# Making the link between social services and social assistance

Charmaine Smith (Children's Institute)

n interpreting children's rights to care and protection, the Constitutional Court ruled that, while parents and families are primarily responsible for their children's care and protection, the State must ensure that families are equipped to fulfil this responsibility. The State gives effect to this obligation by providing social welfare programmes such as health care, water, housing, education, and social security as well as social services to strengthen families and help them care for their children.

Social security comprises social insurance and social assistance. Social assistance in the form of cash grants is part of the package that supports the State's developmental social welfare policy.

This essay:

- explains how grants can reduce the need for social services;
- sets out some of the inequalities resulting from children aged 14 – 18 currently not being eligible for the Child Support Grant (CSG);
- describes the consequences of the Foster Child Grant (FCG) being used for poverty relief rather than to protect children;
- looks at how the Children's Act entrenches the use of the FCG for poverty relief;
- recommends extending the CSG and reviewing the use of the FCG.

### How can grants reduce the need for social services?

South Africa's developmental social welfare policy recognises that widespread poverty is a driver of social problems and emphasises prevention and early intervention such as social assistance grants, early childhood development and family support programmes. This developmental approach reduces the need for tertiary and other expensive services like court inquiries and placement in children's homes.

Social grants like the Child Support Grant reduce the burden of poverty and support parents and other caregivers

to provide for children's basic needs. Grants can therefore prevent children from being taken into state alternative care because of vulnerabilities caused by poverty, such as neglect and abandonment. Therefore, within a developmental social welfare system, grants and early intervention and prevention services go together in working against the need for expensive tertiary services.

However, the current use of the Foster Child Grant to provide poverty relief to relatives caring for children may be doing the opposite as it is unnecessarily pulling children and families into the costly protection and alternative care system.

### What social grants are available to children?

The roll out of grants to millions of children is a remarkable achievement in South Africa, bringing many benefits to children. Three types of grants are available to caregivers of children:

- The Child Support Grant (CSG), at R200¹ per child per month, is available to children under the age of 14 years² whose primary caregiver passes an income-based means test, i.e. the grant was designed for children living in poverty.
- The Foster Child Grant (FCG), at R620³ per child per month, is available to children who the court finds in need of state care and protection and who have been placed in foster care with a court-approved foster parent, i.e. the grant was designed for children in need of protection.
- The Care Dependency Grant (CDG), at R8704 per child per month, is available to children with severe disabilities or chronic illnesses who need 24-hour special care at home.

## What are the inequalities resulting from children aged 14 – 18 not being eligible for the CSG?

A High Court case, *Mahlangu v Minister of Social Development* and *Minister of Finance*, is challenging the age limit of 14 years for accessing the CSG and asking the court to order the government to extend the grant to all poor children under 18 years.

<sup>1</sup> The CSG will increase by R10 in April 2008 and by R10 in October 2008 to a total of R220 per month.

<sup>2</sup> Children under 15 years will also qualify for the grant as of 1 January 2009.

<sup>3</sup> The FCG will increase to R650 in April 2008. 4 The CDG will increase to R940 in April 2008.

While the Minister of Finance in his 2008 Budget announced an extension to children under 15 years starting in 2009, no time frames or plans have been put forward by the government for a phased-in extension for children aged 15 – 17 years. The applicant in the case is therefore arguing that the State is lacking a reasonable plan for extension, which is part of its obligation to progressive realisation under the Constitution, and is asking the court to order the government to extend the grant to all poor children under 18 years. Projections by Budlender in 2007 of the government's future income and expenses show a CSG extension is affordable and will have a very small impact on the country's budget.

The case was heard in the Pretoria High Court on 4 and 5 March and judgment is pending.

The absence of an easily accessible poverty alleviation grant for 14 – 17-year-olds creates "special" vulnerabilities for this group that are not adequately addressed by other social welfare programmes.

#### **Education abandoned**

Analysis of the *General Household Survey 2006* shows a decline in school attendance after 14, with 16 – 17-year-olds worst affected. Calculations show that attendance rates dropped from 97.2% for 14-year-olds to 85.4% for 17-year-olds. GHS analysis a year earlier, indicated that lack of money for school fees is the main reason why 14 – 17-year-olds don't go to school. The high school drop-out rate is a serious social problem and could leave children trapped in poverty as adults. Research by the Economic Policy Research Institute (EPRI) and by Budlender and Woolard show that the CSG increases school enrolment and attendance.

### Participate in harmful forms of child labour or crime

Research by the multi-year programme "Towards the Elimination of the worst forms of Child Labour" shows that poverty exacerbates children's chances of getting involved in harmful or hazardous forms of child labour: commercial sex work, being trafficked, scavenging at waste sites, or being used by adults to commit crime. These children can end up in the child justice or child welfare system, requiring the services of social workers, the courts and placement in alternative care – all at a high financial cost to the State.

#### **Education compromised**

Poor children spend more time contributing directly or indirectly to household income, according to a 2001 World Bank strategy paper. Older, poor children who manage to stay enrolled at school therefore are less likely to spend time on school work, and are more likely to be tired and ill-prepared for learning when they are at school.

### Excluded from automatic grant-holders benefits

Fees for secondary and tertiary health care are automatically waived for children under six, and for social grant beneficiaries. Older children who do not receive a grant have to pass a complicated means test to prove they are poor enough to qualify for free health care at these levels. The same goes for school fee exemptions if they do not attend a no-fee school. Research by Hall, Leatt and Rosa also found that some schools are using the CSG as a criterion for determining which children can access school feeding.

### Needs of children disabled or chronically ill

The Care Dependency Grant is only available to children with AIDS in stages 3 and 4 of the disease. However, HIV-positive children not at these stages also need money for good nutrition and transport for frequent visits to the clinic. Children with moderate disabilities or with other chronic illnesses who do not qualify for a CDG are in similar circumstances. The income from a CSG could help caregivers of these older children to access services.

#### General health needs and access to services

Access to hospital care as well as to sexual health services is crucial for older children. Analysis of the GHS 2006 shows that an estimated 1.65 million children aged 14 – 17 years need to travel more than 30 minutes to reach their nearest clinic. The CSG can help with the transport costs related to accessing health care. A study by De Koker, De Waal and Voster indicated that 93% of households receiving the CSG reported improved general health.

#### **Nutritional needs**

High school learners are generally not reached by school feeding<sup>5</sup>, although the teenage years are crucial for physical development. Koker et al show that more than 80% of CSG households reported buying food first, and a 2004 EPRI study indicates that "social grants promotes better nutrition and education outcomes".

### What are the consequences of the FCG being used for poverty relief?

### There is a rising number of orphaned children

The number of orphaned children in need of care has been increasing steadily due to HIV/AIDS. Orphan statistics can be confusing since the term 'orphan' refers to a child who has lost either a father, a mother or both parents, or whose parents' living status is unknown. Nevertheless, analysis of the GHS 2005 indicated there were an estimated 374,615 without a mother who were not living with their father and approximately 626,362 children without a mother or a father.

<sup>5</sup> Some secondary schools have introduced school feeding in a response to the needs of poor high school learners.

TABLE 5: The number and proportion of children accessing the CSG and FCG respectively, by age group for May 2007

Child Support Grant			Foster Child Grant		
Age groups	Number	%	Age groups	Number	%
0 – 5 years	2,881,467	36.3	0 – 5 years	19,106	4.8
6 – 12 years	4,170,695	52.5	6 – 12 years	175,341	44.0
13 years*	887,030	11.2	13 – 17 years	203,621	51.2
Total	7,939,192	100	Total	398,068	100

<sup>\*</sup> The CSG discontinues when a child turns 14 and will discontinue when a child turns 15 as of January 2009. Source: Department of Social Development (2007) SOCPEN data for May 2007.

This amounts to an estimated one million children in need of care from relatives or the State.

### A large increase in Foster Child Grant take up

The 2000/2001 annual report of the Department of Social Development states that 49,843 children were in foster care by April 2000. In comparison, administrative data from the department for May 2007 show that 398,068 children were receiving the FCG. This is a 700% increase, which can be partly attributed to the increasing number of children in need of care due to HIV/AIDS who stay with relatives in need of income support. Table 5 above presents the number of children receiving the FCG and CSG respectively, by age group, for that month.

The data show that, in May 2007, the majority of children receiving the CSG were in the 6-12-year age group, while the majority receiving the FCG were 13-17-year-olds. In the absence of a social grant for older children who are not cared for

by their biological parents, either because they are dead or sick or looking for work, it can be expected that the number of children in the older age group who access the FCG will increase further. This situation is illustrated in the scenario box below.

The intention of social assistance is to provide families with an income to cater for their basic needs, hence promoting equality. The scenario illustrates a number of other challenges and inequalities in the ways in which social assistance for children is provided.

### Delays and expense due to need for social workers and courts affect rural poor in particular

The FCG can only be accessed via the courts, which takes much longer than an administrative application for a CSG. The CSG is much easier to access and reaches children in need of income support much quicker. This is particularly relevant in rural areas where the majority of poor children live and where social workers and courts are scarce.

### SCENARIO 1: Relatives struggle to access income support for older children in their care\*

Mrs Mhlope cares for her two grandchildren, Amahle (4) and Khanyisa (15). They live in a rural area in one of the poorer provinces. The children's mother, who lives in another province, sent them to live with their granny after she got sick with AIDS and is now unable to work. They don't know where their father is.

Mrs Mhlope does not have a job, nor does she yet qualify for an Old Age Pension. Mrs Mhlope applies for a Child Support Grant for four-year-old Amahle and this is granted three months later. At 15, Khanyisa does not qualify for a CSG, so the R200 per month for Amahle is used to cover Khanyisa's school expenses too. Mrs Mhlope battles to pay for the daily transport to school, the school uniform and stationery.

The family often scrape by on just one meal a day, and little Amahle is sickly because of poor nutrition. Khanyisa complains that he can't concentrate at school because he is hungry.

Mrs Mhlope finds out that Khanyisa is eligible for a Foster Child Grant. While it would have been a much easier and quicker to apply for a CSG, Mrs Mhlope starts a lengthy process with local social workers to get a court-ordered

foster care placement for Khanyisa to access the grant. It takes six months before Mrs Mhlope gets to see a social worker – the increasing number of orphaned children has greatly increased the number of FCG applications, and social workers' workload. They have to interview prospective foster care parents, investigate possible interventions, write a report and take the application to court, and thereafter monitor placements every two years.

It takes a year before the foster care placement is ordered by the court. Before Mrs Mhlope can start receiving the grant, she must take the court order to the offices of the Social Security Agency to register. A month later, she finally starts receiving the FCG for Khanyisa, who is now 16. Khanyisa has meanwhile not been at school for the eight months, due to the lack of money for transport and other school necessities. He now needs to repeat his grade, but is reluctant to return to school because of that, and because he has started earning some money for the household by working on a nearby farm.

\* The scenario was developed by integrating a number of case studies captured in Children's Institute research.

### Poor biological parents are not eligible for high value FCG

The current system discriminates against biological parents, who can only access the much-lower-in-value CSG for their children, and only until children turn 146. Further, Hall points out that caregivers accessing the CSG in effect need to be 50% poorer than in 1998 when the grant was introduced because the income threshold for the grant means test has not been changed since 1998 to keep pace with inflation.

### Hampers the child protection system's ability to help children who have been abused

The high demand for the FCG is negatively impacting on the ability of the child protection system to respond timeously and appropriately to the needs of children who have been abused, neglected, abandoned, exploited or trafficked. Meintjes, Budlender, Giese and Johnson describe this as a worrying trend because of the additional strain put on already overburdened family courts and social workers. The lengthy process is also costly and burdensome to the State. The critical shortage of human resources to deliver social services for children is discussed in more detail in the essay on page 48.

### What does the new Children's Act say about Foster Child Grants?

The Children's Act (as amended by the Children's Amendment Bill) has changed the way in which foster care is administered to promote the use of the foster care system for extended family members caring for orphans. Section 186(2) of the Children's Amendment Bill allows the court to make a foster care placement with a relative permanent by extending it until the child turns 18, and removes the requirements of two-yearly social work reports. This is aimed at making the system work more quickly for children living with relatives. While in law the child remains in foster care, the placement resembles "subsidised adoption", although without the legal rights granted to adoptive parents.

Importantly, the parliamentary Portfolio Committee on Social Development in November 2007 requested the Department of Social Development to "conduct an urgent comprehensive review of the social security policy for children and the foster-care system" in recognition of the burden on the system and the rapid growth in FCG take-up.

#### What are the conclusions?

Social assistance in the form of Child Support Grants can reduce large numbers of children who are coming into the statutory child protection and alternative care system as a result of poverty. Children 14 – 17-years have "special" vulnerabilities and the CSG is well placed to address these. Excluding older children in need of income support from the CSG deprives them of equal protection and benefit of the law; it unfairly discriminates against their age; and it infringes on their rights to dignity, life, education, nutrition and health care. By extending the CSG to all poor children, regardless of whom they live with, the State would fulfil its obligation to progressively realise children's right to social security as well as promote children's other rights.

The CSG is easy to administer for both caregivers and the State. It will in the long-term be more cost effective for the State to invest in keeping families together by providing income support to all poor children than resorting to costly alternative care.

The use of the child protection system to address poverty is inappropriate because it compromises the care of children who are abused or neglected. It is also ineffective because the system is too complex and lengthy to respond quickly enough to the income-support needs of the many children cared for by relatives. The large number of FCG applications for caring for orphans is jamming up social services and the court system, while the complex processes involved make it impossible to address all poverty needs effectively. The child protection system urgently needs to be freed up to implement the Children's Act and the related social services aimed at prevention, early intervention, protection and alternative care.

The way that the foster care system is structured is completely in opposition to the developmental model. Instead of using prevention measures, including the CSG, to stop children from needing tertiary services, the government is promoting the use of tertiary services as a mechanism to access income support for families living in poverty.

Projections of the government's future income and expenses show a CSG extension is affordable and will have a very small impact on the country's budget. An adjustment in the CSG means test and an annual inflation-related increase in the grant amount would make it a more equitable and fair poverty alleviation mechanism, and could help reduce families' need for social services due to the vulnerabilities created by poverty.

<sup>6</sup> To be extended to children under 15 in January 2009.

#### Sources

Alliance for Children's Entitlement to Social Security (2007) Fact sheet: Extend the Child Support Grant. November 2007. Cape Town: ACESS.

Children's Act (No 38 of 2005).

Children's Amendment Bill [B19F-2006].

Budlender D (2007) *Affidavit*. In the High Court of South Africa (Transvaal Provisional Division), *Mahlangu v Minister of Social Development and Others* Case No. 25754/05.

Budlender D & Woolard I (2006) The impact of the South African child support grant and old age grants on children's schooling and work. Geneva: International Labour Organisation.

Department of Social Development (2007) Parliamentary state of the nation briefing week: Social Sector Cluster II. Issued 14 February 2008 by South African Government Information. Available: www.info.gov.za/speeches/2008/08021415151001.htm.

Department of Social Development (2007) SOCPEN data for May 2007 and October 2007.

Department of Social Development (2001) *Annual report 2000/2001*. Pretoria: D.SD.

De Koker C, De Waal L & Voster J (2006) A profile of social security beneficiaries in South Africa. Department of Sociology & Social Anthropology, Stellenbosch University. Commissioned by the Department of Social Development, June 2006.

Hall K (2007) Where to Draw the Line? Targeting and leakage in the Child Support Grant. Cape Town: Children's Institute, UCT.

Hall K, Leatt A & Rosa S (forthcoming) *The Means to Live: Targeting poverty alleviation to realise children's rights.* Cape Town: Children's Institute. UCT.

Kganyago L (2007) Affidavit on behalf of the Minister of Finance. In the High Court of South Africa (Transvaal Provisional Division), Mahlangu v Minister of Social Development and Others Case No. 25754/05.

Meintjes H, Budlender D, Giese S & Johnson L (2003) *Children in 'need of care' or in need of cash? Questioning social security provisions for orphans in the context of the South African AIDS pandemic.* A joint working paper of the Children's Institute and the Centre for Actuarial Research. Cape Town: University of Cape Town.

National Treasury (2007) Budget Speech 2008 by the Minister of Finance, Trevor A Manuel. Issued 20 February 2008 by South African Government Information. Available:

www.info.gov.za/speeches/2008/08022016151001.htm

Parliament of the Republic of South Africa (2007) Announcements, Tablings and Committee Reports, Wednesday, 24 October 2007, [No 126 - 2007], Fourth Session, Third Parliament. In: Proudlock P & Jamieson L (2007) Media Guide to Children's Act and Children's Amendment Bill [B19D of 2006], 1 November. Cape Town: Children's Institute, UCT.

Proudlock P (2007) Affidavit. In the High Court of South Africa (Transvaal Provisional Division), Mahlangu v Minister of Social Development and Others Case No. 25754/05.

Samson M, Babson O, Haarmann C, Haarmann D, Khathi G, MacQuene K & Van Niekerk I (2001) *The impact of social security on school enrolment in South Africa.* Cape Town: Economic Policy Research Institute research paper number 25.

Samson M, Lee U, Ndlebe A, Mac Quene K, Van Niekerk I, Gandhi V, Harigaya T & Abrahams C (2004) *The social and economic impact of South Africa's social security system.* Commissioned by Directorate: Finances and Economics, Department of Social Development. Cape Town: Economic Policy Research Institute.

Statistics South Africa (2007) General Household Survey 2006. Pretoria: Statistics South Africa. Analysis by Marera DS, Children's Institute, UCT.

Statistics South Africa (2006) *General Household Survey 2005*. Pretoria: Statistics South Africa. Analysis by Debbie Budlender, Centre for Actuarial Research, UCT.

World Bank (2001) A Chance to Learn, Knowledge and Finance for Education in Sub-Saharan Africa. Africa Region Human Development Series 22005, February 2001. New York: World Bank.

