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Grants for children

A brief look at the eligibility
and take-up of the Child Support Grant
and other cash grants

by Annie Leatt, June 2006



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Grants for children:

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A Children's Institute Working Paper Number 5
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Abstract

The Child Support Grant (CSG) is a cash grant for children who are cared for by adults living in poverty. In 2003 the age eligibility of this grant was extended from children under the age of seven to children under the age of 14 in a roll-out that was implemented over three years. This paper analyses the take-up and administration of the Child Support Grant at the end of this roll-out period. It begins with a brief overview of the extent of child poverty in South Africa and the constitutional obligations of the South African state to provide social assistance to people living in poverty. It looks at trends in the take-up of the Child Support Grant and other cash grants for children. The Child Support Grant take-up is thereafter compared with government targets and the number of children eligible for the CSG, using a recent analysis by Debbie Budlender from the Centre for Actuarial Research at UCT. The section thereafter uses the administrative data of the Department of Social Development to examine which grants have been refused or lapsed and reasons for these. This helps to interpret the take-up rate, and gives an overview of the lessons learnt from this progressive expansion of a key government poverty alleviation programme. The paper ends with a conclusion about the take-up rate of the Child Support Grant as of the end of March 2006, and recommendations about the administration of the grant.



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1. Introduction

South Africa is a middle-income country, with high levels of income inequality and a large number of its citizens living in absolute poverty. The majority of children in South Africa are poor. Some 66% of the total child population live in households that have access to R1,200 per month or less. This amounts to nearly 12 million children living in income poverty.

There are stark disparities in the levels of poverty across race and province in South Africa. Limpopo province, for example, has the highest rate of child poverty by this measure, with 81% of its children living in income poverty. Gauteng and the Western Cape are the only two provinces where less than half of all children live in income poverty. Given the apartheid history of discrimination and under-development, nearly all poor children are black Africans (95%).

In September 2004, the national unemployment rate was 26.2% (www.statssa.gov.za). An expanded definition of unemployment at the same time showed that 42% of adults wanted a job and had not succeeded in finding one in the previous two weeks – or had given up looking for work. This is reflected in the number of children who are living in families or households without access to wages. Across South Africa, some 59% of children live in a household with at least one adult who is employed. The other 41%, or 7.3 million children from birth to 18, do not live with an employed person (www.childrencount.ci.org.za).

A wide range of other indicators also show that significant numbers of children live in very difficult circumstances. Nationally, 7.7 million children do not have adequate access to water in their house or on the household stand. Nearly 2.5 million of these children live in the Eastern Cape. Only half of all children in the country have access to adequate sanitation – with the other 8.75 million children using pit latrines without ventilation, bucket systems or with no facilities at all. There is also information on housing that shows that 67% of children live in adequate housing, 11% in inadequate housing and 22% in traditional dwellings. In addition, a quarter of all children live in over-crowded dwellings (Jacobs, Shung-King & Smith 2005).

Put differently, there are large numbers of children in South Africa living with few resources. And income is essential for their families to provide good food, to pay for basic services, and to build adequate facilities. Where there is little or no income from wage labour because of high unemployment levels, the South African government is required by law to offer assistance. It is against this backdrop of poverty and increasing unemployment that social security has become vital to the survival of many South African families.

The Constitution of South Africa, Section 27 (1) (c) says that “everyone has the right to have access to social security including, if they are unable to support themselves and their dependants, appropriate social assistance.”

One of the primary responses to the high levels of child and adult poverty by the South African government is social assistance – income support through cash grants. Grants are the biggest and most effective intervention against poverty, and the social security system in South Africa has seen significant growth and de-racialisation since the advent of democracy.

There are a range of non-contributory cash grants providing elements of a safety net through income support. Three of these grants are specifically targeted at children – one for poverty alleviation, and two for children living in circumstances that require additional support. These are the Child Support Grant (CSG), the Care Dependency Grant (CDG) for children with disabilities that require permanent home care, and the Foster Child Grant (FCG).

2. Data sources and methods of analysis

This paper examines the take-up of grants for children, using reports of the administrative data base – SOCPEN – of the Department of Social Development. There are two types of reports used in this analysis. The first are called “daily reports” and are a daily record of the number of grants being disbursed. These reports give the cumulative number of beneficiaries, the number of recipients and the amounts dispersed in that month per province and nationally. All grants are included in this report: the Old Age Pension, War Veteran, Disability (adult), Foster Child, Care Dependency and Child Support Grants. For this paper, the data on the Child Support Grant from the daily reports as of the last working day of each month were used, as well as the number of beneficiaries of the Foster Child Grant and the Care Dependency Grant.

In addition, the department generates a series of five reports on the Child Support Grant and its extension. These cover the following:

- **R01** – Covers the number of grant applications that are *continued* to a new age group, are *new applications* that have been approved, *re-applications* for those who have previously had a grant, and the number of applications that have been *captured but not yet approved or rejected*.
- **R02** – This report gives the number of grants which have lapsed by children's age group.
- **R03** – disaggregates the number of lapsed grants by reason for the grant having lapsed. These include, amongst others, the child or caregiver passing away, the grant being unclaimed, the child reaching the prescribed age, or other changes in the status of the child or caregiver.
- **R04** – gives the number of applications that have been refused by the age of the child on whose behalf an application was made.
- **R05** – disaggregates the number of refused applications by reason for their refusal.

The analysis includes only simple descriptive statistics based on these reports.

In addition, this paper draws on recent work by Debbie Budlender on estimating the eligibility for the Child Support Grant by replicating the eligibility criteria, using raw *General Household Survey 2003* data produced by Statistics South Africa.

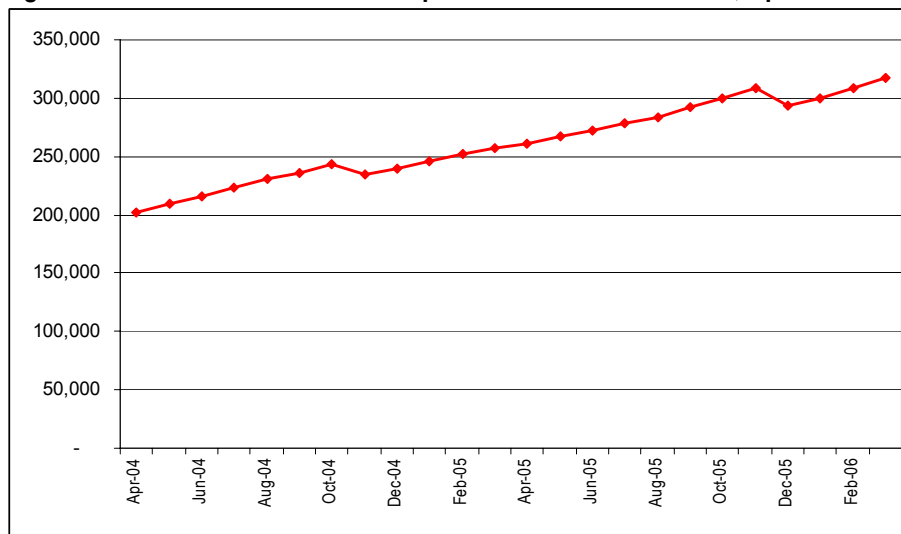
3. Grant take-up for children

Social security grants have been disbursed to increasing numbers of children for poverty alleviation (the CSG) as well as to meet special needs in terms of the Foster Child Grant and the Care Dependency Grant. The following section gives the number of beneficiaries (children) receiving these three grant types, and the increase in the number of grants disbursed over the past years.

3.1 The Foster Child Grant

Foster Child Grants are available to children under the age of 18 who have been placed in the care of foster parents by the Children's Court.

Figure 1: Number of children in receipt of the Foster Child Grant, April 2004 – March 2006



Source: SOCPEN daily reports, April 2004 – March 2006

This grant has a substantially higher cash value (R590) than the Child Support Grant (R190), and is intended to create incentives to foster children. The Minister of Social Development and departmental officials actively promote the use of this provision for orphans as a result of the AIDS pandemic.

The take-up of the FCG has increased considerably, both as a result of increased public awareness of the grant, and of increasing numbers of children being orphaned. SOCPEN data shows a 42% increase in the number of these grants paid out between April 2003 and April 2004. At the end of April 2004, 202,516 FCGs were in payment. One year later that figure stood at 261,475. By the end of March 2006, a total of 317,434 Foster Child Grants were in payment. Between April 2004 and March 2006 the number of Foster Child Grants being disbursed increased by 57%.

The original purpose of the FCG was to provide for children in need of 'care' in the sense of child protection, rather than for monetary and related needs resulting from poverty. It is thus designed, for example, for children who need to be removed from their families and placed in foster care on account of abuse or neglect by existing caregivers. However, evidence from South Africa and elsewhere in Southern Africa shows that the majority of orphaned children are taken into the homes of relatives without any intervention or incentives from the government. Along the same lines, the government's latest Intergovernmental Fiscal Review (National Treasury, 2005: 61) notes that the reason why the FCG is not means-tested like the other grants, is that "fostering is not seen as a poverty issue".

At the end of September 2003, SOCPEN recorded a total of 172,894 recipients of the FCG. At this point, the Actuarial Society of South Africa model suggested that there were 990,000 maternal orphans in the country, and 190,000 double orphans. In effect, many of the maternal orphans would be 'de facto' orphans because of the absence of fathers, sometimes since before birth.

This increase in the number of children in receipt of the FCG does not indicate what proportion of children eligible for this grant are able to access it. In other words, it is not currently possible to estimate the number of children who are eligible for the Foster Child Grant. This is because there is inadequate monitoring in South Africa of the number and situation of children who are in need of state protection due to violence, abuse or neglect within their families or communities.

Given that the FCG was designed primarily for children (whether orphaned or not) in need of protective care, the grant was clearly not reaching a fraction of those in need. Yet social workers were already not coping with their workload. The heavy workloads already experienced in respect of the FCG were found to be crowding out all the other social work tasks that should constitute their main focus in a system based on the concept of developmental social welfare. Meintjes, Budlender, Giese & Johnson (2003) conclude that the extension of the CSG to all children can play a critical role in supporting children through the AIDS pandemic in South Africa. Current social security provisions for children in South Africa – and in particular the emphasis on the use of the Foster Child Grant to support orphans financially – is inappropriate and inadequate in the face of HIV/AIDS for a number of reasons:

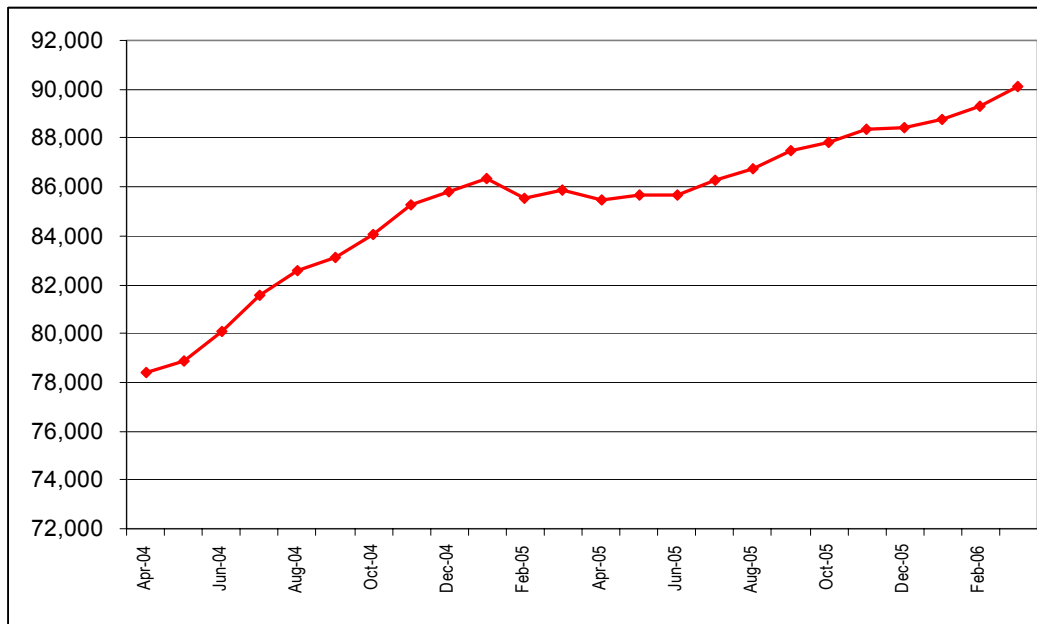
- The number of foster care applications in many parts of South Africa already far exceeds social workers' and courts' capacity to process them.
- Continued use of the administratively complex foster care system to provide basic financial support to orphans will bring the child protection system further to its knees.
- A social security system that provides grants to orphans younger than 18 years, without providing adequate and equal support to the many other impoverished children whose parents are alive, is discriminatory. (Meintjes & Van Niekerk 2005: 4)

3.2 The Care Dependency Grant

This grant is available to caregivers on behalf of children up to the age of 18 who have severe mental or physical disabilities for which they need "permanent home care". The grant can be extended to beneficiaries to the age of 21 if they are still at school. The seriousness of the disability of the child is confirmed through a medical assessment, a process which has been under review for quite some time. The value of the grant from April 2006 is R820 per month per children.

The graph on the next page shows the number of children in receipt of the Care Dependency Grant over the 24-month period of April 2004 to March 2006.

Figure 2: Number of children in receipt of Care Dependency Grants, April 2004 – March 2006



Source: SOCPEN daily reports, April 2004 – March 2006

The graph shows an increase in the number of children in receipt of the CDG: from 78,416 children in April 2004 to 85,467 one year later, and 90,112 receiving the CDG by the end of March 2006. This is a 15% increase over the 24-month period. This rate of increase is slower than in the previous year, when numbers increased by 32% between March 2003 and March 2004.

As with the Foster Child Grant, we cannot estimate the number of children who might be eligible for this kind of assistance due to their severe mental or physical disabilities. This is because of a failure to monitor the depth or extent of disability in South Africa, for both children and adults. This makes planning for appropriate assessment tools, financing and distribution and monitoring of grants almost impossible.

3.3 The Child Support Grant

Introduced in 1998, the Child Support Grant is a monthly cash grant paid out to the primary caregivers of children living in poverty. When it was introduced, it had a cash value of R100 and was available to children who were eligible on the grounds of their caregivers' poverty, and who were six years of age or younger.

Since then, both the amount of the grant and the age-eligibility criteria have changed. As of April 2006, the value of the grant is R190 per child per month, a rise that has kept pace with inflation in the seven years of the grant's existence. In 2003, the government announced an extension to the age eligibility that has been phased in over three years. From April 2003, children of the ages of seven and eight became eligible. From April 2004, nine- and ten-year-olds became eligible. As of April 2005, children aged eleven, twelve, and thirteen became eligible, providing all the other criteria are met. There has been much debate about the further extension of the CSG to all children under the age of 18 years living in poverty. Such an extension has yet to become policy.

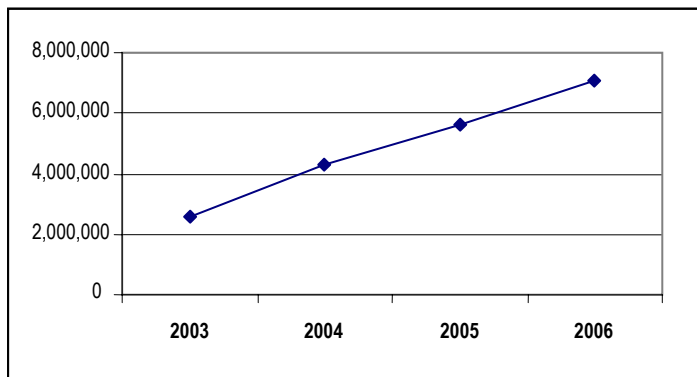
The CSG was originally intended for South African citizens only. After a court challenge, the grant was extended to permanent residents in South Africa.

However, there are other elements of the grant eligibility that have remained constant since its introduction in 1998. The first is the means-test threshold. There are two different income levels used in the means test for the CSG. For those people who live in rural areas or in informal housing in urban areas, a means test of R1,100 per month is applied. This income threshold applies to the primary caregiver as well as his or her spouse. This income level does not take into consideration the number of children supported by the caregivers. The second, lower, income threshold is applied to people living in formal housing in urban areas. To qualify for support under these conditions, a primary caregiver and spouse would need to earn less than R800 per month in total, again not taking into consideration the number of children and other dependants that they might support.

While the grant's amount has kept pace with increases in the cost of living represented by inflation levels, these means-test thresholds have not. Budlender, Rosa & Hall (2005) calculated the impact of inflation on these levels in two ways. In the first, they showed how much these amounts were worth in real terms in 2004 compared to what they were worth in 1998. The second calculation showed what the threshold levels should have been in 2004 if the real threshold levels had been maintained at 1998 levels. They concluded that, "to keep pace with inflation, the thresholds would have needed to be set in 2004 at R1,123 and R1,544 respectively. Instead in 2004, the value of the means test threshold was equivalent to the buying power of R570 and R784 in 1998" (Budlender et al 2005:8).

Figure 3 below shows that, at the end of March 2003, approximately 2.6 million children were receiving the CSG via two million primary caregivers. One year later, nearly 4.3 million children were in receipt of a CSG. In March 2005, 5.65 million children were able to benefit from this income support to their primary caregiver. At the end of March 2006, 7.08 million children were in receipt of these grants. Table 1 on the next page gives a breakdown per province of the number and proportion of CSG beneficiaries at the end of March 2006. The province with the highest number of beneficiaries (0 – 14 years) is KwaZulu-Natal, followed by the Eastern Cape and Limpopo.

Figure 3: Take-up of the Child Support Grant, March 2003 – March 2006



Source: SOCPEN daily reports, April 2004 – March 2006

Table 1: Children receiving the CSG by province, March 2006

Province	CSG beneficiaries (0 – 14 years)	Provincial proportion (%)
Eastern Cape	1,357,528	19.2
Free State	400,491	5.7
Gauteng	837,667	11.8
KwaZulu-Natal	1,623,059	22.9
Mpumalanga	589,456	8.3
Northern Cape	115,650	1.6
Limpopo	1,163,423	16.4
North West	573,970	8.1
Western Cape	414,022	5.9
National	7,075,266	100.0

Source: SOCPEN daily report, March 2006

Given the age-eligibility extension, the majority of new beneficiaries receiving grants are in the older age groups. The table below compares the number of children receiving the CSG by age group. It indicates that there has been very little increase in the number of children from birth to the age of six over this period. In fact, as a result of the anti-fraud campaign run by the Department of Social Development during this time, the number of children in receipt of grants in this age group decreased at some points over this period.

Table 2: Increase in the number of children receiving the CSG by age, April 2005 – March 2006

National	April 2005	March 2006	% difference
CSG (0 – 7 years)	3,604,345	3,774,363	4.7
CSG (7 – 9 years)	1,122,182	1,147,649	2.3
CSG (9 – 11 years)	866,112	1,080,547	24.8
CSG (11 – 14 years)	74,481	1,072,707	1,340.2
CSG (total)	5,667,120	7,075,266	24.8

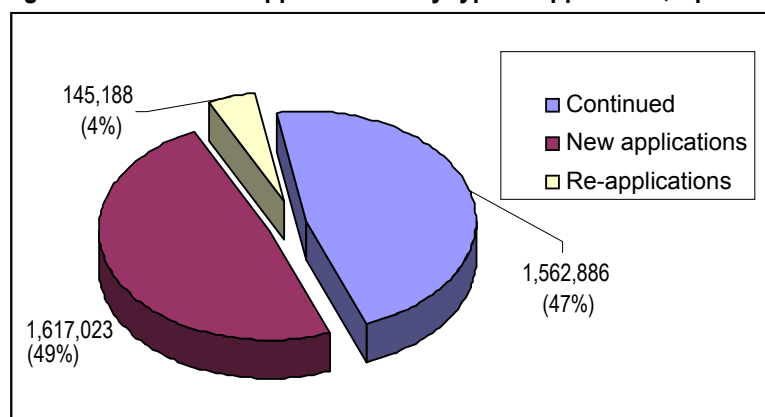
Source: SOCPEN daily report, April 2005 – March 2006

The administrative data records whether grants that are added to the system are continued, new or are re-applications. Continued grants are those that would have stopped if the age extension had not taken place. Due to the extension, those grants were automatically continued without the caregiver having to put in another application on behalf of the same child. Re-applications are those in which a child's grant has lapsed at some point in the past, and where a grant has been applied for again on behalf of the same child. As will be discussed below, a grant can lapse for a number of reasons – due of the age of the child, because a caregiver has passed away, or because for some reason a grant has not been claimed for a number of months, for example. If the child remains eligible, a new caregiver or the same caregiver in a new province or in new circumstances could once again apply for a grant for the child. As the name implies, a 'new application' is one on behalf of a child that has never before accessed a CSG.

Figure 4 on the next page shows that, from April 2005 to March 2006, just over 1.5 million children had their grants continued into the new age-eligibility group. This is 47% of total new grants paid out during this period. Another 1.6 million children, 49% of new grants, were new applicants. These children had never before received a Child Support Grant, and the age-eligibility extension now made it possible for them to access this financial support. Another 4% of new grants, nearly 150,000 of them, were for children who had previously received the grants but whose grants had lapsed at some point in the past. In other words, the age

extension in the last year allowed some 1.6 million children to access the CSG for the first time, and they make up nearly 23% of the total seven million children now receiving a CSG.

Figure 4: New Child Support Grants by type of application, April 2005 – March 2006



Source: SOCPEN R01, April 2005 – March 2006

4. The Child Support Grant and its administration and take-up

Unlike with the Foster Child Grants and the Care Dependency Grants discussed above, there are a number of estimates of how many children ought to be getting the Child Support Grant. Comparing the number of children who are eligible to the number of children actually in receipt of a grant helps to assess the effectiveness of the extension of the Child Support Grant roll-out. In conjunction to the information that we can get about the administration of the CSG from the record of grants that have lapsed or been refused, this data can help point to ways to improve take-up of the grant even further.

4.1 Comparing take-up to government targets

The Department of Social Development does not have published eligibility estimates for the Child Support Grant. It does however have a model it uses to estimate how many children are eligible and are likely to access the grant in any given year in any given age group. These estimates are used to budget, and to plan for administration and infrastructure. The table below compares the number of children that the government projected would be receiving the Child Support Grant in March 2006 to the number who were actually receiving the grant at that date.

Table 3: Comparison of take-up figures – projected and actual, end March 2006

Location	Government estimates March 2006	Actual March 2006	Percentage difference
National			
0 – 7	3,787,064	3,774,363	0%
Extension	3,140,050	3,300,903	5%
Total 0 – 14	6,927,114	7,075,266	2%
Eastern Cape			
0 – 7	644,109	668,113	4%
Extension	662,095	689,415	4%
Total 0 – 14	1,306,204	1,357,528	4%
Free State			
0 – 7	217,018	220,378	2%
Extension	220,284	180,113	-18%
Total 0 – 14	437,302	400,491	-8%

Grants for children: A brief look at the eligibility and take-up of the Child Support Grant and other cash grants

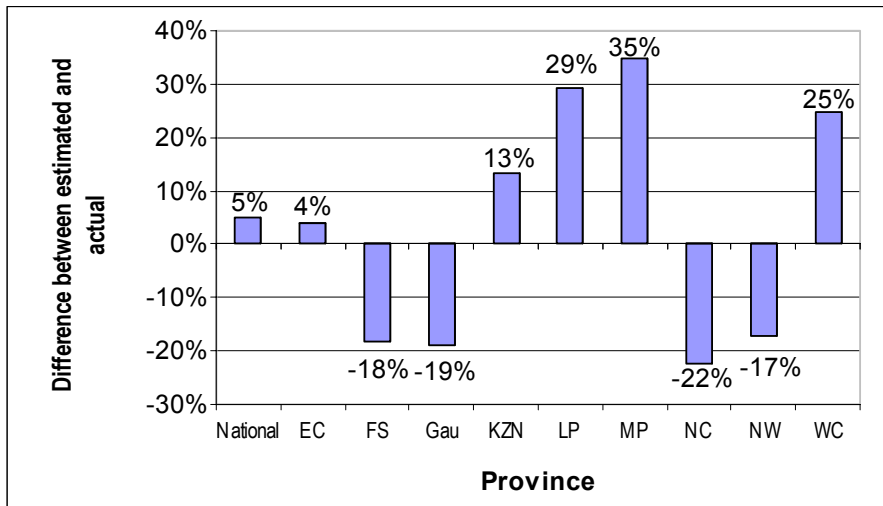
Location	Government estimates March 2006	Actual March 2006	Percentage difference
Gauteng			
0 – 7	501,468	488,107	-3%
Extension	430,877	349,560	-19%
Total 0 – 14	932,345	837,667	-10%
KwaZulu-Natal			
0 – 7	896,406	875,445	-2%
Extension	658,807	747,614	13%
Total 0 – 14	1,555,213	1,623,059	4%
Limpopo			
0 – 7	625,309	596,556	-5%
Extension	439,108	566,867	29%
Total 0 – 14	1,064,417	1,163,423	9%
Mpumalanga			
0 – 7	298,234	309,315	4%
Extension	208,029	280,141	35%
Total 0 – 14	506,263	589,456	16%
Northern Cape			
0 – 7	66,042	62,333	-6%
Extension	68,710	53,317	-22%
Total 0 – 14	134,752	115,650	-14%
North West			
0 – 7	298,953	316,678	6%
Extension	310,696	257,292	-17%
Total 0 – 14	609,649	573,970	-6%
Western Cape			
0 – 7	239,525	237,438	-1%
Extension	141,444	176,584	25%
Total 0 – 14	380,969	414,022	9%

Source: SOCPEN daily reports April 2003 – March 2006

Figure 5 on the next page represents the percentage difference between the government estimates of CSG take-up and the actual number in receipt of the CSG as of March 2006 for the extension-age groups (7 – 14 years).

While the national figure is 5% above the estimate, there is significant provincial variation. Four provinces had substantially fewer grants in payment than estimated (between 17% and 22% less), and three provinces had more than 20% more recipients than anticipated. Mpumalanga was the highest at 35%.

Figure 5: Comparison of targets and actual for CSG, 7 – 14 years



Source: SOCPEN data, April 2003 – March 2006

4.2 Comparing take-up to the number of eligible children

The Centre for Actuarial Research and the Children's Institute, both at the University of Cape Town, recently calculated eligibility for the CSG by using raw 2003 *General Household Survey* data (Budlender et al 2005). The paper by Budlender et al details all the assumptions and manipulations that were made in producing estimates of eligibility. The analysis in effect applied the means test and other eligibility criteria to the national survey data. This required identification of location, housing type, primary caregiver and spouse, where there was one, and income as per the means test.

The final estimates of eligibility for each province and South Africa as a whole are outlined below. By these calculations, nearly 8.8 million children from birth to the age of 14 are eligible for the CSG on the grounds of poverty. Five out of the nine provinces have more than 70% eligibility. Again only the Western Cape and Gauteng have just less than half their child population eligible for this essential poverty alleviation measure.

The process of estimating eligibility is quite complex, and yet the results are consistent with the simple analysis of the number of children living in poverty according to the more simple measure of the number children living in households with R1,200 per month in income or less. The eligibility figures were calculated on the basis of the 2003 *General Household Survey*. The poverty figures were based on the same survey one year later.

Table 4 on the next page compares the Budlender et al (2005) eligibility estimates to CSG take-up for all children 0 – 14, as of the end of March 2006. The third and fourth columns give the estimated proportion and number of children eligible for the CSG per province and for the nation as a whole.

It is estimated that across South Africa, 65.3% of children ought to be getting a CSG, which amounts to a total of nearly 8.8 million children under the age of 14. This is out of a total number of nearly 13.5 million children of that age group in the country. The eligibility rates vary quite considerably across the provinces, which is to be expected given the differing levels of poverty in each. Both Gauteng (47%) and the Western Cape (49%) have just under half their children eligible. In contrast, five of the nine provinces are in a situation where 70% or more of their resident children from birth to the age of 14 are eligible for a Child Support Grant. These include the Eastern Cape, the Free State, KwaZulu-Natal, Limpopo and the North West. In terms of numbers of children, KwaZulu-Natal, the Eastern Cape and Limpopo are home to the largest number of eligible children.

It is possible to compare these eligibility figures with the number of children actually receiving the CSG during March 2006. A total of nearly 7.1 million children received R190 through their primary caregiver during that month. The take-up rates by these calculations are higher than they have ever been before, with a national take-up rate of 80%. Even so, there are still approximately 1.7 million eligible children not yet in receipt of the grant, which amounts to one in five eligible children.

While the national average take-up rate is 80%, provincial rates go from 68% in the Western Cape, the lowest, to 76% in both Limpopo and Mpumalanga.

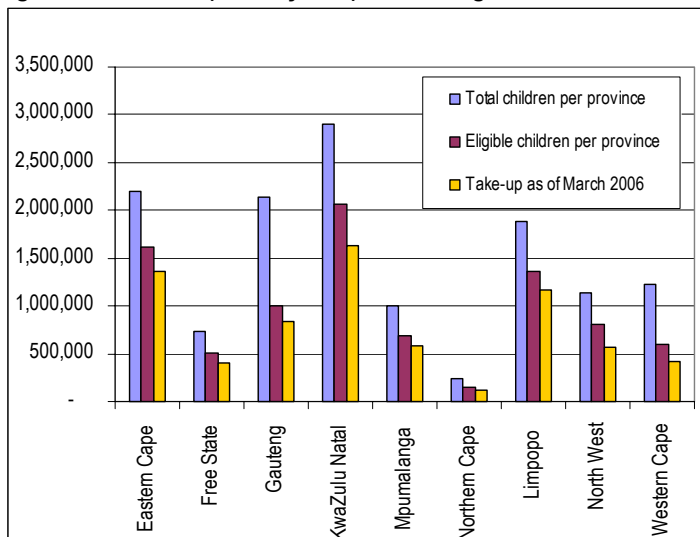
Table 4: Take-up versus eligibility for CSG, 0 – 14 years, as of March 2006

Location	Total number of children in province (0 – 14)	Proportion eligible for CSG	Number eligible	Actual take-up, as of March 2006	Take-up rate of eligible (%)	Take-up of total child population (0 – 14) (%)	Number eligible but no access
Eastern Cape	2,205,694	73.3%	1,616,774	1,357,528	84%	62%	259,246
Free State	725,750	70.5%	511,654	400,491	78%	55%	111,163
Gauteng	2,137,682	47.1%	1,006,848	837,667	83%	39%	169,181
KwaZulu-Natal	2,905,733	70.8%	2,057,259	1,623,059	79%	56%	434,200
Mpumalanga	999,662	68.2%	681,769	589,456	86%	59%	92,313
Northern Cape	240,585	65.1%	156,621	115,650	74%	48%	40,971
Limpopo	1,890,829	71.6%	1,353,834	1,163,423	86%	62%	190,411
North West	1,131,625	71.1%	804,585	573,970	71%	51%	230,615
Western Cape	1,227,683	49.3%	605,248	414,022	68%	34%	191,226
National	13,465,243	65.3%	8,792,804	7,075,266	80%	53%	1,717,538

Sources: Budlender et al 2005; SOCPEN daily reports to end March 2006

The data above is presented visually in Figure 6 below, showing the total number of children compared to the number of eligible children and those in receipt of the CSG per province.

Figure 6: Children (0 – 14 years) – CSG eligible and access to CSG, per province, as of March 2006



Sources: SOCPEN daily reports to end March 2006; Budlender et al (2005)

5. Administrative data on the CSG

The Department of Social Development records various details of the administration of the grants on their SOCPEN database. We will look at the information from two kinds of reports here. The first is the report on the number of children whose grants have lapsed for various reasons. They therefore no longer receive the grant, but may be in a position in future to re-apply if their circumstances change.

5.2 Lapsed grants

The table below outlines the total number of children whose grants lapsed over the one year period from April 2005 to March 2006, and also gives the reasons for the lapses. These will be covered in more detail below. A little more than half a million children lost their grants during this period – a fairly substantial number compared with the seven million children in receipt of a CSG.

Table 5: Reasons for lapsed Child Support Grants, April 2005 – March 2006

Lapsed reason	Code	April to September 2005 (number)	October 2005 to March 2006 (number)	Total numbers (April 2005 to March 2006)	Proportion of lapsed grants (%)
Unconfirmed deceased [caregiver]	64	700	516	1,216	0.24
Child has passed away	51	344	230	574	0.11
Deceased [caregiver]	50	42,999	58,227	101,226	19.92
No reason	0	64,538	44,438	108,976	21.44
Means Test – above R9,600	20	2,337	1,858	4,195	0.83
Means Test – above R13,200	22	8,266	9,213	17,479	3.44
Request cancellation	48	38,714	49,222	87,936	17.30
Not in South Africa	49	335	233	568	0.11
Not claimed for three months	52	148	192	340	0.07
Receive remuneration [caregiver]	39	802	834	1,636	0.32
[Child] in a state institution	45	1,620	629	2,249	0.44
No longer in custody	54	3,785	4,014	7,799	1.53
Reached the prescribed age	59	47,184	119,552	166,736	32.81
Income too high	70	819	527	1,346	0.26
Under investigation	79	20	5,893	5,913	1.16
You [caregiver] are residing in an institution	76	3	10	13	0.00
TOTAL LAPSED		212,614	295,588	508,202	100.00

Source: SOCPEN R03 reports April 2005 – March 2006

It is worrying that the second largest category of reasons for grants lapsing is “no reason”, which appears to be an administrative black hole. More than 100,000 children lost their grants on grounds that have not been identified in SOCPEN. This is a problem in terms of administrative justice and also makes monitoring by officials impossible.

i. Mortality

Under the current administration of the Child Support Grant, when either a child or its caregiver passes away, the grant lapses and payment is ended. During the 12-month period of April 2005 to March 2006, 574 children who were receiving Child Support Grants were recorded as having passed away.

While it is appropriate that a grant payment is ended when a child has passed away, many children's grants are lapsed with the death of their primary caregiver – a time when they are very vulnerable, both financially and socially.

During the same 12-month period, 101,226 children lost their grant payments with the death of their primary caregiver. Another 1,216 children had their grants lapsed when their caregiver was recorded as “unconfirmed deceased”. Some of these cases may later have been confirmed and would have been included in the category of “deceased”. The death of a caregiver makes up about 20% of all cases of grants lapsing.

Regulations in terms of the Social Assistance Act 13 of 2004 have been gazetted (*Government Gazette* No. 8165, 22 February 2005). Chapter 9 deals with the appointment of a person to receive a grant on behalf of the child in the case of the death of a primary caregiver. The appropriate section reads as follows:

Continuation of a social grant in the case of death of a primary care giver

34. (1) On receipt of notice of death of a primary caregiver, the Agency must, without suspending the grant, appoint a person to receive the grant on behalf of a beneficiary.

Under the terms of the regulations, that person is then obligated to receive the grant until a (new) primary caregiver has been appointed. This is part of the principle that the ‘grant follows the child’.

However, legal services at the Department of Social Development confirmed that the Social Assistance Act and its regulations are not yet finalised and in operation, despite having been gazetted. These should be brought into operation as soon as possible, and it is recommended that the Department of Social Development follow up on all these current cases to see that children are not made more vulnerable by a lack of financial resources at this difficult time in their lives.

ii. Means-test related

Some grants were lapsed when some primary caregivers were found to earn more than the threshold income in the means test. For those children living in rural areas or in informal housing in urban areas, the upper threshold is R13,200 per annum. In the 12 months recorded in Table 5 above, 17,479 grants were lapsed on the basis that caregivers’ income was above this amount. Another 4,195 grants were lapsed on the grounds that the primary caregiver received more income than the threshold amount for households in formal houses in urban areas – R9, 600 per year. In addition, another 1,346 grants were lapsed on the ground that caregivers’ “income is too high”, although this does not specify which level of the means test was exceeded.

Altogether 23,020 grants across all the age groups were lapsed on the basis of not meeting the means test criteria. This is 4.5% of all grants that lapsed over this 12-month period, and even less than 0.3% of total grants received by the end of March 2006.

iii. Fraud, movement and other reasons

There are a number of lapsed grants that are or could be related to the anti-fraud campaign during this period. Recipients requested the cancellation of nearly 88,000 grants during these 12 months, and this is in addition to the 5,913 cases where grant receipt was under investigation.

In addition, there were a small number of grants that lapsed under changed household circumstances, where either the child (2,249) or a primary caregiver (13) moved to an institution and therefore lost the grant. This is in addition to the 568 cases where the recipient was no longer in the country, the 340 cases where the grant was not collected for three consecutive months, and the 7,799 cases where the child was no longer in the custody of the person who previously claimed on their behalf as the primary caregiver.

iv. Reached the prescribed age

With the progressive age extension coming to an end for children when they reach their 14th birthday, a large number of children received the CSG at some point during these 12 months and then "reached the prescribed age". This happened to 166,736 children during this period. The high number of children losing valuable financial support in their early teenage years is often cited by researchers, members of the children's movement and government officials as a reason for the further extension of the Child Support Grant to children under the age of 18.

Aside from children who turned 14 in April 2005, the month in which the roll-out to children under the age of 14 was launched, 13,590 children in the 9 – 11-year age group had their grants lapsed on account of having "reached the prescribed age". This problem of children being taken off the system close to the extension ages has been problematic for the entire extension period.

The problem of children whose grants have lapsed for "no reason", nearly one out of every five CSGs that lapsed over this period, needs urgent attention by administrators and policy-makers.

5.3 Refused Grant Applications

Aside from CSG beneficiaries being removed from payment for one of the reasons outlined above, there are also records of people who completed an application for a Child Support Grant but whose applications were refused. The numbers and reasons are outlined below. They are relatively small numbers given the 1.6 million children who were new recipients of the CSG during this period, for example. This is potentially because of the substantial screening process as part of the application, and the requirement that applications be quite complete before they are accepted.

Table 6: Reasons for CSG applications being refused, April 2005 – March 2006

Reason for refusal	Code	April to September 2005 (number)	October 2005 to March 2006 (number)	Total numbers (April 2005 to March 2006)	Percentage of refused applications (%)
Reached the prescribed age	59	3,708	978	4,686	15.35
Receive remuneration	39	949	1,157	2,106	6.90
Means Test – above R13,200	22	8,013	8,133	16,146	52.88
Means Test – above R9,600	20	4,010	3,574	7,584	24.84
Not a South African citizen	1	3	0	3	0.01
You [caregiver] are residing in an institution	76	5	5	10	0.03
TOTAL REFUSED		16,688	13,847	30,535	100.00

Source: SOCPEN R05 April 2005 – March 2006

Some 12,730 applications were refused because they did not meet the means test, and the primary caregivers and their spouses were found to have a higher income than the thresholds. In addition, another 4,686 children on whose behalf applications were made were found to be too old to receive the grant. These make up the vast majority of refused applications.

6. Getting closer to a 100% take-up of the Child Support Grant

The Child Support Grant extension has proved to be very effective, with large numbers of children now receiving state income-support. The number of children receiving the CSG has increased substantially every year since the turn of the century, and the take-up rate has also increased. As mentioned earlier, the take-up rate for the Child Support Grant is now in the region of 80% across the country.

While it is not really possible to ever have a 100% take-up rate, except with an automatic and universal provision, it is certainly possible to make sure that eligible children are more and more able to claim their entitlement to the Child Support Grant, if they are eligible. To do so requires that we look at barriers to access for those who are eligible.

Two kinds of barriers are reported in the literature, and these would need to be overcome in getting closer to a 100% take-up by all children eligible for the CSG. The first relates to specific issues in the administration of the roll-out to children to the age of 14, while the other reason relates to more general concerns about the administration of the grant to children of all eligible ages.

The main problems reported early in the roll-out were those of misinformation. Many potential beneficiaries were under the impression that all children to 14 would be made eligible immediately. In addition, there was confusion on the part of both beneficiaries and officials as to the cut-off ages, and whether the upper-age limit was inclusive. Did the 7 – 9 extension include 8-year-olds? How long before the child turned the cut-off age was a caregiver no longer allowed to apply? These early problems raised the need for of a very clear and effective communication strategy with any additional extensions to the age eligibility of the Child Support Grant, particularly if such extensions were to be phased in over a period of two or more years. These problems seem to have been resolved by the third year of the extension, when there were fewer reports of confusion about the age eligibility.

There were also large numbers of children whose grants lapsed on the grounds that they were too old for the current age eligibility, only to become eligible again a few months later when the age eligibility was extended. Leatt (2004) estimated that by the end of the first year of the extension to seven- and eight-year-olds, 218,441 children had their grants lapsed. Some 37,000 of these lapsed grants could be attributed to the deaths of caregivers and to a small minority of children who moved to another province. The reason that a child had “reached the prescribed age” was by far the single biggest reason for grants lapsing (Leatt 2004). It is recommended that if the grant is extended to the age of 18 in two phases (14 / 15, and 16 / 17), no child under the age of 18 should have a grant lapsed on the grounds of age. In other words, once they are receiving the CSG, they should continue until the age of 18.

Caregivers are eligible to receive the CSG if they are South African citizens, have primary responsibility for caring for the child concerned, pass the income means test, and if the child is younger than the upper-age limit for the grant at the time of application. Caregivers must be able to prove all of this by presenting bar-coded identification documents for themselves, 13-digit ID numbers for the children, and affidavits declaring their relationship to the child, and income.

Aside from the specific lessons learnt from the roll-out of the CSG to children to the age of 14, there are a series of more general barriers to take-up that are found amongst the children in the 0 – 7 category as well.

Perhaps the biggest problem is the difficulty in getting children registered at birth, getting a birth certificate for a child, and also getting adult ID books for primary caregivers. Precise numbers of people who do not have birth certificates or identity documents – and who are subsequently unable to access social assistance – are difficult to obtain due to the nature of administrative data systems, and the fact that no national surveys ask about birth registration and birth certificates for children. It is therefore impossible to disaggregate registrations by year of birth. Moreover, registrations do not necessarily equate to having received birth certificates.

The *Means to Live Project* of the Children's Institute aims to evaluate the targeting of poverty alleviation for children. In late 2005 and early 2006, research by the project involved an analysis of the targeting mechanisms for social services delivery of six different social security programmes: the Child Support Grant, free health care, the School Fee Exemption policy, the National School Nutrition Programme, the Housing Subsidy Scheme and the Free Basic Water policy.

In this study 1,179 children in Makhaza, at the eastern edge of Khayelitsha (a township outside Cape Town), and three rural villages in the Teko Springs area, falling under Centani magisterial district, Amatole in the Eastern Cape, were surveyed through their primary caregivers. About 11% of children surveyed did not have birth certificates. While a study of two specific municipal areas cannot be extrapolated to a national level, this indicates that there are still a significant group of children who are not in possession of the requisite identity documents. The same research also indicates that 44% (98 of 223) of eligible children under 14 who were not receiving the grant were in this situation because they could not access the required documents. This was, by far, the most-common reason given for a child not being in receipt of the Child Support Grant.

The study was also able to establish that households where the child had a birth certificate were likely to have a higher income than those where the child did not possess a certificate, which suggests that the poorest households may be less able to access birth certificates for their children. There was also evidence that children in rural areas were less likely than their urban counterparts to have a birth certificate. Additionally, while it is impossible to draw a direct correlation, researchers on the *Means to Live Project* have found a higher likelihood of children experiencing hunger in households where the children do not have birth certificates.

In addition to the specific problem of identification, research by Budlender, Rosa and Hall (2005) found that submitting all the documentation for the means test was a difficult and time consuming process.

Goldblatt, Rosa and Hall (2006) summarise the findings from fieldwork conducted by the Gender Research Programme of the Centre for Applied Legal Studies, University of Witwatersrand, in Gauteng and North West provinces, as well as research by the Children's Institute, UCT, in the Eastern and Western Cape provinces. Both studies focused on the implementation of CSG, although with slightly different foci – gender issues by the Gender Research Programme, and the means test by the Children's Institute.

The report provides evidence of explicit and implicit conditionalities, some which are allowed for in the regulations and some which are not provided for. Those that are allowed for relate to the need for the applicant to have identity documents for themselves and a birth certificate for the child. Those which are not allowed for are the practices of requiring clinic cards (in North West), or proof that the applicant is pursuing a maintenance claim against the father of the child (in Gauteng). The requirements in respect of clinic cards and maintenance conditions were provided for prior to the amendment of the regulations in 1998, but are no longer in place. Nevertheless, in Gauteng, officials provided the researchers with copies of

an official departmental circular of 2003, stating the requirement of proof of applying for private maintenance. Some offices were found to also require that the child be brought along when the application is made, so that the child can be photographed. This is allegedly to prevent fraud. Other 'illegal' requirements recorded were 'brown cards' from the Department of Labour, proving that the applicant has registered as a work-seeker, or proof of the child's school attendance. In North West and Eastern Cape applicants sometimes had to obtain proof from the traditional authorities, for example in respect of their (customary) marriage or residence. Obtaining this proof often required payments that applicants could ill afford.

7. Conclusion and Recommendations

The Child Support Grant in particular has shown incredible growth in its reach over the past few years. By the end of the last year of its extension to children under the age of 14, in March 2006, nearly 7.1 million were in receipt of this R190 cash support.

Not only did the number of children receiving the grant grow substantially, but there is also a considerable improvement in the take-up rate – the proportion of eligible children who have been able to access the grant. This paper compared the number of children estimated by Budlender et al (2005) to be eligible for the grant to the number actually receiving a CSG at the end of March 2006. It was found that across the country, some 80% of eligible children are now able to receive the grant.

The remainder of the paper discussed the administration of the grant and possible impediments to getting the grant for those one in five eligible children who have yet to access this vital support. These included problems with the very complicated means-test requirements, and the difficulty experienced by the poor in accessing identity documents for both children and adults.

Three issues were raised for the consideration of the Department of Social Development, based on their administrative data. The first is the large number of children whose grants have lapsed for no apparent or recorded reason. This requires urgent investigation. In addition, more than 100,000 children's caregivers have passed away during the last 12 months. While there are legal provisions to assist when this happens, they have not yet been introduced. It is recommended that the Department of Social Development introduce these provisions as soon as possible and follow up on all these cases to see that they are not lost to the support system at this vulnerable time.

The last consideration is the large number of children at the upper-age group who have again become too old to receive a Child Support Grant, despite the fact that they remain children living in circumstances with few resources. It is therefore recommended that, given the success of the current roll-out, children aged 14 to 18 also be included in the safety net provided by the Child Support Grant.

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