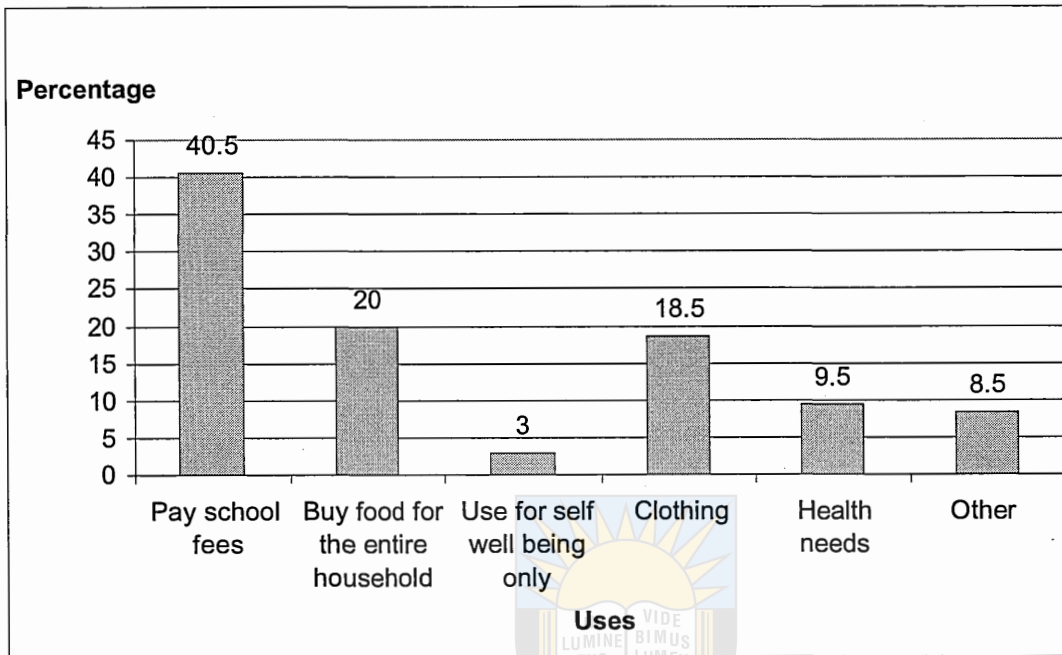


Fig 4.6 : Use of social grant money

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The South African government aims to eradicate poverty and not make social grants permanent to recipients. In light of this, one of the objectives of the study was to find whether some of the beneficiaries have made some investments in order to improve their lives. Results indicate that 62.5% of the respondents had not made any investments whilst 37.5% had invested the money into something. The study revealed that from the 37.5% who had made investments, it was those respondents who had been beneficiaries for quite some time. Table 4.6 shows the kind of investments made by respondents. Some 22.5% of the respondents had invested into savings schemes, 4.5% into piggery, 3.5% into garden projects whilst 3% into poultry. The table indicates that professional practice and subsistence farming had been invested into by the least respondents and each carried 2% of the respondents. On the other hand, the table shows that 62% of the respondents had not invested into anything.

Table 4.6: Type of investments made by beneficiaries

Type of investment	Frequency	Percentage
Professional practice	4	2
Subsistence farming	4	2
Garden project	7	3.5
Poultry farming	6	3
Savings scheme	45	22.5
Piggery farming	9	4.5
No investment	125	62.5
Total	200	100

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4.2.4 The drive of beneficiaries to search for employment

One of the objectives of the research was to ascertain whether unemployed beneficiaries of child social grants have the drive to search for employment. The respondents in the study were therefore asked about their employment status. Eighty percent said that they were not employed whilst 20% were in fact employed. This 80%, constituting 160 respondents, who were not employed were asked if they were looking for a job. Fifty-one percent mentioned that they were looking for jobs whilst the remaining 49% indicated that they were not searching for a job at all.

Table 4.7 below shows the frequency and percentage of employment applications submitted by the 51% of respondents who indicated that they have sought employment in the past 12 months.

Table 4.7: Applications for work submitted

Number of applications	Frequency	Percentage
1-5	29	35
6-10	37	45
10++	16	20
TOTAL	82	100

Table 4.8 illustrates the frequency and percentage of the reasons why all those respondents who were unemployed were not finding jobs. When asked about the greatest obstacles to finding jobs, 35% cited “no/few jobs available”. Although this is a demand-side factor that may require macroeconomic policy shifts, some of the other reasons cited suggest possible supply-side interventions. For example, 40% cited “not enough qualifications” and 12% gave “no relevant experience” whilst a further 13 % cited other reasons.

Table 4.8: Obstacles in finding jobs

Obstacles	Frequency	Percentage
No/few jobs available	55	35
Not enough qualifications	64	40
No relevant experience	19	12
Other	22	13
TOTAL	160	100

Nevertheless, 49% of the unemployed beneficiaries had indicated that they were not looking for a job. They were then asked whether the value of the social grant was sufficient to discourage them from seeking work; 32% strongly disagreed, 58% disagreed, 7% agreed and only 3% strongly agreed.

All the respondents, whether unemployed or employed, were asked whether they preferred receiving social grants to going to work. Seventy-five percent said they would prefer going to work rather than receiving social grants whilst 25% argued that receiving social grants was better than employment.



4.2.5 The extent to which conditions have changed over time as a beneficiary

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One of the objectives of the study was to determine the extent to which conditions of living had changed over time as beneficiaries of child social grants. The respondents were therefore asked to describe their standard of living before and after they started receiving the grants. Fig 4.7 indicates the frequency of respondents before and after they started receiving the grants. It shows that prior to the reception of child support grants, 65% of the respondents mentioned that their standard of living was below average, 25% indicated that it was average and 10% said that theirs was above average; however, no participant indicated a satisfactory status. The results from Fig 4.7 indicate that there was a significant change in the standard of living among beneficiaries since they started receiving child social grants. The figure shows that 30% of the respondents indicated a standard of living which was below the average after

their initial reception of social grants. Most respondents (47%) moved from below average to an average status. Eighteen percent of the respondents maintained an above average standard of living while 5% reached a satisfactory living standard.

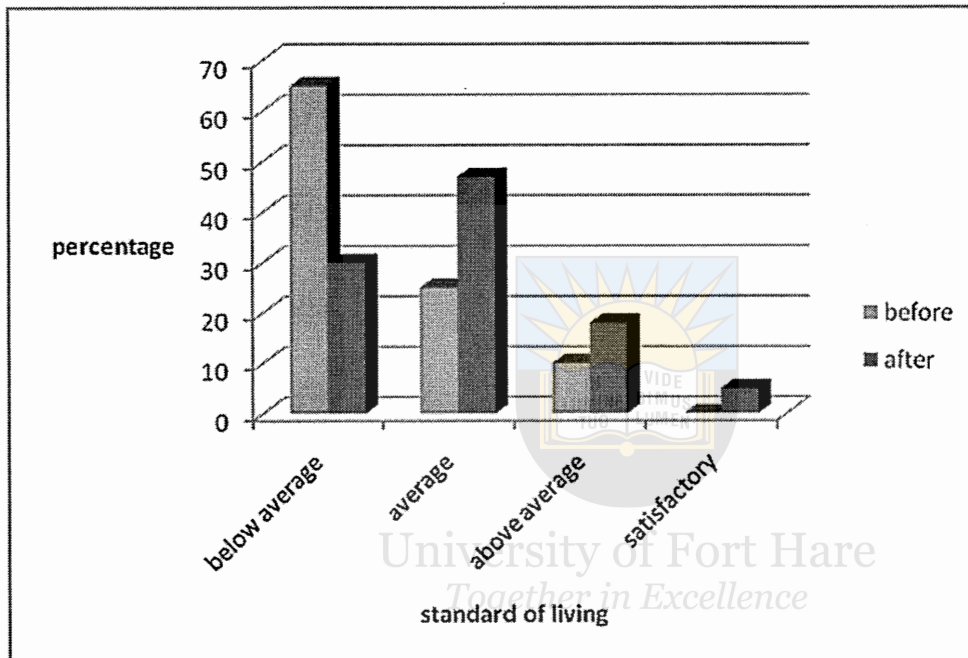


Fig 4.7: Standard of living for beneficiaries before and after they started receiving the grants.

Most of the respondents (80%) who indicated that their standard of living had not changed were the CSG beneficiaries. Sixty percent of the recipients of the CSG argued that their standard of living did not change since the money they received was too little; they suggest that the government should increase the money. Forty percent argued that they used the money to cater for the children’s needs and it was not even enough for the child, hence, their standard of living was still the same.

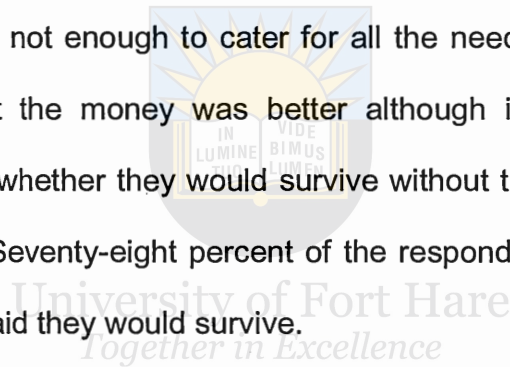
Furthermore, the respondents were asked about whether there was any child who ever went to bed hungry, because there was not enough food, before or after they started receiving social grants. Table 4.9 shows the frequencies and percentages of the responses. The results from the table indicate that only 12.5% never had any child who went to bed hungry before they started receiving social grants, the percentage rose to 86% after they began receiving grants.

Table 4.9: Extent of hunger before and after initial reception of the grant.

Extent of Hunger	Frequency		Percentage	
	Before	After	Before	After
Never	25	172	12.5	86
Sometimes	87	27	43.5	13.5
Often	37	1	18.5	0.5
Always	51	0	25.5	0.0
TOTAL	200	200	100	100

Before receiving social grants, 43.5% had children who occasionally went to bed with no food and after reception of the social grants the number decreased to 13.5%. The table also indicates that 18.5% of the respondents mentioned that they often had a child who went to bed hungry before the respondents started receiving child social grants whilst, after they started receiving the grant, the percentage decreased to only 0.5%. Twenty-five percent of the respondents indicated that before they started receiving the grants they always had children who went to bed hungry but percentage decreased to zero after their reception of the grant.

The South African constitution guarantees everyone the right to access health care services, sufficient food and water as well as social security. The study participants were asked if they agreed that people on child social grants desperately needed the help (grants). Sixty-eight percent strongly agreed, 24% agreed, 2% strongly disagreed, and 6% disagreed. A large number of respondents (92%) indicated that the grants helped them a lot and that they would not have survived without them. When asked if the government was giving them enough money, all the respondents receiving CSG argued that the money is not enough to cater for all the needs of the child. The FCG beneficiaries agreed that the money was better although it was not enough. The respondents were asked whether they would survive without the grants should they be terminated immediately. Seventy-eight percent of the respondents said they would not survive whilst only 22% said they would survive.



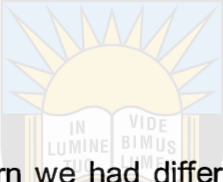
4.3 Presentation of qualitative findings

The study also aimed to determine whether there are other factors that may influence the creation of a dependency culture amongst child social grant beneficiaries. As part of the study, a qualitative analysis was undertaken through the use of in-depth interviews to solicit the interviewees' attitudes and views about child social grants. The interviews strived to determine whether child social grants empower the beneficiaries to participate as active citizens or whether it deters them from productive activities and therefore creates a state of dependency. Twenty-five women, who were beneficiaries of these grants (CSG and FCG), were interviewed and the analysis of their responses led to the following results which are presented according to the themes that emerged.

4.3.1 Reasons for seeking the child social grant

The interviews were conducted with twenty-five beneficiaries of child social grants. Seventeen interviewees received the child support grant whilst eight received the foster care grant. The interviewees were asked to indicate the reasons that influenced their decision to seek a child social grant. All twenty-five interviewees indicated that it was the financial instability in their households that forced them to make the choice of taking advantage of the opportunity provided by the government.

One interviewee indicated that:



As soon as my child was born we had differences with the father of the child and we separated, so now he is not contributing anything to the raising of the child anymore. I had to take up the Child Support Grant to help me raise my child.

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Further, all eight beneficiaries of FCG indicated that they had to seek for the foster care grant because they had to take care of the children that were left with their relatives when they died, primarily of HIV/AIDS.

One interviewee said, "I desperately needed the money to be able to take care of my sister's kids. One of the children is HIV positive so she needs special diet which I could not afford it."

4.3.2 The uses of child social grant money

The interviewees were asked to comment on what they used the money they receive from the grants for. They mentioned various things such as paying school fees and

buying food, which is the common use cited by every beneficiary. The responses given by the interviewees indicate that the child social grants are most helpful in paying school fees. One interviewee responded by claiming that “It helps me pay my child’s school fees. It helps me a lot because I could not afford to take my child to day care.”

Another interviewee mentioned: “I can at least contribute to my child’s wellbeing financial wise since I don’t have other source of income and can afford to send her to school so that she can be educated and take care of me one day.”

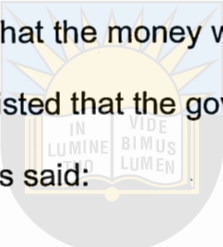
Conversely, this study revealed that these child social grants are used for the survival of the entire household. Nineteen interviewees indicated that they use the money to buy food for the entire household. However, six interviewees mentioned that they use the money only for the needs of the children. The interviewees who mentioned that they buy food for the entire household indicated that the child does not exist in isolation which means that if the families cannot provide for the child they cannot provide for themselves as well. Receiving the child social grant therefore helps the entire household to buy food and thus survive.

One interviewee mentioned that:

My neighbours used to laugh at us because we could not afford many things but now with the grant I can afford to buy healthy food than before because I was used to eating pap and milk every day. My children can go to school neatly dressed even my sister’s kids I can take good care of them because I’m getting the FCG as well.

The interviewees were asked if they had invested in something else that can help them get more money. Seven interviewees mentioned that they had invested in small-scale entrepreneurship like poultry, selling sweets, fruits and cigarettes. One interviewee said, "If it wasn't for the social grant that I'm receiving I wouldn't have started my poultry project. The grant gave me a start and now my project is successful."

However, 19 interviewees said the money is too little and that they had not managed to invest in anything. They mentioned that the money was not even enough to cater for all the needs of a child; hence, they insisted that the government should increase the value of the grants. One of the interviewees said:



As much as the social grant is small I do not want to stop getting the money since it is helping me and my children a lot. I believe half a loaf is better than nothing. Therefore grants meet half way the parents who would not be able to fully meet the basic demands of their children such as food and clothing.

4.3.3 Other sources of income

In this section the interviewees were asked if they had other sources of income to supplement the money from the grants. Twenty interviewees indicated that they do not have any other source of income.

One interviewee outlined that:

It is not my intention to just sit and wait for the Child Support Grant but I have been looking for a job but I cannot get one due to lack of enough schooling.

For those that indicated that they have other sources of income, 3 cited that the money comes from the children's fathers as maintenance. Two interviewees indicated that the fathers of their children are working but, in most cases, they earn too little money because they are doing 'piece jobs'. Even when they provide for their children it is irregular and could take months before they are able to contribute financially. One interviewee indicated that she works as a cleaner at a university. These results indicate that most beneficiaries of child social grants in the rural area of the Nkonkobe municipality do not have any other source of income besides the social grants they receive.



4.3.4 Standard of living

One of the objectives of the study was to establish the standard of living of beneficiaries since they had started receiving social grants. All 8 FCG beneficiaries indicated that their standard of living had changed and 3 cited that the children were no longer going to bed on an empty stomach. Two interviewees highlighted that they can afford to pay rent every month, including their electricity and water bills. Three other interviewees also mentioned that their standard of living had changed in terms of the family being happy all the time as there was no more hunger in the house. One of the interviewees, when asked to describe her standard of living, said that:

Our living conditions have changed considerably in my family especially with the issue of provision of food. As a single mother who is unemployed I could not afford to buy healthy food for my two children. My kids and I were dying of hunger now that we are getting a grant it is better we can afford to buy food that last for a month.

However, 10 interviewees who were receiving CSG argued that their standard of living had not changed due to the insufficient funds which were only used for the school fees of the children. Five beneficiaries of CSG pointed out that their standard of living had also not changed but the welfare of the children was catered for with the money from the grant. The remaining 2 interviewees illustrated that their standard of living had changed because they could not worry about the needs of their children anymore; hence, they were having less stress in their day-to-day lives.

4.3.5 Attitudes of beneficiaries towards seeking work

One of the objectives of the study was to explore the attitudes of unemployed beneficiaries towards seeking work and whether the social grants helped them in seeking employment. Firstly, the interviewees were asked about the dignity of work. Nineteen respondents conferred dignity on one being employed. However, six of the interviewees denied any dignity associated with someone being at work. Furthermore, the interviewees were asked whether they consider themselves better off claiming grants than working. Three quarters of the interviewees maintained that they would prefer going to work as opposed to receiving child social grants, were there any jobs available for them. One quarter of the interviewees held that they preferred receiving social grants rather than going to work, as they were not fit to work anymore.

One interviewee stated that:

The state is making a huge pledge by giving away the social grants to children whose parents cannot afford to maintain them. However the amount is not enough especially the CSG therefore I would want to see myself working one day if there were jobs available.

Fifteen interviewees highlighted that the child social grant money they received was helping them in their search of employment. One said “There is no more hunger and I can look for a job on a full stomach.” One of the interviewees highlighted that she used the money for transportation to go to East London, a city near to her location, in order to search for employment. However, ten stated that the money was too little so there was not enough to spare for seeking employment.

4.3.6 Attitudes of beneficiaries towards child social grants

The interviewees were asked if they thought it was a good idea for the government to give away money in the form of grants. Five disputed the notion that giving people money as an incentive, especially teenagers, was not good enough. They felt that some beneficiaries were too young and did not know how to handle money. They indicated that most CSG recipients do not necessarily spend the money on their children but on themselves.

This question raised significant emotions during the face-to-face interviews in that the interviewees revealed a marked disapproval of those who misused the grants which in turn left the impression that all the beneficiaries were misusing the grants. One interviewee highlighted that as much as other people were desperately in need of the money for survival some were not. She said:

There are a number of people who are misusing the social grants from here in my community either employed or unemployed and they make it look like everyone who is receiving child social grants is not using it for the right reasons. I suggest that the government must monitor the grants.

However, twenty interviewees were of the view that it was a good idea for the government to give away the money because the money is used to cater for the variety of needs of the children.

During the interviews the interviewees were asked to mention any challenges they had encountered since they started receiving the grants. Five interviewees revealed that the grant collapses without their knowledge and that social workers were not communicating well with them. Eight interviewees indicated that the money was too little and that they could not afford to discontinue receiving the grant, hence they remained poor. Furthermore, two interviewees pointed out that they faced challenges with older children who knew that they receive grants and thus wanted the money to be given to them in cash; three others stated that the children expect more from such a little money. However, the remaining seven highlighted that they did not experience any challenges.

The interviewees were then asked to provide general comments about child social grants. All the interviewees declared that the government is doing a great job in giving out social grants to poor people who deserve the help. However, one brought up the issue that the government should put in place monitoring officers who would monitor the use of the money because some beneficiaries were misusing the grants. The majority of the CSG beneficiaries (15 interviewees) argued that the money was too little and the government should increase it. Two interviewees were content with the money they received and argued that "half a loaf is better than nothing".

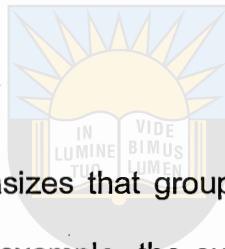
4.4 Discussion of findings

Dependency is sometimes nothing more than a synonym for long-term welfare use. However, it is commonly applied to situations in which people who could conceivably provide for themselves fail to do so, get provision and never exit from the welfare which is not intended to be permanent; as a result, it often has negative connotations. Those who are dependent are inactive, ineffectual, and even irresponsible in the eyes of many. The growth in dependence on social security is due to the nature of social security itself. This attack is based on the hypothesis that the higher the level of social security benefits, the greater the dependence on social security. It is against this background that the study aimed to determine the extent, if any, of a dependency culture emerging among CSG and FCG beneficiaries.

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The study was guided by three models of behaviour: the rational choice model, the expectancy model and the cultural model. The rational choice model suggests that individuals examine the options they face, evaluate them according to their tastes and preferences, and then select the option that brings them the greatest utility or satisfaction (Bane and Ellwood, 1994:69). This means that the level of social security benefits is likely to be a significant influence on dependence on social grants. The simple dependence hypothesis is only concerned with the current money income comparison, which is benefit levels versus net earnings in employment, and ignores all other factors. At the other end of the day this, taken on its own, would imply that what determines the number of unemployed people who are dependent on social security is structural economic forces over which individuals have no control.

The expectancy model emphasizes the individual's sense of control over a desired outcome. Persons suffering repeated failure may lose 'motivation'. According to expectancy theory, dependence may result when people lose a sense of control over their lives - when they cease to believe that they can realistically get off of welfare. People become overwhelmed by their situation and lose the ability to seek and use the opportunities available to them. A related notion is that dependency may reflect a lack of information. In the expectancy model, people often incorrectly perceive their level of control.



The cultural model typically emphasizes that groups differ widely in terms of values, orientations and expectations. For example, the sub cultural model of the underclass suggests that its members have different values from the rest of society. It also suggests that people's attitudes and perceptions play a major role in family structure decisions.

The reliability and validity of the questions, in relation to the objectives of the research, were tested using the cronbach-alpha. According to the cronbach-alpha, the reliability value of the questions was 0.859 and thus above the rule of thumb 0.70; this means that the questions asked of the respondents were valid and reliable in relation to the research that was being carried out.

A number of null hypotheses were postulated to guide this study. The first hypothesis was; beneficiaries of child social grants do not have the drive to search for employment.

The chi-square analysis shows that $X^2 = 191.35$, $Df = 6$ at $P \leq 0.00$: and the critical value was 7.35. Therefore, the null hypothesis is rejected. This means that there is statistical significance in unemployed beneficiaries searching for work. Evidence regarding the impact of cash transfers on the labour supply of beneficiaries and their household members is, however, mixed. Basic economic theory suggests that cash transfers are an injection of non-labour income into the households and, as such, should have an income effect on direct and indirect beneficiaries in the household. Thus, these transfers may well have the effect of reducing incentives for work. On the other hand, a cash transfer might assist in overcoming a liquidity constraint if migrant labourers initially need to draw resources from the original sending household. Basically, evidence related to the labour supply effects of grants is quite mixed; grants seem to promote migration in search of employment but also seem to provide some disincentives for working age household members in looking for work.

In order to explore the hypothesis more thoroughly, the attitude of respondents towards work was investigated. We might expect that those without jobs could have adapted to their circumstances and might hold opposing views of the importance of work. The results of the study reject the null hypothesis. Beneficiaries of child social grants have the drive to search for employment as they use the money for food in order to gain the strength to search for jobs, whilst also using the money for transportation in search of employment. They argue that the money is not adequate for all their needs; they would thus prefer working to receiving the grants. One of the most important ways in which social grants may affect employment decisions is through the improved management of

social risk. Social grants reduce the downward risk and also relax liquidity constraints (Ravallion, 2003, Devereux and Sabates-Wheeler, 2004, and Samson et al, 2004). Social grants enable workers to invest in a more productive job search by providing the critical support necessary to searching for decent work and not attaching themselves to the worst forms of labour out of desperation (Wittenberg, 2002).

Consequently, this study explicitly examined the impact of social grants on labour market participation and employment success in beneficiaries receiving child social grants. While statistical analysis cannot prove causation, the qualitative results are consistent with the hypotheses which propose that:

- ❖ Social grants provide potential labour market participants with the resources and economic security necessary to invest in a high-risk/high-reward job search.
- ❖ Receiving child social grants is correlated with a higher success rate in finding employment.

The qualitative results demonstrate that people in households which receive child social grants have an increased drive for labour force participation. These findings are consistent with the hypothesis that South Africa's social grants increase both the supply and demand for labour. This evidence does not support the hypothesis that South Africa's system of social grants negatively affects employment creation. Basic needs are essential; however, some of the people interviewed felt that employment could make a significant difference for most people. People want to be independent and useful. Sitting and waiting for the grants would not build communities but if people are

employed or skilled and still receive the grant, it will not only benefit the people themselves but the government as well. However, there are obstacles hindering beneficiaries from joining the labour market.

The second hypothesis was that beneficiaries are not graduating from receiving child social grants. Testing the hypothesis using the chi-square test of significance yielded the following results: $X^2 = 6.9$, $Df = 6$, $P \leq 0.32$: and the critical value was 0.5. Therefore, the null hypothesis is upheld, revealing a significant number of beneficiaries who have not moved away from receiving child social grants. Over the past six years there has been a rapid increase in the number of social grant beneficiaries instead of an expected reduction as beneficiaries choose to save and invest rather than consume part of the grants. Unlike most of the government's poverty alleviation measures, the social assistance program was not specifically designed with exit strategies for beneficiaries, other than a change in their living circumstances and income levels. There is a lack of a proactive and deliberate strategy to link social grant beneficiaries to opportunities for economic activity. Consequently, an intolerable proportion of able-bodied poor South Africans (inclusive of caregivers of children receiving the child support grant and foster care grant) and those persons with disabilities capable of rehabilitation continue to face particular barriers to entering into, remaining in and progressing in such employment.

The results indicate that the beneficiaries were surviving on the social grants they were receiving. Without exiting the system, they tend to spend most of their lives receiving social grants since they were not graduating from their eligibility as beneficiaries. This,

however, shows that the social security system is succeeding in eradicating poverty by improving household spending and allowing beneficiaries to afford basic needs. Disconcertingly, it is not upgrading them from their situation to one of self reliance; hence, most recipients tend to depend on the money handed out to them by the government and a hand to mouth dynamic is consequently created.

In the South African schooling system, grade 12 is a requirement for entry into tertiary institutions like the university. However, the demography of the respondents shows that a cumulative percentage of respondents (60%) had either primary or secondary education. This made their chances of improving their lives much lower. Among this group of respondents, receiving a social grant could be seen as one way of providing social security and relieving poverty. Social grants are therefore a form of financial support and a safety net for these individuals. This means that beneficiaries are thus dependent on social grants in order to stay out of poverty and provide a safety net for their households.

Single parents with low levels of education face formidable constraints. Given resource constraints, the provision of adult basic education, since 1994, has not reached any significant number of caregivers. Similarly, job placement services have not explicitly targeted caregivers. There is always a relationship between poverty and levels of education, hence, the results have always revealed that poverty decreases as education increases. This has been an explanation for the Eastern Cape, together with

the Limpopo and Mpumalanga provinces, which have higher incidence of poverty with a lower incidence of access to education (Department of Social Development, 2007).

It is therefore difficult for beneficiaries with low educational qualifications to exit from social welfare; they thus become dependent on social grants. Nonetheless, it is suggested that access to economic opportunities is more likely to determine the wellbeing of a household than the educational attainment of the household's members. Due to the nature of the Nkonkobe municipality, economic opportunities are scarce and the only means of survival seems to be social grants. Thus, there is a creation of a welfare state by the back door, with a government whose primary role is to give rather than govern (Financial Mail, 2009). The welfare state model has proved to be difficult to sustain even in European countries with higher tax bases and less severe inequalities than South Africa. According to the results of Mokoma's (2008) study, young teenagers spend the money on things like alcohol.

The third hypothesis postulated that child social grants do not impact on household wellbeing. The chi-square test results were $X^2 = 13.76$, $Df = 6$, $P \leq 0.03$: and the critical value was 6. Therefore, the null hypothesis is rejected. The inability of poorer households to invest in the productive capacity of their members, especially the education and health of children, has implications for the persistence of poverty. However, the results of the study have shown that child social grants provide a predictable and reliable source of income which can have a significant effect upon the

capacity of households to invest in human and physical capital, and thus break the intergenerational transmission of poverty.

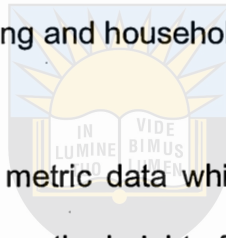
The ability of child social grants in affording children the right to education is a marker of its positive social impact on beneficiaries. This, therefore, shows that the beneficiaries of child social grants depend on these grants in meeting the basic needs of their children. This indicates the emergence of a dependency culture among beneficiaries in affording their children schooling opportunities. The positive impact of social grants on schooling is also supported by anecdotal evidence. Lund (2002: 687) describes the monthly markets that form in poor, underserved rural areas on pension payment days as vibrant sites of economic activity where pensioners pay their funeral policies, school principals come to collect school fees, and fresh food and clothing is bought and sold.

Economic theory suggests that social grants, by raising incomes, affect education in three ways. First, the increase in a disposable income, provided by the social grant, could help pay the otherwise unaffordable costs of attending school since there are financial barriers to school attendance like purchasing school supplies, uniforms, tuition and transportation. Second, a grant could relieve the opportunity cost of school attendance because, with a cash transfer in hand, a family is more likely able to do without a child's contribution to household income in favour of making a long-term investment in education. Third, by indirectly increasing the resources available to schools, the quality of education may improve, making education a more attractive option to households.

The statistical results of a survey conducted by Statistics SA (2008) document the positive and significant impact of social security grants on food share expenditures, implying improvements in household nutrition. Disaggregated statistics also highlight the specific effects of different types of transfers among different vulnerable groups. According to Booysen (2004), in a South African sample of both rural and urban HIV affected households, the Child Support Grant reduced the incidence of poverty by 8%, the old Foster Care Grant reduced the incidence of poverty by 6%, and the Old Age Pension reduced the incidence of poverty by 48%. Against this background, it is safe to conclude that the results of the study, at the level of the household, complement the plentiful evidence that shows that cash transfers improve food security and nutrition. Typically, a large proportion of the cash transfer is spent on food: the evaluation of Malawi's Food and Cash Transfers (FACT) showed that 75.5% of the transfer was typically spent on groceries (Devereux et al, 2006). In Lesotho, the number of old age pensioners reporting that they never went hungry increased from 19% before the pension to 48% after it was introduced (Croome and Nyanguru, 2007). As well as increasing the volume of food available, cash transfers lead to an increase in the variety of foods consumed within the household: in Zambia 12% more households consumed proteins everyday and 35% consumed oil everyday if they received a transfer, compared with those households that did not (MCDSS/GTZ, 2007).

A number of authors have demonstrated the health and nutritional benefits of social grants for children. Case (2001) finds evidence that social grants are used to upgrade household sanitation facilities, and that individuals living in the 84% of households that

pool their pension incomes are likely to be in better health, less likely to experience hunger, and less likely to experience depression. Regardless of the type of social grant, or how the food share is calculated, social grants are associated with an increased allocation of spending in a manner that supports better nutrition. The impact of social grants affects non-food expenditure as well. Households that receive social grants have significantly different spending patterns than similar households that do not receive these grants. Social grant recipients spend a greater proportion of their funds on basic necessities such as food, fuel, housing and household operations.



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In addition to this, there is morphometric data which shows that receipt of the child support grant in South Africa increases the height of children who receive it by 3.5cm, if it is received in their first year and for two of the first three years, and the old age pension increases the height of girls in the household by over 2cm (Aguero et al, 2006). There are gendered differences in the sharing of pensions (Burns et al, 2005) with a greater proportion of women's pensions being spent on food (Case and Deaton, 1998), and women's pensions showing particular improvement in the height and weight of girls (Duflo, 2003). The results of the study support evidence, from the research on the impact of cash transfers in Southern Africa, which argues that the receipt of cash transfers also provides small amounts of capital for investment in productive activities. These are items such as agricultural implements and tools which give recipients the opportunity to not only protect but also improve their economic wellbeing. In the Kalomo social cash transfer scheme, in Zambia, 29% of transferred income was invested either

in purchases of livestock, farming inputs, or an informal enterprise (MCDSS/PWAS/GTZ, 2005).

Evidence of investment in assets is also reiterated from cash transfer schemes elsewhere. A recipient of the Child Support Grant in Mdantsane, South Africa, explains: “I sell sweets and biscuits so that I don’t run out of paraffin. I buy them from the child support grant money. I do this so that when the child support grant runs out, we are not in darkness” (Surender et al, 2007).



The fact that the majority of the respondents argue for an increase in the grant funds shows that they are dependent on the grant. This is supported by the change of standard of living of other beneficiaries of the FCG, as it is three times more than the CSG. This study has demonstrated that child social grant beneficiaries are dependent on the grants. However, dependence is not explicable in terms of the simple dependence hypothesis in which the only thing that matters is the level of benefits. To many individuals, if not most, all this may seem obvious. However, the influence of those who advocate drastic reform based on naive simplicities is such that the defence of social security may now require the obvious to be spelled out.

If the simple dependence hypothesis was, the clear response to growing dependence on social security would be to cut benefit levels. Even if some who were genuinely in need or deserving of benefits would suffer, levels of dependence would be reduced by cutting benefit levels. In essence, in this view, one would have to be cruel to be kind;

social protection must be reduced in order to reduce dependence on social security - even though this undermines the original purpose of the social security system.

If the simple dependence hypothesis is not true - as the evidence presented here indicates that the amount of money is not high since, for example, the CSG is only R250 - then there are many routes to reducing dependence on social security, if that is the objective. Altering the structural economic determinants, the social pressures or the conditions attached to receiving social security can all affect dependence and can do so without undermining the original and fundamental purpose of social security, which was, and remains, the prevention of poverty and the promotion of social justice.

The study used the theory of unintended consequences. The issue of unintended effects or perverse incentives in the Social Grant System has been in the press recently, in addition to many anecdotal stories in some communities. These include:

- ❖ The alleged increase in teenage pregnancies to access the child support grant.
- ❖ The possible fostering of children in the biological family context in order to access the foster care grant.
- ❖ The presumed reluctance to take medicines or undergo operations to control certain ailments that can lead to permanent disability, in order to access the disability grant.
- ❖ The supposed tendency of beneficiaries accessing grants not to take part in the labour market and therefore creating a culture of economic dependency.

However, confirmation of the existence of the unintended effect of a dependency culture emerging among child social grant beneficiaries in the Nkonkobe Municipality (or the increase thereof) could not be established through quantitative data analysis. However, the issue of possible perverse incentives, the qualitative study revealed, was positive. In the context of the overwhelming positive effects that social grants have on beneficiary households, the existence of this possible unintended effect seems relatively important.

4.5 Conclusion

This chapter presented the results of the study which established that the increased probability of receiving a Child Support Grant and Foster Care Grant is associated with increased school attendance, decreased child hunger, and increased broad labour force participation. Receipt of the Child Support Grant and Foster Care Grant appears to decrease the probability of a school-aged child not attending school and each household is associated with a decrease in the probability that any child goes hungry, depending on the methodology used to calculate the magnitude of the effect. Since most of the participants in the study are unemployed and have no other source of income, the magnitude of these effects is socially and economically significant showing that beneficiaries are dependent on the grants because they impact significantly on their lives; however, although they had the drive to search for employment, this dream is not met due to hindrances blocking their way into the employment sector. The study therefore reveals that, in the poverty stricken areas of the Nkonkobe municipality, beneficiaries of child social grants depend on grants to meet the basic needs, not only of their children, but of the entire household as well. The qualitative analysis of the study

maintains the quantitative results which establish that a dependency culture is emerging amongst beneficiaries of child social grants.



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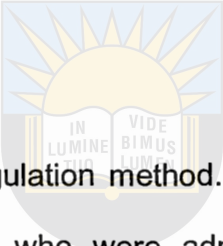
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of findings, draws conclusions from the study, offers recommendations, and relates the implications of the findings to social work practice. Suggestions for future studies are also highlighted here.

5.2 Summary of findings



Data was collected using the triangulation method. The study used a sample of 225 participants with 200 respondents who were administered questionnaires and 25 engaged in in-depth interviews. The qualitative and quantitative analyses in this study affirm that social grants for children play a major role in supporting the livelihoods of the children in impoverished households. More importantly, the research findings point to the significance of social grants in supporting improvements in consumption and investments in productive assets, as well as human and physical capital. The qualitative analysis suggests that child social grant receipt plays an often invisible, yet crucial, role within systems of social reciprocity, on which economically marginalised people rely. Social grants for children allow otherwise marginalised people to transact within systems of social protection and provide material resources for households to flexibly adapt their livelihood-enabling activities in response to their changing circumstances. However, due to the fact that most beneficiaries are unemployed and do not have other sources of income, the study has shown that they tend to depend on the money they

were getting from the social grants to afford and enjoy an adequate standard of living for their children and, in most cases, for the entire household; they were thus not graduating from receiving social grants. The government's strategy is meant to provide temporary relief rather than permanent handouts to beneficiaries but, nevertheless, a welfare state is being created with many beneficiaries becoming increasingly dependent on the grant money for a variety of things.

The literature review noted the documented effectiveness of social grants in elevating consumption expenditure and supporting human welfare (Ardington and Lund, 1995; Case and Deaton, 1998; Lund, 2002; Devereux, 2001a; Delany et al, 2008). These dynamics are strongly affirmed by this research. The qualitative and quantitative data shows how social grant receipt is used to purchase food and groceries, since the receipt of a grant is associated with a lower incidence of hunger. In addition, the in-depth interviews document how child social grants are used for a range of consumption expenditure including transport, school fees and clothing. Due to their relatively small amount, the CSG appeared to be used predominantly, but not exclusively, for direct consumptive expenditure. However, the FCG appeared to be used for direct consumption expenditure.

The findings of the study indicate that most beneficiaries of child social grants use the money primarily for paying school fees followed by buying food and their health needs. It is important to note that poverty and its associated consequences corrode the opportunities for children and the youth to attend school which creates a ferocious

succession of impoverishment by undermining the household's capacity to accrue the human capital necessary to break the poverty trap. Child social grants, therefore, provide a predictable and reliable source of income which has a significant effect upon the capacity of households to invest in human and physical capital, and thus break the intergenerational transmission of poverty. Children in households that receive child social grants, however, are more likely to attend school. The results indicate the need for beneficiaries to send their children to school through the use of the child social grants they are receiving. Spending in these households focuses more strongly on basic needs like food. These findings are consistent with international lessons of experience and with previous studies of South Africa's social security system. The study also found that, without government grants, poverty would have worsened over time rather than improved. The participants have shown that their living conditions changed once they became grant beneficiaries as they indicated that children would go to bed hungry before they started receiving the grants but after they started receiving the grants the situation changed.

The manner in which receipt of social grants is associated with investments in productive assets, human and physical capital, has been noted in other research (Ardington and Lund, 1995; Lund, 2002). Receipt of a social grant is associated with a range of financial market engagements and behaviours, such as elevated levels of savings and investment. This issue is relatively under researched in the South African context, but the findings are consistent with the investment effect noted in international literature (Barrientos, 2008; Grosh et al, 2008). Although savings behaviours are noted

in relation to the larger value grants, savings behaviours are also evident in relation to the lower CSG. The findings of this study show that participants made some investments in improving their lives. However, the majority indicated that they had not made any investment. Thus, households would not be sustainable economic units if the grants were abruptly discontinued. When asked whether they would survive without the grants, should they be terminated immediately, the quantitative results showed that 78% of the respondents said they would not survive whilst only 22% indicated that they would survive. Nevertheless, such simulations suggest a degree of dependency of beneficiaries on grants.



The findings of the study also show that most beneficiaries spent a longer time receiving child social grants, if not the entire period for which a child is eligible for the grant. This explains the rapid increase in the number of social grant beneficiaries instead of the reduction in this number as a result of beneficiaries who choose to save and invest rather than consume part of the grants because other beneficiaries are not graduating from receiving social welfare. However, the increase was also facilitated by government through improvements of systems for both grant delivery and the dissemination of grant information to potential beneficiaries as well as changes to the eligibility criteria. The Nkonkobe municipality, with its scarce economic and industrial activity, left 85% of the participants indicating that they did not have any other source of income. This shows that beneficiaries are dependent on the money they receive from child social grants for survival.

The quantitative results of the study further indicate that the majority (80%) of the beneficiaries of child social grants are unemployed. A major reason for this is the fact that the post-apartheid labour market operated in manner that left an increasing number of South African households outside of the circle of employment and earnings, thus a lack of support was coming into households from the labour market. However, most beneficiaries have the drive to search for employment which is heightened by the grant they receive and which better equips them to look for jobs on a “full stomach” and to afford transportation in their search for employment. Despite the enthusiasm to get a job one day there were certain obstacles which the participants highlighted; these include, no/few jobs available and no qualifications. This has left beneficiaries dependent on the social security system for the survival of their children.

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5.3 Conclusions

The study had a simple aim: to investigate whether the beneficiaries of child social grants are dependent on the grant money. The study has therefore synthesised the evidence about whether a culture of dependency on child social grants, in the Nkonkobe Municipality, has been created among beneficiaries. Firstly, a good assessment of the impact of child social grants on beneficiaries has been provided and, secondly, a platform was created to discuss the debated issue of a dependency culture being created. From the major findings of this study, it can be concluded that child social grants have certainly alleviated suffering, but they have also created a culture of dependency among beneficiaries.

The study establishes that the increased probability of receiving a child grant is associated with school attendance, decreased child hunger and increased labour force participation as well as investments in human and physical capital. It can be concluded, therefore, that child grants in the form of cash transfers probably offer beneficiaries the greatest level of discretionary spending. On the positive side, they foster social cohesion; promote human capital development; mitigate risk by providing a cushion against livelihood shocks and stimulate local demand. But some systems are prone to corruption as people might, for example, use the funds to purchase socially undesirable substances, thus leading them to become dependent on these items which could be fiscally unaffordable. They might also expose beneficiaries to certain risks and the misuse of the grant, especially the young mothers who receive the grants. It is also acknowledged in this study that child grants impact positively, beyond the recipient, on other household members. However, in the context of large-scale poverty and unemployment, as well as the present economic downturn, beneficiaries have become dependent on social grants. It is probable that reliance on grants will continue, if not increase. This is an important result in light of the current debate on the future of social grants.

Approximately 15 million poor people access the system at a significant cost to the state and, as it is frequently noted, the social assistance system in South Africa is quite extensive for a developing country. It can be concluded, from the results of the study, that beneficiaries are not leaving social welfare. One can safely conclude that the number of beneficiaries is rising due to the fact that beneficiaries are not graduating

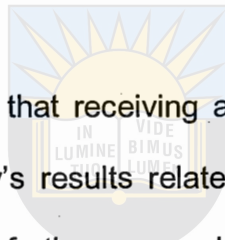
from receiving the grants; beneficiaries thus remain in the poverty trap. Social assistance programmes in the form of grants are meant to offer temporary relief to eligible recipients whilst they develop and move away from poverty. However, the results of the study offer no evidence of beneficiaries graduating from eligibility for receiving social grants. These beneficiaries are therefore dependent on the grants they receive in order to afford a living. Even though it is now generally accepted that the social grant system provides an essential safety net for the poor and has played an important role in alleviating poverty in South Africa, poverty and inequality remains a problem. A welfare state is being created.



In a highly unequal society, with high unemployment and poverty blamed exclusively on the apartheid era, this redistribution through income transfers is essential. However, it makes poor households vulnerable to national policy choices and politics. Communities, like the Nkonkobe Municipality, that are frustrated by poverty, lack of service delivery, crime and other ills are less likely to help themselves, and are more inclined to blame the state for their problems. The South African government has created the expectation of greater generosity and it will feel politically bound to provide social grants to beneficiaries. In short, it is creating an appetite that it will never be able to satisfy.

The study also points out that beneficiaries invest the money they get from the grants into small businesses. One would expect that if the beneficiaries invest in small sector business they are not dependent on social welfare and that they would graduate from receiving the grants. However, the opposite is true since beneficiaries are dependent on

the money in order for their businesses to function. This might be due to the fact that the beneficiaries do not have adequate knowledge on being small entrepreneurs and managing their businesses. Although a large array of measures and policies has been developed to promote the smallholder sector there have been a few significant successes. This is because funding of small entrepreneurs has been initiated at a national and provisional level; at community level the beneficiaries are not aware of these measures.



The study also points out the fact that receiving a child grant improves labour force participation. In terms of the study's results related to labour market impacts of the grants, several open questions for further research are posed. Firstly, it is clear that receiving a CSG or FCG, increases a mother's willingness to search for employment but, seemingly, has little effect on gaining employment. One might expect that the income effect would decrease all forms of participation while any positive effects, through the reduction of the search costs, would manifest themselves through an increased job search and employment. One possibility is that multiple effects are manifest simultaneously in the lives of grant recipients. For example, receiving a CSG may give a mother some income stability and sufficiently alleviate her from her domestic duties and immediate subsistence needs so that she is capable of holding a job. This would account for an increase in broad participation. However, if the means-test income threshold is likely to be a binding constraint for her, this willingness to work may not translate immediately into an active job search and employment; she may be passively

networking and searching for an employment opportunity that compensates her enough for the loss of her CSG.

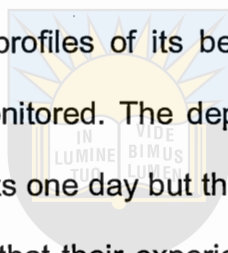
Alternatively, one can imagine a situation in which a mother living in a three generation household in a rural area begins receiving a CSG for her children, which provides enough income support for her children, being able to move to a city to search for a job whilst leaving her children with their grandparents. Instead, the CSG would appear to be correlated with an increased willingness to work but, once the mother actually migrated to start looking for work, she would no longer be in the same household as her children, and so the CSG would appear not to have any effect on her active search for employment.



Another possibility is that the survey instrument is not well suited to measuring job search behaviour. As Shoër and Leibbrandt (2006) have shown, the simple searching/not searching dichotomy that economists often apply to unemployment masks a great deal of heterogeneity in South Africa. It is thus possible that grant recipients alter their search patterns in ways that simply cannot be measured using the General Household Survey. If this were the case, it would not invalidate this study's results but would add another layer of complexity.

However, what can be safely concluded from this study is that beneficiaries have the drive to search for employment but there are obstacles hindering them from getting jobs. Firstly, there are no job opportunities and some beneficiaries do not have enough

qualifications. Communities like the Nkonkobe municipality have limited employment opportunities and, with beneficiaries possessing no educational qualifications, it is difficult for them to migrate to other cities in search of employment. Single parents, with low levels of education, face formidable constraints. Given resource constraints, the provision of adult basic education, since 1994, has not reached a significant number of caregivers. Similarly, job placement services have not explicitly targeted caregivers. In light of the above hindrances, it can be noted that the Department of Social Development has overlooked the profiles of its beneficiaries since the conditions of beneficiaries are not constantly monitored. The department expects that beneficiaries graduate from receiving social grants one day but they do not know the socio-economic conditions of the beneficiaries and that their experiences might hinder them in moving towards employment and training opportunities.



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Nevertheless, this study presents strong evidence that the CSG and FCG do not have an identifiable negative impact on labour supply, as is often assumed, while it does lead to significant improvements in school attendance and child hunger. However, the positive impact of child grants on beneficiaries shows that a dependency culture is evident as beneficiaries remain in the system for a long time. Beneficiaries enjoy an adequate standard of living through receipt of these grants; hence, the South African government is inadvertently creating a welfare state. According to Motlanthe (2011), "We cannot pull back from our social security regime even though in themselves such interventions are not sufficient to migrate families out of poverty. Therefore investment in improving the quality of education and job creation is vital." Since welfare is

developmental in nature, it is essential that creative and meaningful solutions are found to draw marginalised work-seekers into economic participation as part of a long term poverty reduction and food security strategy.

This study has shown that the South African social assistance system is an effective intervention. It reduces poverty significantly and, apparently, does not have severe undesirable behavioural effects. The major weakness in the social assistance system is a lack of support for unemployed members of the labour force. The Unemployment Insurance Fund and the Expanded Public Works Program only manage to partially fill this gap. One of the effects of this situation is that existing grants become major sources of support for the unemployed. Sharing grant incomes sometimes stimulates but, in certain cases, hampers labour-market participation, while the implied dilution of benefits could make entire households (including the targeted beneficiaries of grants) poor. There is limited scope for strengthening anti-poverty policy in South Africa by expanding the social grant system further, especially because of the lack of fiscal space. Sustainable poverty reduction requires inclusive job-creating economic growth which should remain the primary focus of anti-poverty policy.

5.4 Recommendations

In light of this study and its conclusions, the following recommendations are put forward:

- ❖ Firstly, debates in South Africa should turn away from whether social grants create a dependency culture or not. They should move towards discussions of how best to design programmes in order to achieve development objectives since it is evident

that beneficiaries are dependent on social grants. Interdependence is shown to exist only among those who are gainfully employed, or have the means to support themselves without working. All other forms of subsistence are dependent upon welfare. The implication of this is that a change in social policy entails a change in relations of dependence. Hence, this study recommends that policymakers evaluate the overall impact of different social grants by measuring the extent to which dependence changes as policies are changed.

- ❖ In the poor rural areas of South Africa, with limited opportunities for employment, social grant programmes support the economically marginalised in a range of ways. Grants are crucial to the survival of the poor as it provides for their basic needs and consumption. However, they also support productive investments in physical and human capital, as evidenced by this study's findings on the favourable impact of a grant on savings, and a range of income generating projects. Therefore, the government should implement strategies to empower beneficiaries to invest rather than consume all their grant money. This can be done by educating beneficiaries about starting projects so that they gain knowledge on how to conduct their projects and therefore invest the money in income generating projects that are meaningful. This can be done by organising beneficiaries in the communities into groups and then beginning projects like gardening, poultry, subsistence farming and many others.
- ❖ While a large array of measures and policies has been developed to promote the smallholder sector, there have only been a few significant successes. This sheds some light on the shifting priorities over time and where provinces might actually

diverge from the emphasis, at national level, and concentrate on those at the community level. While scores of poverty reduction measures are operational, they are not designed to explicitly provide beneficiaries with options to migrate from welfare benefits. Many measures aimed at removing families from poverty are partial and negligible in relation to the scale of the problem.

- ❖ The Department of Social Development should develop beneficiary profiles and the mapping of community profiles in order to assess local socio-economic conditions so that they gain an understanding of the constraints and barriers experienced by beneficiaries, in attempting to move to employment or training opportunities, are.
- ❖ The government should develop community infrastructure, as well as that of the industrial and factory sectors, thus incorporating the local residents because once communities remain underdeveloped the people remain poor and vulnerable since there will not be any room for improvement.
- ❖ The study has highlighted that most beneficiaries are not educated. The government should therefore provide opportunities for mothers receiving CSG to attend school and gain an education because, without education and certain skills, they will remain poor and rely on social grants for survival.
- ❖ Finally, the government should design exit strategies for beneficiaries. For example, beneficiaries should be given a certain period for which they will be eligible for grants whilst improving their lives. Once that period comes to an end, they will have to graduate from being beneficiaries and will therefore not be able to rely on social grants permanently. Prior to this closure, beneficiaries will be motivated to improve their lives.

5.5 Implications for social work practice

To fulfill its social welfare mandate, social work assumes different roles in relation to society. These roles reflect different models of society and corresponding social work activities. The exact nature of the social problem, and the way in which society defines social welfare arrangements, influences the role of social work. The values of the social work profession support an empowerment base for practice. Social work adopts a conception of humans as “striving, active organisms who are capable of organizing their lives and developing their potentialities as long as they have appropriate environmental supports” (Maluccio, 1983: 136). This view emphasizes the human capacity for adaptation and opportunities for growth throughout the life cycle. This view is linked to the purpose of social work as a way of releasing human and social power to promote personal, interpersonal, and structural competence. The role of social work in the light of dependents is, therefore, to empower beneficiaries to become interdependent and self-sufficient.

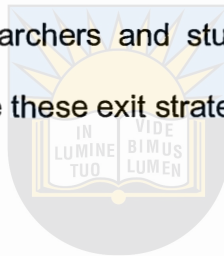
As evidenced in the field of child welfare, the majority of social work practitioners' clients are women and children. It is anticipated that the conclusions of this study have implications for social work practice and its attempt to integrate child social grant beneficiaries into the economic arena; they will thus become sustainable units prior to graduating from receiving social grants and will consequently move away from the poverty trap. The social work community needs to address the disparity between beneficiaries re-building their livelihoods, through employment opportunities created by

government programmes, in terms of sustainability and how these programmes contribute towards self-reliance.

In order to adequately address the issue, with all of its complications, the entire profession must be instilled with a broadened and enlightened vision which incorporates both a national consciousness and new types of knowledge and skills. As we move beyond, the minimum requirement is that social workers be prepared to work nationally in an increasingly multi-cultural society filled with social grant beneficiaries. This requires an international consciousness so that social workers are aware of the ways in which global events and forces affect the world's people and how people find the strength to endure and grow. Beyond this minimum requirement, some social workers need specialized education that will prepare them to work with social grant beneficiaries.

It is vital to bring developmental perspectives and materials into social work practice classes and policy courses. Faculty members will need additional support. Although some curricular guides have been produced to assist faculty members in developing and teaching courses in social development, these are only an initial step. Similarly, the developmental dimension of social work education must also be strengthened if social workers are to become more effectively involved in organizations that deal with improving the lives of social grant beneficiaries.

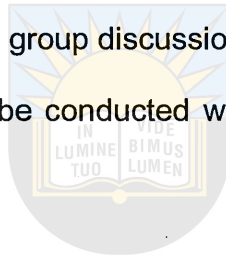
Intensive training seminars, taught by experienced project managers, would be a welcomed addition. Greater opportunities for social work educators to participate in projects which focus on beneficiaries would also be helpful. There is a need for social work training to be re-configured to allow for the development of specialist knowledge, skills and values in working and communicating with communities. There is a need to place a greater focus, in the literature on the subject, on how to develop exit strategies for beneficiaries. It would be especially valuable to disseminate reports amongst social work practitioners, educators, researchers and students on the effectiveness of the methods that can be used to provide these exit strategies for beneficiaries.



Finally, the position of social work, together with the needs of beneficiaries, needs to be elevated, prioritized and positively publicized through an accompanying research agenda that focuses solely on this area of practice. This agenda should seek to explore the theoretical, practical and policy context which has given rise to poor practice and through which positive changes can be made. It is the combination of these changes that will, hopefully, bring about changes to the ways in which social workers seek, listen to and act upon the rebuilding of the lives of beneficiaries and help them to move away from being dependents.

5.6 Suggestions for future studies

- ❖ The fact that the research focused on the Nkonkobe Municipality presents itself as a limitation since it is not necessarily representative of the entire Eastern Cape, or South Africa at large. The impact of child social grants on beneficiaries may vary and similar research could thus be conducted in other provinces in South Africa.
- ❖ A qualitative study, to further understand the feelings and attitudes of beneficiaries, should be conducted using focus group discussions with beneficiaries.
- ❖ This type of research can also be conducted with beneficiaries receiving disability social grants.



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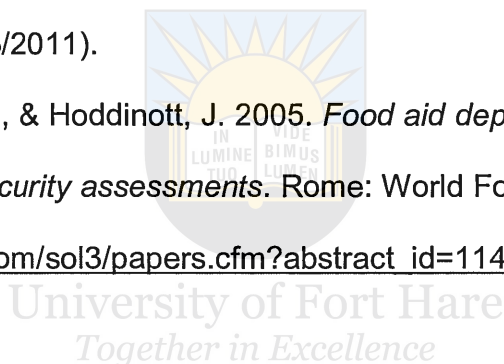
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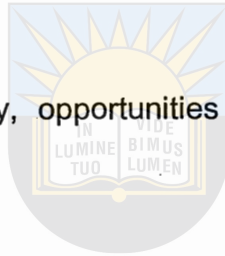
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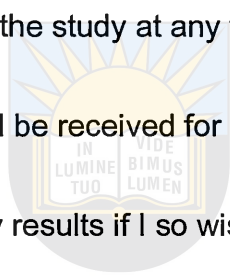
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APPENDIX 1: CONSENT FORM

I hereby confirm that:

- I have understood the information provided on the study.
- I am aware that a tape recorder will be used to capture data during this study.
- I understand that participation in this study is voluntary.
- I have the right to withdraw from the study at any time.
- I understand that no payment will be received for participating in this study.
- I have a right to access the study results if I so wish.



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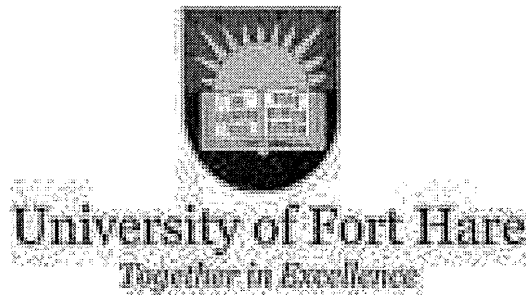
I hereby confirm that I fully understand the conditions of this study and what my rights and responsibilities as a participant are.

I am therefore willing to participate in this study.

Signature:


Date:

APPENDIX 2: QUESTIONNAIRE



Department of social work

Research questionnaire



I am a Social work Master's student at the university of Fort Hare conducting a survey on beneficiaries of child social grants (CSG and FCG). You have been selected to be part of the research sample and you are kindly asked to assist by completing the attached questionnaire. The questionnaire has been formulated to obtain evidence whether beneficiaries are dependent on social grants. Please be assured that all responses remain confidential, all the respondents will remain anonymous and their responses will be used for academic purposes only.

Thank you for your cooperation

Priscilla Gutura

Instructions: Fill in the questionnaire by marking in the box where it is applicable to you and/or write in the space provided.

SECTION A: BIOGRAPHICAL INFORMATION

1. Age 21-25 26-35 36-40 41-55 56-70

2. Gender Male Female

3. Race Black White Colored Indian

4. Marital status Single Married Divorced Widowed

Cohabitation Other, please specify.....

5. Major area of municipality Alice Fort Beaufort Hogsback
Middle-drift Seymour

6. Highest level of education Some primary Some secondary Matric
Tertiary

7. How many people are staying in your house 1-2 3-4 5-6
more than 6

8. Who is the head of the household Myself Mother Father
Grandmother Grandfather Aunt

SECTION B: TYPE OF SOCIAL GRANT(S) AND ITS USE

9. Which type of child social grant(s) are you receiving?

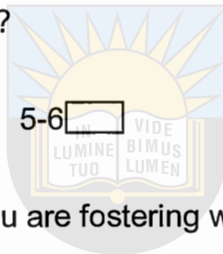
Child Support Care Dependency Foster care

10. Do you have children of your own who are receiving social grants?

Yes No

11. If yes to Q10 how many are they?

None 1-2 3-4 5-6



12. Do you have any children that you are fostering who are receiving social grants?

Yes No

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13. If yes to Q12 how many are they?

1-2 3-4 5-6

14. In total how many children are receiving social grants?

1-2 3-4 5-6

15. For how long have you been the beneficiary of the grant (s)?

0-2 yrs 3-5yrs 6-10yrs 11-15yrs 16-20yrs

16. What is your estimated total amount that you get every month from the grant (s) you are receiving?

Up to 500 501-1500 1501-3000 3001 and above

17. What do you use the grant (s) for?

Pay school fees

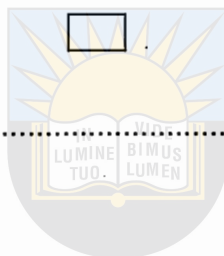
Buy food for the entire household

Use for self well being only

Clothing

Health needs

Others, please specify.....



SECTION C: OTHER SOURCES OF INCOME BESIDES THE CHILD SOCIAL GRANTS

18. Do you have any other source of income besides social grant(s)

Yes No

19. If yes to Q18, which other source do you have?

.....

20. Is the amount that you are getting from this source higher than the social grant(s) that you are receiving?

Yes No

21. What do you use the money from that source for?

Pay school fees

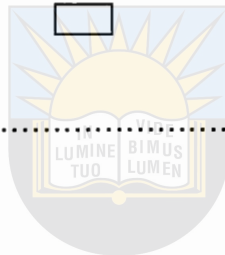
Buy food for the entire household

Use for self well being only

Clothing

Health needs

Others, please specify.....



22. If no to Q18, why not?

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SECTION D: THE DEGREE TO WHICH A BENEFICIARY OF CHILD SOCIAL GRANT (S) HAS THE DRIVE TO SEARCH FOR EMPLOYMENT

23. Are you employed? Yes No

24. If No to Q23 are you looking for a job?

Yes No

25. If yes to Q24 how many applications for work have you submitted in the past 12 months?

1-5 6-10 more than 10

26. If No to Q24, the amount of social grants is adequate that it discourages you from seeking work.

Agree Strongly agree Disagree Strongly disagree

27. Do you prefer receiving social grants than going to work?

Yes No

28. Would you go for a job that you don't like when there was no other job to go to?

Yes No

29. What is your biggest obstacle in finding jobs?

No/Few jobs available Not enough qualifications

Not enough relevant experience Other.....

30. Work gives you a sense of belonging to the community.

Agree Strongly agree Disagree Strongly disagree

SECTION E: THE EXTENT TO WHICH THE CONDITIONS HAVE CHANGED OVER TIME AS A BENEFICIARY OF SOCIAL GRANTS

31. How would you describe your standard of living:

Before you were receiving the grant?

Below average Average Above average Satisfactory

Now when you are receiving the grant?

Below average Average Above average Satisfactory

32. Did any child in this household go hungry because there was not enough food before you started receiving the grant(s)

Never Sometimes Often Always

33. Did any child in this household go hungry because there was not enough food after you started receiving the grant(s)

Never Sometimes Often Always

34. Since you started receiving the grant have you invested into any business and/or activity to empower yourself?

Yes No

35. If yes to Q34 what type of investment have you undertaken

Professional practice Subsistence farming Garden project

Poultry farming Saving schemes Piggery farming

Others, please specify.....

36. Being a beneficiary of social grants help you to get out of poverty.

Strongly Agree Agree Disagree Strongly disagree

37. Are there any changes in your lifestyle after you started receiving the grant?

Positive changes

.....
.....

Negative changes

.....
.....

SECTION F: ATTITUDES OF BENEFICIARIES TOWARDS CHILD SOCIAL GRANTS.



38. Do you agree that most people on social grants desperately need the help?

Strongly Agree Agree Disagree Strongly disagree

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39. Do you think the government is giving enough money?

Yes No

40. If the government terminates the grants today are you able to survive without them?

Yes No

41. Are you striving to get off from welfare one day

Yes No

42. Are there any benefits that come along with receiving social grants?

Yes No

43. If yes what are the benefits?

.....
.....

44. In your own words how would you describe the role being played by the grant(s) that you are receiving in your life?

.....
.....

45. Are there any challenges that you have met as a result of being a beneficiary of social grants?



Yes No

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46. If yes what are the challenges?

.....
.....

47. Any other comments that you want to make concerning social grants?

.....
.....

THANK YOU FOR YOUR PARTICIPATION

APPENDIX 3: INDEPTH- INTERVIEW GUIDE

It should be noted that these questions were not asked in the order given below; it all depended on the responses given by the interviewees. In addition, the questions do not represent the exact manner in which they were asked.

Section A: Personal information

Age

Gender

Marital status

The highest level of education

Who is the head of the household?

Employment status



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Section B: The drive for beneficiaries to search for employment

Are you better off claiming social grants than going to work?

If yes explain

If no explain

Do you feel alright to be out of work? Explain

How often do you search for work?

What is the biggest obstacle in finding jobs?

Is the amount of social grants high that it discourages you from seeking work?

Does the social grant help you in searching for work?

Do you intend to search for employment and stop being a beneficiary of social grants?



SECTION C: Role of social grants in people's lives

What type of grant do you receive?

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What led you to seek that grant?

For how long have you been the beneficiary of the social grant?

What do you use the grant for?

What impact does the grant have in your life?

Section D: Other sources of income besides social grants

Do you have any other source of income besides the social grants?

If yes which source

If no, why not

2. Is the amount that you get from this source higher than the social grant or is it less?
3. What do you use that money for?

Section E: Effects of reliance on social grants

What has changed in your lifestyle after you started receiving the social grant

Positive changes

Negative changes



Are there any benefits that come along with receiving social grants?

What challenges have you met as a result of being a beneficiary of social grants?

Do the social grants affect the flow of economic activity in your community?

If yes how

Does being a beneficiary of social grants help to get you out of poverty?

If yes how?

If no how?

Are you totally dependent on social grants for your children's needs?

If the grant is terminated today are you able to survive without it?