

Research priorities in the area of the interface between children's well-being and unemployment in South Africa: Seminar report

This report provides a summary of a one-day seminar held in Cape Town on 14 October 2005, focussing on the interface between unemployment and children's well-being in South Africa. The event was hosted by the Children's Institute of University of Cape Town, the Children's Budget Unit of Idasa and Save the Children Sweden. Copies of the papers prepared for the seminar and most of the presentations made at the seminar are available on the Idasa and Children's websites. See the Idasa website at <http://www.idasa.org.za> and Children's Institute at <http://www.uct.ac.za/depts/ci>

Welcome and introductions

Participants were welcomed to the event by Trine Naeraa-Nicolajsen of Save the Children Sweden (Southern Africa office). A list of the seminar participants appears in Appendix 1. The proceedings were facilitated by Prof J.Fedderke.

The context and objectives of the seminar

Outlined by Judith Streak, Senior Researcher, Children's Budget Unit

Judith Streak noted that child rights advocates and researchers working in the children's sector have to date focussed much of their attention on how much and how well the state is spending to deliver services and income support to poor children and households. Even though researchers have recognised and highlighted the link between unemployment and poor outcomes for children, relatively little research and advocacy has been directed towards examining and addressing this link in more depth. There has not been much dialogue between child rights researchers and advocates on the one hand, and economists on the other, about how research and policy aimed at solving unemployment can be tied in with efforts to realise children's rights. At the same time, in spite of progress in service delivery to children on various fronts, millions of children in South Africa continue to live in extremely difficult circumstances.

Against this background, Ms Streak explained that the objectives of the seminar were:

- to exchange ideas about the interface between unemployment and children's well-being;
- to stimulate thinking about the kinds of research projects around the link between child well-being and unemployment that it would be useful to pursue as a means to advance child rights; and
- to open a dialogue - an initial conversation – as a basis for the on-going sharing of ideas, research and action that will be useful for advocacy, policy and children.

Children's experiences of the link between poverty and unemployment in the context of HIV/AIDS

Presented by Deborah Ewing, Director, iMediate Development Communications

As a further building block in contextualising the seminar, Deborah Ewing gave an overview of children's perceptions and experiences of poverty, based on child participation processes in different parts of South Africa. The input highlighted that children have a clear awareness of and ability to articulate ideas about the relationship between their own well-being and the material circumstances of their families or households. Children observe the chronic, inter-generational nature of poverty and understand that deprivation and lack of opportunities are often passed on from parents to children. They recognise that their prospects for escaping poverty are largely shaped by the prospects of their families and households to do so.

Child participation studies have also shown that children experience poverty as multi-faceted and their rights as indivisible and inter-dependent. In households experiencing unemployment and poverty, children are aware of the trade-offs being made between contesting needs. For example, they experience it as unjust when they are forced to sacrifice living with their family in order to secure their socio-economic needs. These experiences of trade-offs are often exacerbated by HIV/AIDS. Children experience poverty most acutely in relation to inequality. Their perceptions of their relative circumstances in comparison to other children play an important role in their experiences of deprivation. At the same time, children often distance themselves from being labelled as 'poor'. They do not want to be objects of charity or welfare; their desire is for their household or family to be able to care for them.

Ms Ewing emphasised the importance of taking children's experiences seriously, not only in deepening our understanding of child poverty, but also in developing effective measures for intervention. Children are not passive victims of their circumstances but play an active role in negotiating their livelihoods and participating in household coping strategies. The challenge is that children's agency within the dynamics of poverty and unemployment is not well understood within policy planning, programming and budgeting. Against this background, Ms Ewing identified the following priorities for future research:

- Children's views of the support their families need and how it should be provided;
- Children's experience of child-focused social grants: their impact on quality of life, their impact on relationships and an assessment of spending choices made by care-givers;
- The impact of care-giver unemployment on relationships between adults and children.
- Children's perceptions of causes of unemployment: How do they view the responsibility of adults to meet their needs? Does unemployment cause children to see care-givers as failing or having been failed by society? What are the implications of children's experiences for social cohesion and future citizenship?

Unemployment and children's well-being: A statistical exploration

Researched by Debbie Budlender

Presented by Annie Leatt, Child Poverty Programme Manager, Children's Institute

Annie Leatt presented the findings of statistical research undertaken by Debbie Budlender, commissioned for this seminar. The purpose of the research was to provide a broad overview or 'snap-shot' of the situation of children with respect to unemployment in South Africa, based on quantitative data. The main data source used for the research was the General Household Survey (GHS) of 2004, based on a sample size of approximately 30 000 households distributed across all nine provinces and across rural and urban areas. The research made use of the Statistics South Africa's definition of unemployment, in which a person is seen as unemployed if s/he has not engaged in any economic activity over the previous seven days, but wants to work, is able to work and has taken active steps to find work. A person is seen as 'employed' if s/he has engaged in some economic activity in the

labour market over the previous seven days. It also used the category of not economically active to cover all those not engaged in the labour market.

The analysis confirmed that unemployment in South Africa has clear race and gender patterns. Unemployment rates are much higher for Africans than for other population groups and also higher for females in comparison to males across all population groups. These patterns must furthermore be seen in the light of the unpaid care work largely carried out by women within households. The paper highlighted that women on average do 2.5 times more unpaid care work than men and that this impacts on the time available for men and women to engage in other economic work.

As expected, the research revealed a strong link between employment and lack of poverty in households, as well as a strong link between unemployment and child hunger. Some of the main findings of the research include the following:

- 84% of children aged five or under and 71% of children aged 6 to 17 lived with their biological mothers, totalling around 13.6 million children (0 to 17).
- The overall unemployment rate for mothers living with one or more biological children was 35%. The number of children in a household tends to increase the amount of unpaid care work and money needed to maintain that household. However, there did not appear to be a consistent correlation between the number of biological children resident with a mother and her likelihood of being employed.
- With the exception of very young mothers (15 to 19 years old), the unemployment rate was higher amongst mothers living with their biological children than for women of the same age without children.
- Around 6.9 million children lived with their biological fathers. Whether a child was resident with his/her biological father differed more across race and age groups than was the case with resident mothers. The implication is that children are generally less likely to benefit from the employment of fathers than from the employment of mothers.
- The overall unemployment rate of fathers living with their biological child(ren) was 13%. Unemployment amongst these resident fathers was lower than for other men in the same age group.
- There was a wide disparity in the percentage of children living with an employed parent or an employed adult across race groups and across provinces. For example, while only 29% of children in Limpopo lived with an employed parent and 42% lived with an employed adult, 70% of children in the Western Cape lived with an employed parent and 86% lived with an employed adult.
- Having employed adults in a household is likely to improve the well-being of children in that household. For example, when a child is resident with one or two employed adults in a household, s/he is more likely to access early childhood development, piped water, electricity for cooking and books. However, it should be noted that multiple factors complicate the analysis of child well-being indicators using this data set.

Questions and discussion

An important point emerging from the discussion at this point was the need to contextualise and disaggregate data. It was noted that the data relating to the distribution of children living in households with an employed adult or parent is difficult to make sense of given the history and patterns of migration in South Africa. For example in Limpopo, where the lowest percentage of children were reported to be living with an employed adult or parent, this finding cannot be interpreted accurately without taking the implications of migration to and from Limpopo into account. It was also noted that the data didn't reflect a number of other important variables, such as household structure and sources of income. The use of the 'official' or narrow unemployment rate also contributed to concerns around the usefulness of the analysis.

A question was raised regarding the direction of causality implicit in the analysis of the data. While the analysis showed a link between poverty, unemployment and poor outcomes for children, it was not easy to disentangle the dynamics of cause and effect involved. It was noted that there was a need for comparative international analysis to establish where and how these links and patterns are anomalous to South Africa and in what ways they mirror other experiences. The discussion turned to a number of salient points that were confirmed by the research: namely that of chronic rural underdevelopment and the gendered nature of the relationship between unemployment and child well-being. Some debate followed on the most appropriate strategies to combat rural underdevelopment and the implications of migration for employment-creation as well as social service delivery. It was noted that the lack of data on migration confounded efforts to distribute budget resources to where they were most needed by children.

Employment and children

Presented by Dr Miriam Altman, Executive Director, Employment & Economic Policy Research, HSRC

Miriam Altman focussed her presentation on exploring where current strategies to promote employment in South Africa could be seen to overlap with and catalyse job-creation that could reduce child poverty and enhance child well-being. As a point of departure, she assumed that it is better for children to live in a household that has sufficient income to provide for their essential material needs. In addition, children benefit in households that include working adults as role models and in which both parents and children have sufficient access to information regarding parenting, education, career planning and so forth. In order to realise this ideal for children, considerable employment-creation is necessary in South Africa, in the region of 476 000 new jobs per year. The critical question is therefore whether the potential exists to create employment on this scale and if so, in what sector(s) such jobs would be located.

In order to address this question, she considered the changing character of work in South Africa. Available research on current trends points to slow employment growth in the formal sector. Employment growth in the informal sector has been more pronounced, but is characterised by high vulnerability and low income levels. In 2001, just over half of South Africa's workforce was either unemployed or underemployed. In 2004, 65% of all workers in South Africa earned less than R2500/month. The majority of these worked in the formal sector, 80% were not unionised and very few had any job-related skill training. If the 'second economy' is taken to include those working in low income, low-skilled jobs, it follows that most South Africans find themselves in the second economy. Any successful broad employment-creation efforts will need to be focussed here. In addition, current trends suggest poor prospects for new job creation in the mining and manufacturing sectors and only limited scope to bring about higher employment rates via the services sector (tourism and business services). If we hope to see more children living in households with employed adults, the only real prospects point to either direct or indirect government job creation. An important strategy to consider in this regard is employment-creation in non-market services.

Dr Altman went on to explain that non-market services were an important source of employment growth in many industrialised countries. Non-market services are essentially a means for government to create jobs indirectly, usually via social service delivery. By way of example, the presentation considered the services component of the Extended Public Works Programme in more depth. How could social service delivery in the areas of early childhood development (ECD), home-based care and adult basic education promote employment-creation via non-market services? Looking specifically at ECD for children 0 to 5, Dr Altman illustrated how alternative service delivery models could be used to create more jobs in the ECD sector, while also intensifying social service delivery to children. This is a critical area in

which policy is required to guide implementation in a way that marries employment-creation and skills development (primarily for women) with the advancement of children's rights. In conclusion, the presentation drew attention to the following possible research areas relating to unemployment and child well-being:

- The need for greater coherence in industrial policy if it is to stimulate employment;
- The changing nature of work and ensuring that these are reflected in services and entitlements;
- Labour markets and networks for young people; and
- The role of government in immediate job-creation, including the dramatic expansion of social welfare services as an immediate deliverable with clear cross-cutting impact.

Questions and discussion

The discussion was opened with support for the idea of job-creation in the social services sector as a means for reducing unemployment and advancing child well-being. It was suggested that efforts to design implementation models in this regard, especially as regards early childhood development, should be done in co-operation with the process of costing the Children's Bill, which is currently underway. The point was raised that a considerable shift in mindset would be needed for decision-makers to begin thinking about the gender dimensions of employment-creation and the links to paid and unpaid work in relation to child care. Several participants commented on the power relations underpinning this area of exploration and the question of how to deal with the ideological barriers through future research was raised. Other key areas in need of further research were noted. These included the question of how to generate more income for households in rural areas, how historical patterns continue to influence the dynamics of unemployment and child well-being in South Africa, as well as the need to explore industrial policy in more depth in order to increase its impact on employment-creation. Concern was expressed about the prospect of initiating further, possibly ambitious, innovations in social service delivery without attending to the crises in the current situation, for example, the shortage of social workers. A further concern was noted as to the feminisation of service delivery work and the low wages associated with ECD. A new approach also held the danger of steam-rolling over the embryonic developments already underway in the sector. The suggestion was made that there was a general need to shift from looking at the quantitative aspects of service delivery towards really engaging with the quality issues, including the skills of service providers.

The assumption that economic growth in South Africa could not be job-creating, was questioned. It was suggested that if wage rates were to increase more slowly, we could get more labour demand from growth. Concern was raised about the lack of historic contextualisation for the data presented on employment and unemployment. For example, the analysis did not take cross-border migration into account, nor did it consider what government programmes were in place at the time of data collection. Dr Altman responded that a great deal of detailed and disaggregated data was in fact available regarding employment and unemployment trends in South Africa. It was possible to gain more insight into the particular dynamics of specific sectors or regions. However, this did not really alter the 'bigger picture', which reveals poor prospects for the fast creation of large-scale well-paid employment in the formal economy. Given the current situation, the route forward with the greatest possibility of success would be to pursue low income employment-creation in large numbers and to target these efforts as effectively as possible at sectors that will benefit women and children.

Addressing children's rights and child labour - A poverty strategy for South Africa?

Presented by Kathy Nicolaou, Director, Labour & UIF, National Treasury

Kathy Nicolaou's presentation took a closer look at the relationship between child rights, child labour, poverty and unemployment in South Africa. The Labour Force Survey of March 2005 pegged the official unemployment rate in South Africa at 26.5%, with more than 40% of the poorest households having no employed member. There is a clear link between household poverty and child labour. Data from the Survey on Activities of Young People (SAYP) of 1999 showed that children from poorer households – especially poor rural households – were more likely to engage in child labour. Children between 15 and 17 living in poor households were particularly vulnerable to leaving school in search of work to assist their families at the cost of their own development. Addressing poverty and unemployment is therefore an essential means of helping to alleviate child labour.

The presentation then considered how the state is currently protecting and advancing children's rights. The Constitution clearly affords children an extensive set of rights, including the right to be protected from exploitative, inappropriate and harmful work practices. The rights of children are further backed up by South Africa's ratification of international or regional rights treaties, as well as various national legislative and policy instruments. In order to give effect to the Constitution, numerous departmental and inter-departmental government programmes have been set in place to advance children's rights and well-being along multiple fronts. These include for example initiatives ensure good quality education, access to adequate nutrition, income supplementation to primary care-givers, access to basic services and so forth. One such measure is government's Child Labour Action Programme (CLAP), which seeks to protect children from all forms of child labour through a comprehensive set of co-ordinated inter-departmental action steps. CLAP incorporates many existing government programmes already in place for children, while also extending and up-scaling certain programmes over time – including programmes to alleviate unemployment. In many respects, the CLAP could be seen as a poverty strategy for South Africa.

Ms Nicolaou provided an overview of some of the main government measures and programmes aimed at promoting the employment of adults, drawing specific attention to the National Skills Development Strategy, the Extended Public Works Programme, the Umsobomvu Youth Fund, social assistance grants, tax breaks and support for SMMEs, New Venture Creation Learnerships, as well as Agricultural and Land Restitution. The presentation was concluded by drawing attention to a number of important overlaps, gaps and weaknesses. These included the following:

- The need for improved and sustained co-ordination between departments and sectors cannot be under-estimated and requires continuous attention and support to reduce duplication of efforts and ensure effective programme implementation.
- Inter-sectoral or inter-departmental co-operation is frequently hamstrung by sending delegates that are too junior to engage critically and/or make necessary decisions, and by constant discontinuity in the delegates represented on programme committees.
- There is a need for more effective information-sharing amongst sectors and departments working to advance children's well-being and rights, for example by means of an updated database.
- The absence of a central processing centre to provide information and support to the public is a critical policy gap. For example, the enforcement of CLAP will exacerbate poverty by preventing children in poor households from contributing income. There is an urgent need for mechanisms that will allow such households to access alternative opportunities to replace such lost income, for example through skills development, access to grants or employment-creation programmes.

Government's strategy to assist vulnerable children in South Africa and research priorities to be addressed

Presented by Dr Ellen Kornegay, Chief Director of Programmes, the Presidency

Dr Ellen Kornegay presented an overview of government's strategy to advance children's rights in South Africa, the co-ordination of which falls under the mandate of the Office on the Rights of the Child (ORC) within the Presidency. The ORC was established to ensure that government lives up to its constitutional obligations with regard to children as defined in Section 28. This mandate of the ORC forms part of government's broader goal of transforming South Africa into a united, just, democratic, non-racial, non-sexist and prosperous society. The review process undertaken after 10 years of democracy has allowed government to assess the many advances which have been gained over the last decade, including important improvements in social services to children. These advances included substantial progress in deracialising social services, the delivery of social grants and the provision of basic services such as electricity, water, sanitation and housing. Yet several challenges remain, including high unemployment. Dr Kornegay supported the need for discussion and debate between government and civil society on the advancement of children's rights in South Africa. However, she expressed concern that the value of such discussion was derailed when civil society simply adopted a wholesale negative stance towards all government efforts.

The presentation went on to outline the characteristics of unemployment in South Africa. The unemployed are for the most part black, with a high proportion of female-headed households. Most of these women find themselves in the second economy, which in the main is informal, marginalised and unskilled. Life in the second economy has significant implications for the welfare, protection and full development of children. Government has adopted a number of measures that aim to address the profound impact of life in the second economy. These include, for example, early childhood development, free health services for children, a range of social grants, the Expanded Public Works Programme, as well as national programmes in the areas of school nutrition, food emergency, home- and community-based care and support, community development workers, the prevention of child labour and poverty alleviation.

Within this context, the ORC has a specific mandate to ensure the protection and development of vulnerable children. The presentation outlined which children were identified as being vulnerable in South Africa. As we move into the future, the ORC will lead a task team to consolidate achievements thus far and introduce new initiatives into a comprehensive National Framework for the Protection and Development of Vulnerable Children in South Africa. All relevant government departments and organs of civil society will form part of this national task team. One of the key roles of the ORC is to facilitate the mainstreaming of a child rights perspective through all government departments and sectors. In order to achieve this goal, key challenges for the future include strengthening the synergy and alignment needed for integrated policy implementation, building technical and administrative capacity for mainstreaming, programming, as well as monitoring and evaluation, and establishing ORCs at local government level in the offices of mayors.

Questions and discussion

It was noted that the seminar aimed to encourage dialogue not only amongst researchers but also between researchers and government. The purpose of reviewing government implementation thus far was to assess the lessons learnt so that this may inform future research and the generation of information that is useful to government and civil society. A question was posed regarding the scope for children's participation in the further development and implementation of child labour policy.

The discussion then turned to the meaning of the terms 'first economy' and 'second economy'. The suggestion was made that there was a danger in seeing too stark a separation between these spheres; surely they are inter-dependent. For example, the payment of grants in the 'second economy' depends, in part, on taxation in the 'first economy'. This is an example of economic redistribution across the divide. A possible area of research might be to look more thoroughly into these inter-dependencies and strategies for integration between the two. It was suggested that it was short-sighted to see the division between the first and second economies simply as a class divide characterised by exploitation. A further observation was that the terms 'first economy' and 'second economy' did not refer to a dual economy model. The two did not equate with the formal sector and informal sector either. It may be more useful to think of it as a continuum. It was noted that the terms 'first economy' and 'second economy' did not represent compartmentalised spheres but rather provided a way for talking about inequality. The term 'second economy' helped to highlight the everyday economic experiences and coping strategies of the majority of South Africans, which did not always mirror the logic of the 'first economy'.

COSATU perspective

Presented by Elroy Paulus, Research Co-ordinator, COSATU Parliamentary Office

Elroy Paulus spoke about the challenges faced at the policy level, specifically on how current legislation addresses or fails to address unemployment and chronic poverty in South Africa. He noted that in the context of poor households, many sacrifices are often made to enable younger members to receive a good education and become employable. This legacy is not adequately taken into account in the policy arena. One such example is government's proposed Credit Bill, which maintains a punitive approach to past credit-worthiness. It was also important to take into account how potentially progressive legislation could backfire when implemented, often producing unintended detrimental outcomes.

The presentation turned to the lack of co-ordination in data on poverty. Researchers used different definitions and assumptions, resulting in an inability to establish an 'official poverty line'. Furthermore, the narrow definition of unemployment currently used by Statistics South Africa failed to take account of the spatial dimensions of poverty. In other words, it fails to give due recognition to the costs involved in job-hunting and counts those who cannot afford to continue looking for work within a category of 'discouraged' work-seekers in stead of counting them as unemployed. In a poor household, it may well be the most strategic decision to spend any available resources on putting food on the table rather than on travel costs to look for work.

Mr Paulus considered the main policies in place to promote employment in South Africa. He noted that in the case of the Extended Public Works Programme, the inputs associated with this initiative were not sufficient to achieve the desired outcomes. He also drew attention to the increasing casualisation of employment, especially at the local government level. There was a need for norms and standards to be developed and applied to regulate remuneration levels for casual and part-time workers, debt work-back arrangements and so forth. The on-going marketisation of the state was clearly not in the best interests of the poor. At the macro-economic level, the self-imposed tax:GDP ratio, which is intended to attract foreign investment, was likely to produce the same failed objectives as was the case with GEAR.

The presentation was concluded with the following suggestions for further research on the interface between unemployment and children's well-being:

- It was important for the themes of the seminar to be discussed on a broader basis and to include a wider target audience. Research findings should be explained and disseminated in plain language.
- Participative research methodologies, which reflect the perspectives of children, the unemployed and the poor, should be made known more intensively and creatively. There

was a need to ensure that the view of all stakeholders are integrated and given equal weight.

- Improved co-operation amongst departments and stakeholders is critical, and requires a review of the role of the state in employment creation.
- The unique challenges facing provinces should be taken into account.
- There was an urgent need for research on job-creating economic growth, with specific emphasis on interventions needed to address chronic youth unemployment.

Questions and discussion

A question was raised on whether it was inevitable for employment growth in South Africa to reinforce the divide between the highly paid jobs in the 'first economy' and low paid jobs in the second. Was it not possible to create jobs in between at the middle level? It was suggested that it may be useful to examine what kind of industrial policies were used in countries that in fact managed to close this gap. The relationship between industrial policy and vocational training may be critical in this regard.

It was noted that the infrastructure and economic sector components of the EPWP were not intended to provide a long-term solution. Their aim is simply to train, provide services and short term jobs. In the third component – that of social services – there is some scope for longer term skills development and job-creation (as was outlined by Miriam Altman). The point was made that currently, the very low budget deficit (or even budget surplus) shows that resources are available for more spending on interventions that could promote employment and child well-being. It was suggested that spending more, for example on education and training, was not really a solution. South Africa already spent more in this area than many other countries who achieve much better outcomes in vocational training and employment growth. This was countered with the point that it is not sufficient to consider whether the total amount spent, for example, on education and training was enough. It is necessary to look inside the spending to assess how much was spent, for example, on early childhood development as opposed to other education programmes.

It was noted that the key problem underpinning everything being discussed was the absence of a coherent strategy in South Africa to address poverty and unemployment. In spite of a bombardment of data, we can see that the strategies in place at the moment are not producing the desired outcomes. Why are current strategies not helping us to make towards the millennium development goals? Priorities for future research should include finding out why our present strategies are not working. The suggestion was made that present strategies are not working due to poor implementation capacity on the ground.

Some debate followed on the assertion that South Africa's current macro-economic policy was not working. A view was raised that positive results take some time to manifest and that we were now entering an era in which we will begin to see the fruits of current macro-economic strategies. Different opinions were expressed as to the drivers for foreign direct investment. It was noted that there was not always a close link between FDI and open capital accounts. On the other hand, several Latin American countries that had complied by opening their capital accounts were experiencing economic crises.

The point was made that what is really at issue here is trying to examine the trade-offs South Africa has made on the macro-economic front. In the context of this seminar, the real question is not about economic growth *per se*, but about the implications of pursuing economic growth in the way we are – and what this means for children who are poor right now. It is also about asking how we can achieve more for children with the resources we have. It was suggested that it may well be the best thing to do for poor children right now to chase economic growth. This was countered by highlighting that the framework of the Constitution, which affords children their rights, did not allow us to trade off the rights of

children now for possible benefit later. It was also noted that it was misleading to pose the challenge of economic growth as calling for short-term sacrifices now in exchange for longer-term gain later. The present situation of poverty, unemployment and by implication, low demand – these were real obstacles to economic growth. They represented the greatest risk factors undermining foreign investment. The kind of economic growth we have pursued was inequality-creating and this was underpinned by the current macro-economic framework. It produced fundamental instability. In Malaysia, it was possible to avert chaos by applying capital controls: this was a pre-condition to moving into a new growth pattern. We needed a similar re-orientation in our industrial policy; it was essential to put certain policy parameters in place to discipline the market.

The point was made that no matter how we look at it, it remains that South Africa will never achieve the kind of economic growth we needed without attending to early childhood development. It was also important to remember that economic growth should not be linked too narrowly to outputs. This is an old way of thinking, which no longer holds true in all instances. It is possible that where we have growth in future may not be where we have outputs.

It was suggested that a national contract was required on what 'progress' would be in the South African context. For example, how do we measure 'pro-poor growth'? Would progress be reflected in reductions in our Gini co-efficient, or a higher position on the human development index?

A proposal was made to re-focus the discussion on what could be done, with the resources already available for public spending in South Africa, to produce better outcomes for children right now and in the longer-term. The suggestion was raised that there did not seem to be any urgent need in South Africa to provide tax breaks. Why not maintain current tax levels and use the revenue surplus to provide a Basic Income Grant (BIG)? Another proposal was that it would be very useful to explore exactly what thresholds need to be achieved in order to catalyse higher levels of employment: what exactly are the thresholds that allow people to 'cross the poverty line', so to speak? Is it, for example, education up to Grade 10? Is it access to credit? What factors in the employment market are keeping people out? A related suggestion was that similar questions could be asked at a community level. For example, when looking at a particular informal settlement or township, do we know what it would be best to invest in, in that particular context, to improve outcomes for children? Would it be ECD? Or maybe giving priority to formal schooling? Or sport? Or recreation? How do we examine the implications of those spending choices within the particularities of a given community?

The discussion turned to challenges relating to implementation. It was noted that many government departments were reflecting an inability to spend their budgets. The idea was put forward that a lack of capacity could easily be used as an excuse not to spend more. In any case, it would not really require any additional capacity in order to spend more on the state old age grant and child support grant right now, or to introduce a BIG. Given South Africa's current tax capacity, it would be possible to increase the size of the spending envelope. It was pointed out that it was inhumane to be running a budget surplus when at the same time, children are facing poverty on a daily basis. Some discussion followed about the benefits, for some programmes, of investing on a large scale. At times there may be a rationale for this in the sense that the programme may have its maximum efficiency and effectiveness at a rather high level of service delivery. This is the old economic principle of "economies of scale". It was also noted that a complex set of factors were tied up in the concept of 'implementation capacity'. It was not only a matter of skills capacity; there were also tensions within the state and obstacles that were more systemic, such as an extremely hierarchical institutional culture.

The participants then focussed some attention on the need to improve collaboration and co-ordination across sectors and departments to support more effective implementation. The lack of a strategic planning and co-ordinating centre was identified as a key problem. It was noted that the national treasury had come to play this role in the sense that it was making *de facto* strategic choices between contesting spending programmes and that this was not an appropriate alternative to having an over-arching national strategy. The idea was put forward that it would be useful to explore how implementation may be set up to reward greater inter-sectoral collaboration. It was suggested that collaboration was implicitly stumped by the current framework within which departments were set up to compete against one another for resources. The comment was made that the lack of an over-arching poverty strategy also created challenges within the treasury. For example, there was no single government department responsible for addressing unemployment. Gaps in the social grant system meant that there was really no national strategy in place to assist unemployed people between the ages of 15 and 64.

Problems relating to data gaps were highlighted, including the use of the terms 'urban' and 'rural' in statistical research. Where did the 'peri-urban' and informal communities get counted in these statistics? A suggestion was made that a possible research focus for the future may be to identify a number of key policies that should be directed at children and to track their implementation closely at community level to see where the gaps, contradictions, unintended results and obstacles emerged. A related point was that it should be accepted that policy implementation would often be messy. However, valuable insights could be gained by looking deeply into one child-related policy and to track it all the way through to children in communities, in order to identify exactly where and how resources might be spent better, combined better, added or re-organised to catalyse better outcomes.

Directions for future research identified by the participants

It was suggested that the group could begin crystallising their suggestions for future research around three broad clusters, namely:

- Questions regarding the resource envelope;
- Questions about the best mechanisms for delivery; and
- Questions around the efficiency of implementation.

A concern was raised that this framework was too narrowly modelled and may limit the generation of questions. It was decided to proceed without adopting any particular conceptual boundaries for the discussion. Against this background, the participants brainstormed the following list of possible future research questions relating to the interface between unemployment and child well-being:

- How do we maximize the impact of policies directed at children and improve inter-sectoral collaboration?
- Which co-ordinating activities amongst government spheres, sectors and departments – and between government, the private sector and civil society - are the most important?
- What is an 'effective partnership'? What forms should public-private partnerships and public-civil society partnerships take?
- How best do we support the ORC to strengthen its impact on the advancement of child rights?
- Do children's socio-economic rights in section 28 of the Constitution call for setting out norms and standards? How much progress have we made in this regard?
- What should a co-ordinated poverty alleviation strategy look like? How best do we get a co-ordinated poverty alleviation strategy on the government's agenda?

- How do we involve children and their care-givers directly in identifying, developing, implementing and evaluating anti-poverty strategies? How may the EU children's commissioners be able to assist in this regard?
- Which countries have effectively solved poverty and how? Why was it possible? Does globalisation prevent this in the future?
- What is the relationship between poverty & inequality?
- What are the dynamics of poverty? What are the thresholds involved in 'getting out of poverty'? Does getting out of poverty mean joining the middle class? Is there an affordable way to solve poverty?
- Are children in rural areas worse off than in peri-urban areas? And if so, how long will this remain the case?
- How well are we matching ethnographic data with quantitative data?
- How do we measure youth employability in peri-urban & rural areas?
- How can we better understand the dynamics of children-in-communities so as to strengthen their resilience and capacity within the communities where they live?
- What is the impact on children when their parents do not have access to comprehensive HIV/AIDS treatment?
- What is the impact of household indebtedness on children's well-being?
- What mechanisms do communities currently have, and how do we strengthen them? How can we deliver services to communities in a way that enhances their capacity?
- Why do we not have more philanthropy?
- What success stories are there in South Africa (especially in low per capita GDP parts of the country), in the areas of employment-creation, improving child outcomes, crime reduction, and so forth? Which of these success stories provide sustainable models for intervention?
- Can we identify or develop implementation strategies where the resources of a community remain in that community?
- How can poverty alleviation strategies take into consideration the fluid nature of households and migration patterns?
- What are the gender implications of directing investment in job-creation specifically to ECD and other social services?
- Questions relating to early childhood development:
 - ⇒ What models for the delivery of ECD are best suited to ensure that it helps to reduce poverty and create employment?
 - ⇒ What is the best way to finance of ECD?
 - ⇒ What is the best way to implement ECD for the 0 to 5 age bracket?
- Questions relating to child labour:
 - ⇒ As government's child labour strategy is enforced, the immediate impact will be to reduce the income of the households in question. What are the implications of this for child poverty and development?
 - ⇒ How do we develop a mechanism to co-ordinate assistance and referral in order to deal with this impact?
- Questions about orphans:
 - ⇒ How are community resources best mobilised in relation to orphans?
 - ⇒ How do we best prevent children being orphaned?
 - ⇒ How do we best care for orphans?
 - ⇒ What kinds of partnership between the state and communities are needed?
 - ⇒ What is/should be the role of the not-for-profit sector in relation to orphaned children?

- What are the sources of:
 - ⇒ labour market non-clearing
 - ⇒ labour market rigidities
 - ⇒ labour market asymmetries
 - ⇒ labour market segmentation.

Appendix 1

Seminar participants

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Dr Rachel Bray	Research Fellow: Centre for Social Science Research, UCT
Ms Shaamela Cassiem	Unit Manager: Children's Budget Unit, Idasa
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Mr Neil Coleman	Head of the Parliamentary Office, COSATU
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Ms Deborah Ewing	Director, iMediate Development Communications
Prof Johann Fedderke	Professor of Economics, UCT
Mr David Fryer	Lecturer (economics department), Rhodes University
Ms Katharine Hall	Senior Researcher, Children's Institute UCT
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Dr Ellen Kornegay	Chief Director: Programmes, The Presidency
Ms Annie Leatt	Child Poverty Programme Manager, Children's Institute, UCT
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Ms Kathy Nicolaou	Director: Labour and UIF, National Treasury
Ms Christina Nomdo	Trainer/Researcher, Children's Budget Unit, Idasa
Mr Elroy E. Paulus	Research Co-Ordinator, COSATU Parliamentary Office
Ms Laura Poswell	Senior Researcher: Development Policy Research Unit, School of Economics, UCT
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