



Dissertation

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**A Study of State-based Social Assistance Provision
and its Influence on the Developmental Character of
the South African State : the case of the Child Support**

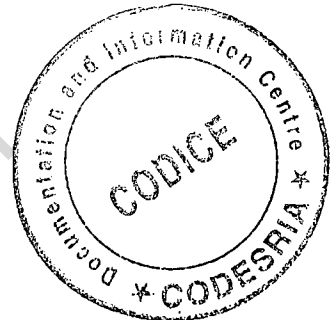
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**A STUDY OF STATE-BASED SOCIAL ASSISTANCE PROVISION AND ITS
INFLUENCE ON THE DEVELOPMENTAL CHARACTER OF THE SOUTH
AFRICAN STATE: THE CASE OF THE CHILD SUPPORT GRANT**

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A minor dissertation submitted in partial fulfilment of the requirements for degree of
Masters of Philosophy in Public Policy

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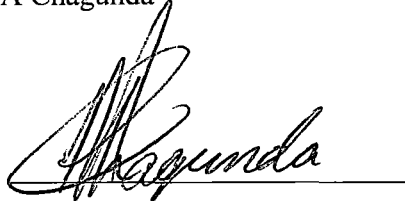
Supervisor: Professor Vivienne Taylor

DECLARATION OF PLAGIARISM

I hereby state that the whole assignment, except where specifically indicated to the contrary in the text is my own original work.

I have used the Harvard Method of referencing

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ABSTRACT

This thesis aims at examining the extent to which state-based social assistance provision, in the form of Child Support Grant (CSG), influences the character of a developmental state. Social assistance provision is understood to be part of a developmental state response to the needs of its citizens.

I have argued in this thesis that CSG influences the characteristics of a developmental state in as far as it is available to all needy children who pass the means-test regardless of race. I hold the view that the developmental approach to social policy should be of great assistance in a country such as South Africa where there is mass poverty by meeting people's needs in a short to medium term but also enabling them to depend on themselves in a long term.

The history of the policy context in South Africa and three approaches to social policy have been examined. These are residual, institutional and normative approaches. My emphasis has been on the approach that best suits the developmental state. I argue that the developmental state that applies a normative approach will address issues related to the eradication of poverty, poor economic opportunities as well as social deprivation and promotes self-reliance. South Africa's conceptualisation of social policy and social welfare is in keeping with a developmental state. The problem however, is the implementation of social policy and social welfare provision.

In this thesis I have focused on four research questions and these are:

- Can the CSG illustrate an appropriate social policy intervention of a developmental state in the context of mass poverty?
- Is South Africa's conceptualisation of social policy and social welfare in keeping with a developmental state?
- What impact does social assistance provision, in the form of a CSG, have on poor households?
- Can such impact together with other policy interventions contribute to lifting people out of poverty and building their developmental capacity?

I have used both qualitative and quantitative to examine these questions. My findings show that social assistance in the form of CSG is consistent with the developmental approach to social welfare.

DEDICATION

I dedicate this Masters thesis to my late mother, Mrs Elestina Chagunda, who passed away in November 2004, the first year of my studies. "May your soul rest in peace and I know you are proud with my success".

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Abbreviations

ACCESS:	Alliance for Children's Entitlement to Social Security
AIDS:	Acquired Immune Deficiency Syndrome
ANC:	African National Congress
ARV:	Anti-Retrovirals
BIG:	Basic Income Grant
CBOs:	Community Based Organisations
CSG:	Child Support Grant
CSP:	Comprehensive Social Protection
EPRI:	Economic Policy research Institute
EPWP:	Expanded Public Works Programme
FFC:	Financial and Fiscal Commission
GEAR:	Growth Employment and Redistribution
GDP:	Gross Domestic Product
GNP:	Gross National Product
HDI:	Human Development Index
HIV/:	Human Immunodeficiency Virus
HPI:	Human Poverty Index
MTEF:	Medium-Term Expenditure Framework
MTBPS:	Medium Term Budget Policy Statement
NGOs:	Non Governmental Organisations
OAG:	Old Age Grant
ORC:	Office of the Rights of the Child
RDP:	Reconstruction and Development Programme
SASSA:	South African Social Security Agency
SMG:	State Maintenance Grant
Stats SA:	Statistics South Africa
UNDP:	United Nations Development Programme
USAID:	United States Agency for International Development
UCT:	University of Cape Town
WCDSSPA:	Western Cape Department of Social Services and Poverty Alleviation

CHAPTER ONE

Introduction and methodology

1.1 Introduction

This chapter provides the introduction of the thesis, its overview and the methodology used. In this thesis I will focus on social services in the form of social grants, which are provided to eligible children to alleviate poverty and thus improve their quality of life. The thesis aims at examining the extent to which the state-based social assistanceⁱ provision influences the characteristics of a developmental state with the child support grant as an example. The social assistance provision is understood to be part of a welfare state's response to the needs of its citizens. In recent times there is an increased effort to evaluate the impact of social assistance on people's lives. Leisering and Leibfried (2001) call it *reflexive social policy*. Policy documents such as the White Paper on Social Welfare (Ministry for Welfare and Population Development, 1997) and an address by the Finance Minister, Trevor Manuel (Manuel 2004) refer to South Africa as a developmental state. The developmental state is defined in this thesis as one that has been able to manage the delicate balance between growth and social development. Furthermore, it focuses on integrating social assistance and economic growth goals within a wider developmental strategy (Manuel 2004). South Africa aspires to be such a state. The following are some of the characteristics that facilitate a developmental state:

- State intervention in the short to medium term to reduce poverty
- State balancing of economic growth and social policy objectives
- Policy interventions to deal with short, medium and long term developmental needs
- A focus on capacity building for poor people
- Emphasis on social institutions to address social needs
- Provisions of social assistance to cater for the needs of workers as well as poor citizens

According to the White Paper on Social Welfare (Ministry for Welfare and Population Development, 1997), social grants and in this case, the Child Support Grant (CSG) is part of a comprehensive package of social development and state-based social assistance intervention. Developmental state provides social assistance to allow

ⁱ **Social Assistance** means the provision of basic minimum protection to population as a whole, or subject to qualifying criteria on a non-contributory basis usually by government.

everyone to contribute to the economic growth of the country as well as to maintain peace. Peace is one of the conditions that allow development to take place in a country. In the short to medium term, social assistance (social grants) allow the poor to live a healthy lifestyle, it helps them to find employment and boosts their self esteem. These are the enabling factors that can assist the poor people to contribute to the development of the country. It is within this paradigm that this thesis seeks to examine the extent to which the state-based social assistance provision influences the characteristics of a developmental state.

In undertaking this research, the Conceptual Framework for Social Welfare Transformation developed by Professor Vivienne Taylor will be used. The Framework allows for the tracing of developments in social welfare from the pre-1994 era to those of the current regime, and highlights trends and tendencies in relation to the political, economic and social arenas. It is these tendencies that determine the development paths of countries.

This thesis is divided into six chapters, which are as follows:

- 1) Introduction and methodology
- 2) The Characteristics of Society and Adopted Values Pre and Post-1994
- 3) An Overview of the Socio-Economic Situation in South Africa
- 4) Social Assistance and Developmentalism
- 5) Analysis and interpretation of the findings
- 6) Conclusion and recommendations

The background, research methods, including the collection and analysis of data used in this study are presented first.

1.2 Background/rationale

Increasing levels of poverty, destitution, unemployment and HIV/AIDS in South Africa have reinforced the importance of having a Social Protection Systemⁱⁱ, and particularly measures such as social security. The government fulfils its constitution mandate to ensure the socio-economic rights enshrined in the Bill of Rights become tangible realities for poor and vulnerable children, through the CSG.

ⁱⁱ **Social Protection** is a broader concept than social security that incorporates developmental strategies and programmes.

CSG is supposed to be a child's poverty alleviation grant. But as I will argue later in this thesis, the CSG has become a household poverty alleviation grant. The provision of the CSG is one of the many ways the government fulfils its constitutional obligation "to improve the quality of life of all citizens and to free the potential of each person" (RSA Constitution, No 108 of 1996). Since the birth of the democratic government in 1994, and especially in the 1998 when CSG was introduced, much progress has been made to ensure that this vital support system is extended to more vulnerable children.

EPRI's (2004) research provides evidence that the household impact of South Africa's social grants are developmental in nature in the sense that people from the household where there are social grant beneficiaries go to look for employment very frequently, children attend school regularly and are able to concentrate in class. Most past studies of social security in South Africa have mainly focused on the State Old- Age Pension, and also identified essential positive effects in terms of broadly reducing household poverty as well as improving health and nutrition. Not many studies have been done in terms of the social impact of the CSG on households. Furthermore, the extent to which state-based social assistance provision influences the characteristics of a developmental state has not been examined. This is a significant gap in our policy knowledge that needs to be addressed. This research intends to add to the body of knowledge within public-social policy by examining both the social impact of the CSG on poor households and the extent to which such impact influences the developmental characteristics of the South African State.

1.3 Related Research Studies

Before looking at my own research on the socio-economic impact on CSG, I would like to acknowledge work done concerning CSG directly and indirectly. Evidence used by ACCESS (2006), in their analysis of the impact of the CSG from approximately 1500 organisations across the country shows that even in a short period of time the grant has had significant socio-economic impact.

These include:

- CSG having a significant developmental value
- CSG increases school attendance and greater levels of education
- CSG contributes to more expenditure on basics such as food, fuel, housing and household operations
- CSG contributes to better nutrition leading to better health and performance
- CSG reduces poverty and inequality
- CSG has a significant positive impact on employment rates
- CSG uplifts the living standard in families affected and infected with HIV/AIDS

It has been mentioned by a number of researchers that, although the system of social security is making a valuable impact on the well-being of poor children as well as their households, there are still major gaps in understanding the impact of social security grants (Bray, 2002; EPRI, 2004; WCDSSPA, 2004; Samson, 2005). Goldblatt (2004) agrees that South Africa has a unique and extensive social assistance system with a huge uptake that is playing a very important role in poverty alleviation. But Goldblatt states that to conclude that the CSG is proving developmental as it is intended to be, needs more research.

One study undertaken in Mount Frere in the Eastern Cape found that primary caregivers of children hospitalised with malnutrition were not able to access the CSG despite being informed and educated about it (Sogaula et al, 2002). This study noted that had the grant been accessed timeously, lives would have been saved, severe illness prevented and huge costs borne by the state [through the hospital] could have been avoided. Other research related to the CSG has focused on obstacles to accessing the grant (Leatt, 2004; Rosa and Mpokotho, 2004; Women's Budget Initiative, 2004) and some on the implementation of CSG in terms of how easy it is to apply, how many people are left out of the system because of bureaucratic processes, and lack of Identity Documents (Goldblatt, 2004). It is interesting to note that almost all the studies/research done indicates the need for more work to be done with regard to the socio-economic impact and developmental aspect of CSG and its administrative aspects. It is in this regard that my research will make a difference.

1.4 Significance of the research

In this thesis I seek to examine the extent to which the state-based social assistance provision through CSG influences the characteristics of a developmental state. South Africa defines itself as a developmental state through creation of “a welfare system that facilitates the development of human capacity and self-reliance within a caring and enabling socio-economic environment” (White Paper for Social Welfare, 1997:7). Furthermore, social grants should be provided as part of the comprehensive package of social development (Ministry for Welfare and Population Development, 1997). The research will bring new insights to public-social policy on issues related to household poverty and government policy interventions. It has been argued by De Vaus (2003) that ‘research’ is the process by which the scientific method is used to expand knowledge in one’s field of study. It is within this understanding that this research will increase knowledge in public-social policy. Since the CSG is provided by what South Africa aspires to be, a developmental state, the findings will be examined to find out the extent to which the state-based social assistance provision influences the characteristics of a developmental state using the child support grant as an example.

1.5 Research Problem (Question) and Objectives

Mouton (2003) argues that a research problem should be a clear and unambiguous statement of the object of study and the research objectives. He goes on to say that the problem statement is sometimes formulated as specific research questions. The object of this research project is to collect information from some care-givers of children receiving the CSG to find out the extent to which such state-based social assistance provision has a positive impact on poor households. Drawing from these findings, I then use secondary research and literature to illustrate whether such impact of the CSG influence the characteristics of a developmental state.

1.5.1 Primary Research Goal

In this study I explore and analyse 4 questions related to the primary research goal. The primary research goal is to study the extent to which state-based social assistance provision influences the character of a developmental state. The following are the 4 questions:

- Can the CSG illustrate an appropriate social policy intervention of a developmental state in the context of mass poverty?
- Is South Africa's conceptualisation of social policy and social welfare in keeping with a developmental state?
- What impact does social assistance provision, in the form of a CSG, have on poor households?
- Can such impact together with other policy interventions contribute to lifting people out of poverty and building their developmental capacity?

1.6 Research Design

De Vaus (2001) argues that social research needs a design or a structure before data collection or analysis can commence. De Vaus further states that the function of research design is to ensure that the evidence obtained enables us to answer the initial question as unambiguously as possible. Research design ought to be treated as a logical structure of the inquiry and thus it deals with a logical problem and not a logistical one (De Vaus, 2001).

In this thesis I will use a *Cross-sectional research design*. De Vaus (2001) argues that the basic elements of this design are as follows:

- Instead of interventions the cross-sectional design relies on existing variations in the independent variable(s) in the sample.
- At least one independent variable with at least two categories is present.
- Data is collected at one point of time.
- There is no random allocation to 'groups'.

This type of research uses an interview schedule and observation (that I did with beneficiaries of the Child Support Grant) in addition it involves the analysis of documents. Data collection was carried out mainly through quantitative and qualitative processes.

Mikkelsen (1995) argues that quantitative research includes unambiguous interpretations that aim at the operation of variables and accuracy in data collection. "Descriptive research encompasses much government sponsored research including the population census, the collection of a wide range of social indicators and economic information such as household expenditure patterns..." (De Vaus, 2001:1). Such descriptions are embedded in the life-worlds of the beneficiaries of CSG being studied, and produce insider perspectives of themselves and their living standards.

This is empirical field research because it involves the research process; whereby I entered the real world in order to collect and analyse data. Field research refers to any site of data collection (Mouton, 2003); my field research was carried out in Harare in Khayelitsha.

1.7 Methodology

De Vaus (2003) says that methodology is a way by which data is collected and analyzed according to a particular research design, the research problem involved and the particular population in question. The method that I have used is the quantitative and qualitative research process that involves using an interview schedule with 20 care-givers. The methods include a review of documents and literature. I chose this methodology so that I could expand my knowledge and easily examine the extent to which state-based social assistance provision influences the characteristics of a developmental state using CSG as an example in a justifiable and accountable manner, and furthermore be able to make justifiable and accountable conclusions possible.

The sample size in this research was done through 20 beneficiaries of CSG who were selected on the basis of availability and willingness at a pay point on two occasions at Harare in Khayelitsha. This sample was selected according to availability of potential participants as well as taking into account time and cost constraints.

Data was collected through interviews, literature and policy research reviews. This includes government legislation and policies such as the Constitution, the White Paper on Social Welfare, the Social Assistance Act 1992, Child Care Act and Funding Policy that is to provide social assistance through the CSG to all children less than 14 years of age by 1 April 2005 (National Treasury, 2003). The CSG is a grant that the South African government has been providing to needy children who are between 0-6 years old since 1998. The interviews were done in June and September 2005. Twenty interviews were held with select grant beneficiaries. The interview functioned as a data-collection method in keeping with research process (Bless et al, 1997).

A socio-economic profile of Khayelitsha was developed to show total income of the household and on what they spend their CSG, population and household size, household structure, housing, unemployment and type of food consumed. The type of food indicates whether the household is poor or not. One would assume that the rich would mainly go for fast food at the restaurants while the poor will buy maize meal for thick porridge. The socio-economic profile helps in examining both the social impact of the CSG on poor households and the extent to which such impact influence the developmental characteristics of the South African State. I was restricted to the questions, their wording and their order as they appear on the interview schedule with relatively little freedom to deviate from it (Bless et al, 1997). The questions were both open and closed, pre-coded and the interviewer in most questions ticked a box for a response next to the appropriate question. The structured interview schedule was presented to each respondent in exactly the same way to minimize the role and influence of the interviewer and to enable a more objective comparison of the results (Bless et al, 1997).

The data on beneficiaries of CSG was captured in Excel format. The captured data formed the basis for the analysis. Mouton (2003) argues that the aim of analysis is to understand the various constitutive elements of one's data through an inspection of the relationship between concepts, constructs or variables, and to see whether there are any patterns or trends that can be identified or isolated, or to establish themes in the data. It is within this interpretation stage that the synthesis of my data into a larger coherent whole was done.

1.8 Limitations of the study

On methodological issues, this study has a limitation in terms of internal validity because the logic and structure of the design does not enable us to choose unambiguous explanations. The study was limited to the Child Support Grant. The size of the sample is 20 care-givers of the CSG.

1.9 Research ethics

This research involved human subjects through interviews. I made the purpose very clear to all those who were interviewed and explained how the information would be used. This was done to make sure that there was voluntary participation and informed consent. Confidentiality and anonymity was guaranteed to the participants. Stydom in De Vos (1998) states that ethics imply preferences which influence behaviours in human relations and thus ethics indicates what is right and correct. I was aware of the *no harm principle* to respondents and managed to protect them from emotional harm, by informing them fully of the nature of the research. I analyzed the data personally, to ensure *protection of privacy*. I have made sure that the thesis contains all *essential information* so that it is clear, accurate, objective and unambiguous. This was done to comply with the UCT Code for Ethics in Research. However, this was verbally communicated to participants and after their consent, the interviews commenced.

1.10 Summary of the thesis chapters

The thesis is divided into six chapters. Chapter one is an introduction and sets out the context of the research. It has identified the problem and outlined the questions that require investigation. The chapter also describes the methodological approaches adopted in the study, similar work that has been done in this field, and outlines the justification for the study and its significance. Chapter two examines the underlying characteristics of society pre-1994 and adopted values post 1994. As such it discusses the apartheid government's approach to public-social policies, the State Maintenance Grant, eligible children for Child Support Grant from 0-14 years and it outlines the responsibilities of the three spheres of government. The responsibilities of these three spheres of government are important here because their mandates are complimentary in as far as the provision of CSG is concerned. Finally, the social assistance and institutional arrangements have been discussed.

Chapter three gives an overview of the socio-economic situation of South Africa that includes poverty, statistics on poverty, defining who the poor are, how poverty, unemployment and the impact of HIV/AIDS poses a threat to democracy. This context is important in my study because it shows that without government's intervention the crisis will deepen.

In chapter four, social assistance and developmentalism is discussed. It includes definition of social policy, its aims, context and the policy context of CSG; characteristics of the conservative state, the social democratic state, and the developmental state. These characteristics are outlined to compare features of the developmental state especially with those of the social democratic and conservative state with regard to social assistance. Chapter five, deals with the analysis and interpretation of the research findings. The profile of Khayelitsha thus demographic, socio and economic activity, local employment, poverty, and HIV/AIDS is outlined. The chapter goes into details about the discussion on the socio-economic impact on household and their well-being, the duration of the Child Support Grant, the amount of the Child Support Grant, microfinance and small businesses, HIV/AIDS, Education, and access to land. The socio-economic impact on households and their well-being is discussed because the sample in this research and an extensive literature survey has shown that a means tested CSG is making an impact on the ability of the poor households to survive poverty. On its own it does not get the poor out of poverty and thus needs other interventions. The chapter also examines the characteristics of South Africa as a developmental state. The final chapter contains conclusion and the recommendations.

The Underlying Characteristics of South African Society and Adopted Values Pre and Post-1994 have shaped the social welfare in South Africa. The South African government, both the apartheid and democratic one, took deliberate social action to do something that would benefit part of society or all South African citizens. The aim of social action is the alleviation of social problems in South Africa that would benefit members of society, especially the marginalized groups: women, children, white people, black peopleⁱⁱⁱ, the elderly, and the homeless. The next chapter will therefore, outline and examine the characteristics of society and adopted values pre and post 1994.

ⁱⁱⁱ Black people include apartheid race categories of Coloureds, Indians and African black people.

CHAPTER TWO

The Underlying Characteristics of South African Society and Adopted Values Pre and Post-1994

2.0 Introduction

In this chapter I will show that South Africa because of its underlying characteristics of society pre-1994, has adopted certain values post 1994 and that these values are characteristics of a developmental state. These values indicate that the lack of access to equal distribution of social services such as healthcare, education and economic opportunities, create barriers to sustainable economic growth. The post 1994 adopted values, promoted social inclusion as an essential element of development. These values have enabled state-based social assistance provision to benefit all people who need social assistance and pass the means-test. It is in this regard that this chapter will try to find out to what extent does state-based social assistance provision in the form of Child Support Grant, influence the character of a developmental state?

Apartheid was a form of racial oligarchy that was institutionalised by the Nationalist Party after it won the 1948 South African general elections. This general election was for “whites” only and not ‘general’ in the true sense of the word. Apartheid was a policy of separate development that legitimised racial discrimination and enacted race laws that were to touch every aspect of life. The provision of services was based on race, with the government of the day providing such services according to their standard of civilization and their need (Loffell, 2006). The ‘standard of civilization’ and ‘need’ was all based on race, with Africans being seen as the least civilised and therefore having minimal needs.

The impact of these disparities in the education system touched on all aspects of life within society, and allowed the formation and consolidation of a racially stratified society. Through the lack of adequate education, the life skills and opportunities of black communities were severely curtailed and stripped from these individuals – their values and capabilities were severely affected, and poverty was further entrenched in society. This discriminatory or preferential treatment of whites was also evident in the provision and access to social grants.

The socio-economic impact of these grants in terms of health care, education, nutrition, savings and asset building were felt by the minority.

In South Africa the birth of democratic government in 1994, meant that the legal apartheid regime had disappeared but its economic and social devastation remained. This included the public-social policies that served the minority, extensive structural unemployment, poverty, social disintegration and the spread of HIV/AIDS that has made many children lose parental support. Among others, these issues forced the government to transform the social welfare system after 1994. In line with this, the ANC-led government assured the nation that democracy was not just about the franchise but also the improved quality of life mainly of the ordinary people (ANC, 1994). Since 1994, the country adopted new values, mainly those that are based on human rights approach.

After 1994, the ANC led government emphasised the developmental characteristics that were already in the Freedom Charter (1955). One can argue that the developmental characteristics were dormant on paper while apartheid was still being enforced. Such characteristics include the following:

- The need to encourage participation of all citizens in policy decision-making processes and service delivery thereby promoting equal rights and equitable distribution of services.
- That a preventive health scheme will be run by the state and free medical care and hospitalisation will be provided for all, with special care for mothers and young children.
- That education would be free, compulsory, universal and equal for all children and that higher education and technical training will be opened to all by means of state allowances and scholarships awarded on the basis of merit.
- That the elderly, the orphans, the disabled and the sick would be cared for by the state.

A large number of children who were previously excluded from receiving race-based grants such as SMG are now receiving non-racial CSG. It should be mentioned that not all needy children are accessing CSG which is in contradiction with the characteristics of the developmental state. Further, CSG targets only qualifying children aged 0-14 that's leaving out needy children aged 14-18. This contradicts the universality of CSG to all who are defined as children according to the South African Constitution.

2.1 The Underlying Characteristics of Society Pre-1994

2.1.1 The apartheid government's approach to public-social policy

Before 1994, access to social grants was skewed along racial grounds, with African black people being the most disadvantaged. The apartheid government had two different approaches to policy, one for white people and the other for black people. In as far as whites were concerned; it had an institutional approach to welfare. This approach entailed the extensive provision of social security, housing, health and education as well as job reservation in order to ensure that white wage earnings were secure (Taylor, 2002). One could argue that even though the apartheid welfare provision was overwhelmingly for whites, it did not make it an institutional approach but residual. The state maintained a minimal responsibility for welfare as other sectors provided massive protection for whites such job reservation. But this argument does not deny that white people had better social assistance provisions compared to black people.

Blacks had almost no welfare benefits. In theory and according to relevant law, black people had differentiated access to SMG, Old Age pension, Foster Care Grant and Disability Grant. The amounts in these grants were lower and they were hard to access by black people compared to the white people. In short these grants went almost entirely to White, Coloured and Indian women and their children. In some areas the children's portion of the SMG was paid for children living in the care of their grandparents, and was popularly known as the "Granny Grant". Children of other races who were in this position had the benefit of the higher Foster Care Grant which was received by black children in some areas but not in others (Lund Committee, 1996).

All grants were distributed on a racial basis with whites receiving the largest amount of money in their majority, seconded by Coloured people leaving Black Africans received the least amount in their minority.

It follows that the pre-1994 South African government favoured the minority, (mostly White people) and excluded the majority of the population (mostly black people). Therefore, black people and more especially black children and women were economically and socially excluded from the state socio-economic provision. The laws and regulations that were passed during apartheid were residual in nature as they clearly excluded the majority of the population from the resources and services. For the South African majority, apartheid meant the denial of human rights, dispossession of people from their ancestral land, the deliberate underdevelopment of black communities, discrimination in the quantity and quality of social service provision, and the lack of access to social grants.

In order that people who were excluded should come on board, there was a real need to formulate and implement policies that could realize and meet basic human needs for every eligible person in a society (Gil, 1992). This could lead individuals in a society to develop spontaneously, normally and healthily in accordance with their innate capacities. Follentine (2004:1) cited in (Streak and Poggenpoel, 2005) argues that the welfare system spawned by apartheid was unresponsive to the needs of the majority of South Africans and instead, favoured a small, largely white urban elite. During the apartheid period, including at transition, there were many social problems such as poverty, unemployment, violence, social disintegration and the continued spread of HIV/AIDS that left millions of South Africans in need of support. The apartheid government's practice of segregatory social policies prevented black people and children in particular to realise their basic needs. In this thesis I am focussing on the CSG as an aspect of the government's social assistance programme to show whether this influences the characteristics of South Africa as a developmental state.

2.1.2 The Evolution of Government's Social Assistance Programme-Assistance to Children

The government social assistance programme from apartheid era to the democratic government has evolved. It has moved from one criteria to the next as we shall see below.

Figure 1: Assistance to Children

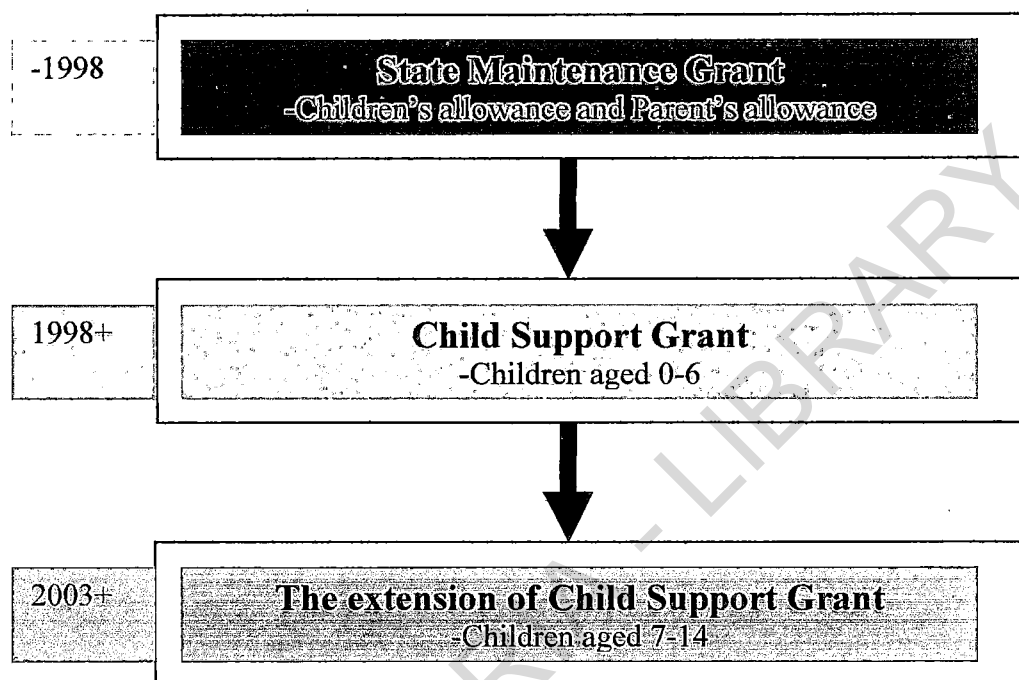


Figure 1 shows that the first government's social assistance to alleviate poverty to children was the State Maintenance Grant (SMG). This grant was given to poor children and their parent. From 1998 SMG changed to Child Support Grant (CSG) and from 2003 CSG was extended to poor children aged 7-14 and thus the extension of Child Support Grant (ECSG).

2.1.2.1 The State Maintenance Grant

During the apartheid period and early in the democratic time, the main grants in the field of child and family care were the Foster Care Grant and SMG. According to Burman (2004) the maintenance grant was divided in two types: the grant to cover children's expenses (children's allowance) and grants to cover the expenses of a parent (parent's allowance). The parent's allowance went to all minority races (Whites, Coloureds and Indian women). With regard to SMG, different races were helped by different departments, for whites it was the Department of Health and Welfare, for Indians and Coloureds it was the Department of Internal Affairs and for the minority of black women, it was the Department of Co-operation and

Development. It should be noted that different departments serving the people changed over time such that Coloureds and Indians in the recent years of apartheid were mainly served by the Department of Indian Affairs and the Department of Coloured Affairs respectively, followed by the Departments of Social Welfare under the House of Delegates and the House of Representatives. The departments awarded SMG differently and with differing amounts according to their racial classification (Burman, 2004). This brief history about the welfare system confirms how black people have been passing on poverty from one generation to the next. This explains the broad and deep poverty situation among black people especially girls, the disabled and women. It goes without saying that social assistance to such people can be a life line to which they can cling.

Maintenance grants were normally given to a mother only where the father of the children had disappeared, was dead, was in jail or other state institution, for more than three months, or where she had divorced or separated from him or deserted for a period of three months or more. In certain cases a grant might also be given where he was sick, disabled, or could prove that he was unable to work for at least six months to maintain his children. Women of all population groups first had to go to the maintenance court, where a summons was issued to the father of the child. If a man was unemployed, there could be no maintenance order made against him and the woman would have no alternative but to apply for a state grant (Burman, 2004:58).

The Lund Committee (1996) states that although, legally, all South African women were eligible for the grant, African women were largely excluded from accessing SMGs, particularly in the former homelands. 2 out of 1000 African children were receiving the grant compared to 48 out of 1000 Coloured children and 40 out of 1000 Indian children respectively were recipients (Lund Committee, 1996). Burman (2004) confirms this because there were certain conditions unique to black women and sometimes too, unique to Cape Town black women who were much affected by the influx control provisions applicable to the Coloured Labour Preference Area. To access the SMG, black women in Cape Town, especially those originally from the independent homelands (Transkei and Ciskei), had to provide proof of legal residence in Cape Town. Black women including those found in Cape Town from other areas faced a highly confused and arbitrary situation. It has to be noted that one of the reasons why people migrated from the Eastern Cape to the Western Cape and Khayelitsha in particular, was in search of a better service of social welfare. The means test was used on all women but it differed according to the woman's race

group. The amount of SMG was according to your race group as Burman (2004:62) outlines below:

In 1983 and early 1984 the maximum grant payable for whites was R152 per month for the parent's allowance, and R40 for each child. However, the single allowance (R15) and scholars allowance (R8) appeared to be viewed as bonuses which could be added to these figures. The maximum payable for Coloured and Indian women was R93 per month for the parent's allowance, and R23 per month for each child, up to 4 children. For blacks, the standard child allowance was a maximum of R14 for the first child and each subsequent child up to the fourth...it was extremely rare for a black woman with less than 2 children to receive a maintenance grant.

Another thing to bear in mind in as far as the SMG is concerned is that it was based on the nuclear family model. The traditional definition of a family did not apply to many South Africans living in poverty. Many African families were headed by single women and in addition more families were living outside of the conventional definition of a nuclear family. The Lund Committee (1996) argues that the fragmentation of mainly African families is to be seen as part of a broader political system, whose economic and political policies systematically disrupted family life, particularly affecting African households. By the way, the Maintenance Act was the Act that required parents especially men, to support their children. Women applying for the Maintenance Grant had to first show that they had tried to get support in terms of that Act, via the Maintenance Court. The Maintenance Grant, on the other hand, was provided for in the Children's Act and later the Child Care Act (Lund Committee, 1996). One can argue that the Maintenance Act contained a set of subjectively determined values that the ruling elite of the day decided on to assist the minority. This is why post 1994, the government has been faced with the difficult task of setting policy directions and guidelines for the transformation of the public sector. It was clear that such changes taking place in the country and the new adopted values would result in major changes in the social welfare system too.

2.1.2.2 Adopted Values Post-1994

The South African government, like its counterparts elsewhere, formulates and adopts policies to provide services to the country. But South Africa's way of formulating policies from 1994 was influenced by the newly adopted values that are in line with the characteristics of a developmental state. These values are contained in the constitution and policy frameworks of government.

They are used to ensure that policy implementation is in line with the transformation agenda of South Africa. These values include the following:

- Access to adequate housing
- Access to social security
- Access to basic education
- To prevent the poor from falling into deeper levels of poverty
- Developing human capabilities
- Equality, including race, gender, sex, age and disability
- Human dignity
- No unfair discrimination
- Promoting social justice and social cohesion
- Promoting economic dynamism and creativity
- Promoting empowerment especially for women and transformation of gender
- Redistribution of wealth
- Securing work based social security
- Universal access to CSG

(Taylor Report, 2002; Liebenberg & Pillay, 2000; Taylor, 2000; RSA Constitution, No 108 of 1996: Chapter 2)

It is now more than 5 decades after the institutionalization of apartheid. South Africa had its first democratic elections in April 1994 and the Constitutional Court approved a new constitution in December of 1996. As a result, South Africa has, for the first time in its history, laws that ensure equal rights for all its citizens. Rights are enshrined in the Bill of Rights as articulated in chapter 2 of the Constitution.

The Constitution favors a human rights approach to social policy, which acknowledges and emphasises the interrelatedness, interdependence and indivisibility of social, civil and political rights. The South African Constitution has been acclaimed as one of the most liberal and progressive legislation of its kind in the world. Turok (2003) states that even the UN declaration, commends the South African Constitution because of how it affirms the democratic values of human dignity, equality and freedom and also how it links up with the covenant of socio-economic rights such as housing, education and healthcare. These human rights are in line with the social democratic state coined by Marshall (Mishra, 1977). However, in practice, the government places more importance on civil and political rights as *first-generation rights*, (which includes the right to vote, to life and freedom of speech) as

first class rights that need more attention compared to the *second-generation rights* (socio-economic rights, such rights to adequate housing, health care, food, social security and water). In South Africa, socio-economic rights constitute an integral part of our Constitution. These rights are fundamental to promoting the dignity and comprehensive well-being of everyone within our society. These socio-economic rights according to Liebenberg & Pillay (2000) are essentially developmental rights, and as such aim at contributing to healing the divisions of the past and establish a society based on democratic values and social justice. The first-generation rights means political citizenship for people and the second-generation rights means social citizenship for the same people as Marshall (1965) argued. Together these rights constitute comprehensive citizenship.

Section 27 (1) in Chapter 2 of the Constitution states that everyone has the right to have access to:

- 1) health care services, including reproductive health care;
- 2) sufficient food and water; and
- 3) Social security, including if they are unable to support themselves and their dependants.

It has to be noted that a few years after the advent of democratic government and as a response to the new constitutional dispensation, the South African Parliament and provincial legislatures focused largely on policy formulation and law making. Post 1994, the face of the social assistance system in South Africa changed as the SMG was standardised and the different departments administering the SMG were dismantled and their functions carried out through Provincial departments of social welfare. Post 1994 adopted values are explicitly framed in the legislation that has been formulated to respond to particular contingencies faced by society. This was indeed the dawn of the new system in terms of social assistance to all needy children between the ages of 0-6 regardless of race who could meet the requirements (means-test).

2.1.2.3 Non discriminatory Child Support Grant-1998

The CSG was introduced in 1998 after a public hearing with NGOs, Faith Sector and policy makers. The amount allocated to children between 0-6 years old was set at R100 per child per month based on certain qualifying criteria (Lund Committee, 1996). Many NGOs and other sectors were very concerned about the very low age ceiling, the small amount of the grant and the fact that nothing was included for the support of the mother, and there was a huge amount of protest. As one might guess, many organizations would have preferred the continuation of SMG. However, that grant was considered unaffordable now that it was being allocated equally to all qualifying families. The CSG was seen as the most just and effective way of providing social assistance for children within the limits of funding which was being made available for this purpose. The youngest children were targeted first as they were seen as the most vulnerable. Pressure to raise the ceiling and the amount paid has continued ever since, with some success (Loffel, 2006). The South Africa Institute of Race Relations (2004) saw the CSG provision to non racial children, as the beginning of reaching the majority of needy children. The Department of Social Development took 3 years to complete the phasing out of SMG (Cassiem and Kgamphe, 2004). The following were the principles of the CSG:

- The CSG would contribute to the costs of rearing children in very poor households.
- The CSG would be linked to an objective measure of need, determined through a means test.
- The operation of the CSG would acknowledge the State's fiscal constraints and limitations.
- The focus of the grant would be on children, not on the family, thus ensuring that CSG would follow the child regardless of who is the caregiver.
- The CSG would also work towards the relief of child poverty (Lund Committee, 1996:75).

In 1998 the government started phasing out the SMG, replacing it with means tested CSG. The important feature of the CSG was that it should follow the eligible child who is between 0-6 years old. The Lund Committee (1996) recommended that the grant should follow the child so as to resolve the problem of how to define the family in such a complex and multi-cultured society.

This grant is to be paid to the person who is the child primary care giver (Rosa and Mpokotho, 2004). The primary care-giver is any person who is above the age of 16 and is mainly responsible for meeting the child's daily needs, without being paid to undertake such responsibility. Such a person could be a relative, parent or unrelated member of the community. An eligible child for the CSG should live in a household with an income of below R800 per month in urban area or R1100 per month in rural or informal settlement (Rosa, 2004). Section 4 of the Social Assistance Act 1992 stipulates that the CSG although intended for the child, should be received by the primary care-giver on behalf of the child.

Even though the CSG was being given to eligible children, this was far from addressing the socio-economic crisis for many households. The government proposed an investigation into the social security system and one recommendation came from the Taylor Report (2002). This recommendation was to extend the CSG to all children under the age of 18. The government considered this recommendation and announced CSG to be extended to eligible children between 7-14 years.

2.1.2.4 Towards a universalised CSG to all children under 18 years -2003

The restriction to eligible children less than 7 years was lifted on 14th February 2003. The NGOs working with children, the Basic Income Grant Coalition and other sectors viewed the extension to children under the age of 14 as a step towards a universal CSG for all children living in poverty. President Thabo Mbeki, in his 2003 State of the Nation Address announced that the CSG would be extended to eligible children under the age of 14 years. The Minister of Finance, Trevor Manuel in his 2003 Budget Speech and the Minister of Social Development, Zola Skweyiya in his 2003 Budget Vote Speech confirmed the President's announcements and further stated that the extension would be phased in for children under 14 between 2003 and 2005 (Chagunda, 2003 and Skweyiya, 2003). The first phase was to register eligible children less than 9 years from 1st April 2003 with a budget of R1.2 billion. The second phase would be registering eligible children less than 11 years from 1st April 2004 with a budget of R3.5 billion. The third phase was to register eligible children less than 14 years old from 1st April 2005 with a budget of R6.4 billion.

The allocated budget includes funds for administration and disbursement costs (Budget Speech, 2003).

In April 2003 the CSG monthly amount per eligible child was increased from R130 to R160 and in April 2004 it was increased from R160 to R170. From 2005 it was increased from R170 to R180 per eligible child per month. The policy and legislative context played and is still playing a critical part in transforming the social security system in the country.

The government, some non-governmental organisations, faith based organisations and some research institutions are now interested in knowing the impact of the social assistance on the beneficiaries. This has been a recent focus for research in South Africa and this study aims to contribute to this because of its positive impact on household and further examine the extent to which the state-based social assistance provision influences the characteristics of a developmental state with the child support grant as an example.

In the *Reconstruction and Development Programme* (ANC, 1994) the government committed itself to developing programmes to help the poor and vulnerable, particularly vulnerable children. In 1996, the adopted Constitution (108 of 1996) made it clear that everyone has first and second generational rights. In general the government in its legal mandate has developed laws, policies and programmes, and comes up with budgets to advance the realisation of the above rights. Policy analysts and decision-makers have been evaluating and re-evaluating the government policies that have been in place since 1994 to check the impact that they have made.

Taylor (2004) states that developing social security/protection systems in an era that has been characterised by insecurity has led to significant debates on the type of approach that can best respond to the crises of poverty and human security. The appropriate social protection in a scenario such as South Africa should be one that can have an impact on poor people in terms of access to income, employment, health and education services, nutrition and shelter. In short, it should aim at providing a minimum standard of well-being to people in dire circumstances, enabling them to

live with dignity (Taylor, 2004). The best social protection is the one that lays a foundation at a societal level for promoting social justice and social cohesion, developing human capabilities and promoting economic dynamism and creativity. Furthermore, it ought to close the gap to prevent the poor from falling into deeper levels of poverty; it promotes empowerment and secures work based social security for both men and women. In such a study, it is important to understand how the institutional arrangements of social assistance functions in South African.

2.2. Social Assistance Institutional Arrangements

Social grants are part of the welfare services defined in Schedule 4 of the Constitution, as a functional area of concurrent national and provincial legislative competence. Social grants have been administered and provided by the government institution helped by private institutions, namely NGOs, Community Based Organisations (CBOs) and the private contractors who administer the grants. Social welfare is not a function of local government even though provincial government can delegate certain responsibilities. The Office of the Rights of the Child (ORC) in the President's office are supposed to co-ordinate the work of different departments pertaining to the advancement of children's rights and further monitors and evaluates children's comprehensive well-being. In 1997, the government released the *White Paper for Social Welfare* that amongst others emphasised *programmes for developmental social welfare unlike the welfare approach in the apartheid South Africa* (Ministry for Welfare and Population Development, 1997).

This developmental social welfare requires better planning, budgeting and service delivery. It therefore, became the key policy framework to guide the transformation of the social welfare sector in South Africa. According to Streak and Poggenpoel (2005) from 1997 onwards social services were now to be planned and delivered using a developmental approach. The fundamental aim was to improve the impact of service delivery by integrating and linking the various programmes directed towards vulnerable people, including children. This research shows that this aim has partly been materialised in as far as those who are benefiting from the social security system in a short term.

Following the new approach, the Department of Social Welfare changed its name to the department of Social Development. Furthermore, the provincial social development departments took up the primary responsibility for programme implementation in this regard.

They were expected to draw on the existing capacity for non-governmental organisations (NGO's) working both in the 'formal welfare sector' (organisations already receiving some funding from government) and in the 'informal sector' (those not yet subsidised by government). To finance its function, the national department was to advocate for funds from national government's slice of total government revenue. The funds available to the national sphere are determined annually through the vertical division of revenue: the division of total revenue between national, provincial and local government. Critically, the criteria used in the vertical and horizontal division of total government revenue did not factor in the costs of welfare services based on a careful consideration of prices and anticipated demand for services. This left the door open for escalating demand for social grants in the provinces to squeeze out spending on the remaining service responsibilities of social development departments (Streak and Poggenpoel, 2005:6).

There is an on going challenge for government to ensure that the need for social assistance is not met at the expense of essential services such as those intended to address the abuse, neglect and neglect and exploitation of children. Adequate funding is required for both sets of measures and new sources of funding are needed for this purpose.

The government extended the provision of CSG to children from 0-14 (this was done in phases 0-8, 0-10 and 0-13) from 2003. This meant that CSG would reach many beneficiaries. The provinces started to experience some difficulties in finding sufficient funds to pay for social grants due to the increased number of beneficiaries and the increase in amounts. There were court cases against the department of social development because of the uneven method of administering social grants. One solution to these challenges has been the establishment of the South African Social Security Agency (SASSA). According to the National Social Development Annual Report (National Department of Social Development, 2005), SASSA became a legal entity on 15 November 2004 and started working on 1 April 2005. The Social Assistance Act No 13 of 2004 makes possible the transfer of powers from the provinces to the national sphere of government through the agency. SASSA has taken over the function of budgeting for and administering social grant payments from the provinces (South African Social Security Act, 2004). The introduction of SASSA involves a number of processes, such as the transfer of relevant staff, assets, contracts

and liabilities from provinces to the agency and the national department; and the establishment of a new funding mechanism through the national Department of Social Development to the SASSA, which will see a significant adjustment in the provincial equitable share and the equitable share formula (National Treasury, 2004 & Streak and Poggenpoel, 2005).

2.3 Adopted values and the National Budget Allocations

Almost all the post 1994 adopted values depend on the budget that has been allocated to implement them. The government, like many organisations, allocates its income and expenditure according to a set of priorities developed from the requirements of its various policies. In addition, government budgeting must adhere to the Constitution, which states: "National, provincial and municipal budgets and budgetary processes must promote transparency, accountability and the effective financial management of the economy, debt and the public sector" (section 215). The Medium Term Budget Policy Statement (MTBPS) informs the country what adopted values will receive attention in terms of the budget. This is important to note in this thesis because in order to find out the extent to which state-based social assistance provision influences the characteristics of a developmental state, one needs to know whether social assistance remains a government priority. There is no other place to know this apart from the MTBPS. For instance towards the end of 2005 the Minister of Finance tabled the MTBPS in Parliament.

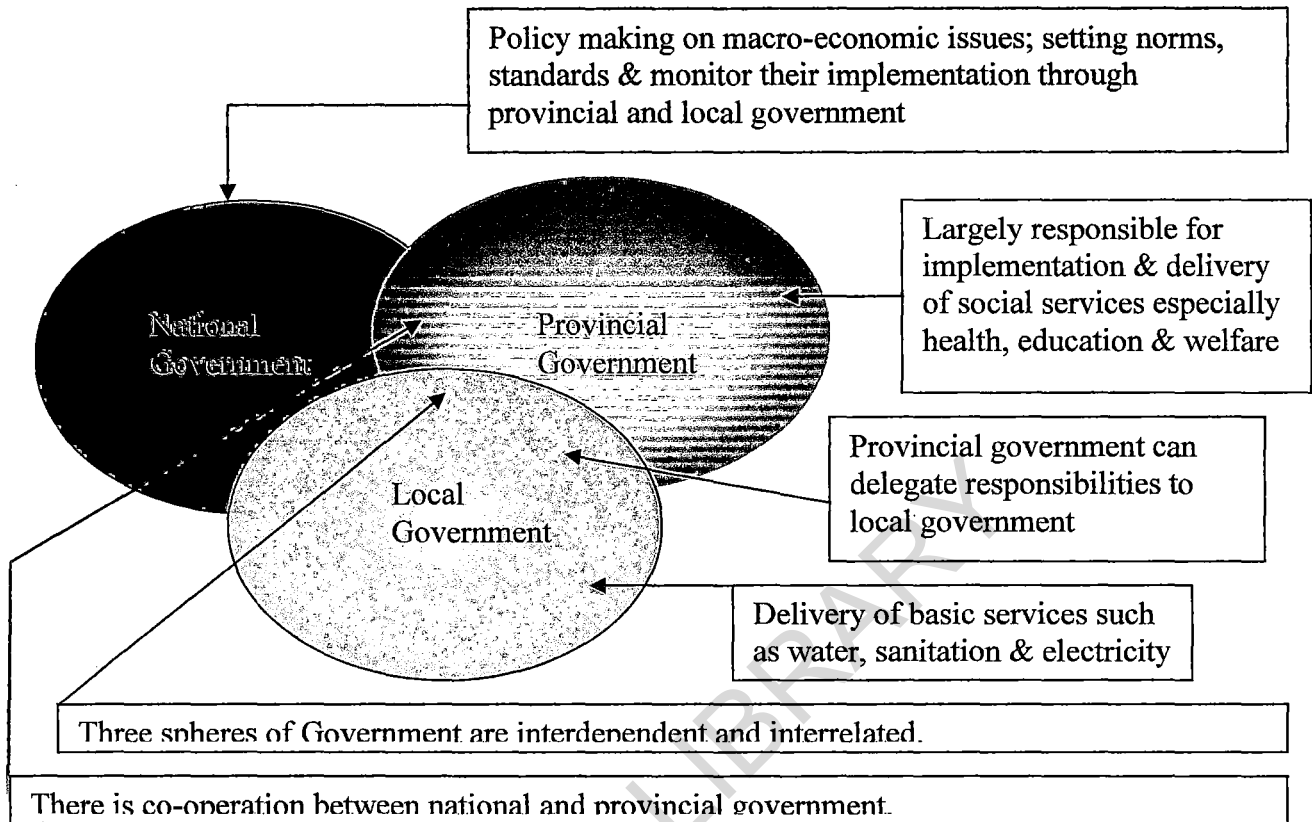
The MTBPS is a statement that sets out the policies upon which the Medium Term Expenditure Framework (MTEF) is based. The MTEF, in turn, is the three-year revenue and expenditure plan of provincial and national governments. The government estimates its budget over the 12 month period running from 1 April of one year to 31 March of the next year (known as a fiscal year). Three such yearly estimates make up the MTEF. Thus, each year when Parliament votes on the budget for the coming year, planning for the next two years is already under way, and the basics of the budgets for those two years will be in accordance with the MTBPS and MTEF for the period. For example, in the 2005 MTBPS, it was mentioned that over the 2006 MTEF there will be substantial increases in expenditure in key areas of infrastructure development, public sector service delivery and investment in public

health care and education. We may therefore expect these to be reflected in 2006 February's budget speech, and to be carried on next year (Chagunda, 2006).

This medium-term approach is of the greatest importance for proper planning not only for government but for everyone with an interest in the economy and social spending. The MTBPS tends to minimise the chance of surprises in the annual budget speech and, as such, it has met with a great deal of approval from all sectors over the years. Without pretending that it is perfect, we can certainly say that it is a good example of transparency and accountability on the part of government. Among others, the MTBPS 2005 promises more budget allocation towards accelerating and broadening economic growth; promoting opportunities for the participation of poor communities in economic activity, leading to an improvement in the quality of life of the poor; maintaining a progressive social security net alongside investment in community services and human development and additional budget allocations to provinces to improve education, health and social welfare services.

In South Africa there are three spheres of government: national, provincial and local as seen in figure 2. Each level of government has a unique responsibility to deliver services to citizens. Social assistance policies for example, are made by the national government but are implemented by the provincial and local government. The adopted values to become a reality should inform all three levels of government.

Figure 2: Three spheres of government



Even though these spheres of government are distinctive from each other they are interdependent and interrelated. Their mandates are complementary (Constitution 108 of 1996, Chapter 3, section 40). Whenever a province cannot or does not fulfil an executive obligation in terms of legislation or the Constitution, the national government may intervene by taking appropriate steps to ensure fulfilment of that obligation (Constitution 108 of 1996, Chapter 5, section 100).

The above responsibilities to be fulfilled, financial resources are required among other things, and usually such money is allocated through the national budget. In addition, local government raises funds through rates and direct charges for goods and services. Provinces and local government carry the responsibility of giving effect to socio-economic rights but they are extremely limited in their ability to collect revenue. Their revenue needs are met by the National Treasury, which is mandated by the Constitution (section 227) to allocate adequate financial resources to these two levels of government. Taking into account the relevant provisions of the Constitution such as section 214(2) the Financial and Fiscal Commission (FFC) responsibility is to make

recommendations that inform the intergovernmental policy-making process. For instance within the MTEF 2004-2007, the FFC has recommended that a comprehensive poverty alleviation package be designed to align the system of social security cash grants and social insurance with the provision by local government of free basic services (FFC, 2003). All these recommendations aim at strengthening the government's intervention in the lives of the poor and less privileged.

During the 1st decade of democracy South Africa's budgetary system has undergone a number of restructuring phases, mainly due to the policy change from the Reconstruction and Development Programme (RDP) to the Growth Employment and Redistribution (GEAR) Policy, and to the effects of apartheid policies on the economy. This reform has aimed at making expenditure programmes more efficient, policy-focused and effective. One of these changes is the requirement that the budget should be drawn up within a MTEF system. In his speech, Minister of Finance, Mr Trevor Manuel (1997 Budget Speech) said the following about the MTEF:

- Politicians can decide at a political level how to deliver improved public services and transformation within realistic projections of what they can afford to spend
- The public services can plan over the medium term, in the knowledge of how their budget is likely to evolve, improving over time the value for money and so delivering more and better services
- The government can assess new policy proposals as they emerge
- All people can make sure that the budget reflects the priorities of the Cabinet, of the three tiers of Government and of the nation
- The MTEF will help planning so that people can work to deliver more and better services with the limited resources available
- The MTEF needs to provide a tool which links expenditure inputs to service outputs of all spending programmes and activities.

The implication of the MTEF is that the spending departments and agencies have a sound and reasonably firm, rolling, medium-term signal of the available resources within, which can implement their strategic choices and plan their expenditures. This means that the budgets presented each year inform us about the planned spending, revenue and borrowing of that year and the two subsequent years. In addition, the budgets also provide information about revised expenditure including the results that they have achieved and revenue during the past financial year. A well-functioning MTEF can substantially help with poverty reduction strategies, particularly in the

social sector. South Africa as a developmental state that has just come from institutional apartheid, its MTEF should reflect high social expenditure.

The social sector cluster should budget enough to address poverty because the present government is still dealing with the legacy of apartheid. There are many people who are unskilled and thus cannot get a job in a market environment that seeks only skilled people. Expanded Works Programme only absorbs the minority of the unskilled people but also in a limited time. The national budget provides a window through which to assess government's progress towards achieving the goals and targets it sets itself through the MTEF system. Furthermore, it is to meet its constitutional obligations to 'progressively realise socio-economic rights in Section 27 of the Constitution. "The Budget is Government's operational plan to deliver a better life to all our people. It is a synthesis of all our Government policies. The budget is our contract with the nation" (Manuel, 1998).

Public-social policies are in place and the National Treasury has been allocating funds to implement some of the policies to actualize the socio-economic rights of people. However, there are still millions of people in South Africa who are struggling to survive because they do not qualify for income support such as poor children between the ages of 14-18. This is in conflict with our adopted values such as universal access to social assistance and not any form of discrimination. It is critical to outline the socio-economic situation in South Africa in order to understand the effectiveness of government's intervention through social grants such as CSG. In addition, this will assist us to examine the extent to which the state-based social security provision influences the characteristics of a developmental state. This will be done by examining the extent CSG alleviates poverty and enables other developmental aspects to take place.

2.4 Does the CSG reflect post 1994 adopted values?

The CSG is a means-tested cash grant given to those meeting certain criteria. The grant is given to a care-giver. The care-giver, if living in urban area, should have the income of less than R800 per month and if living in rural areas should have income less than R1100 per month. According Loffell (2006) the requirement of R800 in urban areas as opposed to R1100 in the rural areas is due to easy access of things in

urban areas and things are cheaper in urban areas compared to rural areas. As of now it is only children between 0-14 years old who are eligible to receive this grant.

The amount for this cash grant is R180 per child per month and from 1 April 2006; it will be R190 per child per month (2006 Budget Speech).

Coming back to the question that I was trying to answer in this chapter: "To what extent does state-based social assistance provision in the form of Child Support Grant, influence the characteristics of a developmental state?". I would argue that it influences the characteristics of a developmental state in as far as it is available to all needy children who pass the means-test regardless of race. Furthermore, the new approach to financing developmental social welfare services that meets state-based social assistance agenda to address and eliminate the pre 1994 imbalances has been implemented. The MTEF budgeting ensures that for the next three years there is a budget allocation to social assistance. Redistribution of resources taking into account historical imbalances in terms of demography and the urban divide has been achieved. CSG is available to all eligible children of all races but as a means-tested grant. Even though the access to CSG does not meet the constitutional requirement of letting all poor children receive the grant, it is distributed equitably to all eligible children of all races. The Constitution defines a child as anyone who is under 18 years old. As such this grant in some aspects does not meet developmental objectives of removing all children from poverty and destitution. It can be argued that some children are discriminated against the access to social assistance thus the state is failing to help the poor from falling into deeper levels of poverty.

In the next chapter I provide an overview of the socio-economic context and identify the contradictions between the adopted values contained in the Constitution and the social realities of millions of poor South Africans.

CHAPTER THREE

An Overview of the Socio-Economic Situation in South Africa, Implications for Social Welfare Policy and Social Assistance Provision

3.1 Introduction

The separate development policy of the apartheid regime created a legacy of serious disparities in income, a high unemployment rate and widespread poverty. These disparities are now no longer confined to race, but have taken a new dimension, namely that of class. The working class and the poor (black and white) have mostly been affected by these disparities as they spend most of their income on basic needs. This has a direct bearing on the realisation of the freedoms which accompany our democracy. While South Africa is enjoying 10 years of political freedom, socio-economic freedom is still to be attained especially by black people. Black people are the poorest in the country compared to all races (see Table 1), such that without government's intervention the crisis will deepen. One intervention that the state has put in place to alleviate child poverty is Child Support Grant (CSG). In this chapter, I will try to find out whether the CSG illustrates an appropriate social policy intention of a developmental state in the context of mass poverty. But before, I do that, let us examine a number of factors that have influenced the unattainability of socio-economic freedom for millions of South Africans.

3.2 The Impact of Economic Policy on People

South Africa's fiscal and monetary policy has had a great impact on the country's social economy. Since 1994, the government formulated policies to reduce poverty and give effect to the child-specific and other socio-economic rights. The first policy document was the *Reconstruction and Development Programme* (RDP) of 1994 (Coetzee and Streak, 2004). RDP was firmly rooted in post-Keynesian economics. The Macroeconomic Policy Framework known as Growth, Employment and Redistribution (GEAR) that was released in June 1996 was the second one. GEAR strategy was somewhat more firmly rooted in a neo-liberal economic paradigm. These policies were designed to achieve the central goals of reducing poverty and inequality in South Africa (Coetzee and Streak, 2004). GEAR has led to profound socio-economic challenges for the majority of people. The objectives of GEAR to provide basic services to the poor to alleviate poverty and give effect to the socio-economic

rights in the Constitution were great ideas. But the problem was the methodology used to achieve such objectives. Michie and Padayachee (1998) argue that GEAR wanted to achieve its objectives through economic growth that would be led by private sector investment by creating employment. The first decade of democracy has experienced an economic growth averaged at about 3%. In 2004 growth exceeded 4% per year and it reached 5% in 2005 (Mlambo-Ngcuka, 2006).

According to The People's Budget Campaign (2003), GEAR's fiscal policy is "restrictive" because it places prescriptive curtailments on government spending. As a result, the economy has experienced growth since the inception of this policy, however, the contradiction lies in the fact that this growth has been 'jobless growth' and has thus negatively impacted society, particularly the poor. It promised private sector investment, but instead there was dis-investment (People's Budget Campaign, 2003). Almost everywhere in South Africa the scrapping of import tariffs led to retrenchments in the textile and metal industries. The gap between the rich and the poor escalated and apartheid inequalities were exacerbated. South Africa's Reconstruction and Development Programme (RDP) was better compared to GEAR in terms of achievements. As Gumede (2005) argues, the RDP emphasised a commitment to grassroots, bottom-up development which is owned and driven by communities and representative organisations. The RDP allowed beneficiary communities to be involved at all levels of decision-making and in the implementation of their projects. It can be argued that the shortcomings of GEAR have contributed to the extent of poverty in the country due to many retrenchments that has put many breadwinners out of jobs.

In broad socio-economic terms the country has been doing fairly well for the last few years: Gross Domestic Product (GDP) growth has been steady, personal taxes have decreased, inflation is under control between 3-6% and the Rand is strong. While, ordinarily, these indicators would signal an economic success-story, by December 2004 there has been an increase to over 10 % of the population living in **extreme poverty** (on less than \$1 a day). As such economic growth has not translated into 'good news' for most poor people (Chagunda and Pothier, 2005; Amnesty International Report, 2005).

The Human Poverty Index (HPI), that reflects the distribution of progress and measures the backlog of deprivation that still exist, shows that South Africa's HPI was 16.4 in 1995 and 22.3 in 2001. This indicates a worsening of poverty as measured by the same index during 1995-2001 (South Africa Human Development Report, 2003). It is necessary to analyse poverty and establish the importance of social assistance in reducing poverty and examine to what extent such social assistance could be a characteristics of a developmental state.

3.3 Poverty and its statistics

Poverty is understood in different ways by different individuals and organisations. The understanding of poverty becomes confusing when it is politicised and manipulated for mere political campaign. It is necessary that one has to contextualise poverty in order to understand it. Poverty should be understood as beyond income insufficiency since it is also about the life experiences and opportunities people have of living a fulfilled human existence. Poverty is the "inability of individuals, households or communities to command sufficient resources to satisfy a socially acceptable minimum standard of living" (Taylor Report, 2002:15). A 'minimum standard of living' is also difficult to work out in terms of how much income is needed by a household or children. This is due to different initial income levels, physical needs and locations, faced with different transport costs and different prices of goods, in order to facilitate reaching this standard (Coetzee and Streak, 2004).

The UNDP (2000:3-44) defines poverty as "a human condition characterised by the sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights". According to the above definitions, one would not be wrong to state that the lack of income as a standard feature of a poverty definition leaves out a myriad of social, cultural and political aspects of this phenomenon. Apart from poverty being a deprivation of economic or material resources, it is also a violation of human dignity. Poverty is indeed complex and multi-faceted, fluctuating in depth and duration. It breeds and perpetuates so many problems within our society such as crime, domestic violence, suicide, prostitution, child labour, human trafficking, and the rapid spread of diseases including the deadly

HIV/AIDS. Others such as Mgijima (1999) have argued that the worst poverty is lack of enough food of a good nutritional quality that is both safe to eat and culturally acceptable to people.

It is estimated that about 37% of the South African population does not have regular and sustainable access to enough and nutritious food (Mgijima, 1999). According to Labadarios (1999) a 1999 survey showed that one in two children ingest less than half the recommended daily amounts of energy, vitamins A and C, iron, zinc and calcium. There is adequate evidence to show that poverty is affecting millions of South Africans as Caelers et al (2001) state that 42,6% of households in the country are in 'food poverty', unable to afford regularly even a basic subsistence diet. The consequence of food poverty and lack of nutritious food on children is that it has a debilitating physical effect on them. "16% of South African babies are born underweight and amongst children under nine, 21,6% are stunted, 10,3% are underweight and 3,7% experience wasting...In 1994, of between the ages of 6 and 72 months, 33% were vitamin A deficient...10, 6% were iodine deficient... and 10% were iron deficient...(Coetzee and Streak, 2004:89). The nutritional deprivation that exists among children in South Africa needs a comprehensive approach to address it. CSG recipients are much better in terms of being able to buy food compared to those without such grants. The findings in this research have indicated that some of the households receiving CSG go hungry some days of the month and this is in contradiction with the features of the developmental state.

Table 1: South African population according to group (No & %) and sex

	Black African		Coloured		Indian/Asian		White		Total	
	No	%	No	%	No	%	No	%	No	%
Male	16887662	78,8	1920500	9,0	545144	2,5	2080737	9,7	21434043	100
Female	18528501	79,2	2074011	8,9	570323	2,4	2212901	9,5	23385736	100
Total	35416163	79,0	3994511	8,9	1115467	2,5	4293638	9,6	44819779	100

Source: Stats SA, 2005

Table 1 above shows the South Africa's population and how it is divided in groups with their percentage. South African population is approximately 45 million and Black Africans being the majority at 79% and Indian/Asian the minority. Women outnumber men in all the groups.

The South African population is approximately 45 million and Black Africans being the majority at 79% and Indian/Asia the minority (See table 1). It is stated that at least 22 million people out of the total population live in poverty. According to Taylor (2004) there are 11 million people who do not qualify for income support and many of them are indigent, they lack food security and are vulnerable to the worst forms of exploitation and abuse. This raises a serious question when we consider South Africa as a developmental state and yet 11 million people do not have income support. Children between the ages of 0-14 that is the subject in this paper are approximately 15, 2 million (Stats SA, 2005).

The Taylor Report (2002) indicated that at least between 45% and 55% of the South African population lived in absolute poverty. Streak (2002) in the same year estimated that 11 million children under 18 years in South Africa were living on less than R200 per month and hence were desperately in need of income support. The Human Development Report 2003 indicates that people are poorer now than they were in 1995. Goldblatt (2004) shares this sentiment by arguing that unemployment and poverty have increased in the past ten years despite government efforts to deliver services to the poor and certain improvements to the economy. Such services include houses, access to electricity, water and the social security system reaching more than 8 million people (Goldblatt, 2004). The existence of poverty in a household is worrying but it is more worrying when it is child poverty. Children are defenceless and thus poverty makes them more vulnerable in a society.

3.4 Child poverty and its statistics

It is generally agreed that defining child poverty is very problematic. One reason why it is problematic is because children depend on their parents or care-givers for their well-being in a household. Even though adults and children consume differently, most of the time on the poverty measurement they are assumed to be in need of the same expenditure for the same level of well-being. To measure child poverty, some academics (Coetzee and Streak, 2004) simply divide household expenditure by number of individuals in the household. From this they work out the number of children and depending on the selected poverty line, they will distinguish poor and non-poor children in a household.

Coetzee and Streak (2004) points out that it is virtually impossible to select an income poverty line that adequately reflects how much income all children need to access basic necessities. Simkins (2003) reminds us that the South African scenario in household income is often under-reported in surveys and this leads to measures of child poverty being too high. Nevertheless, such surveys provide us with information on child poverty.

Using a poverty line of R200 per capita/month (in 1999 rands), Woolard (reported in Streak, 2002) found 38,9% of children to be poor and using a line of R400/month per capita (in 1999 rands), Woolard found 64,7% of children to be poor. "However, the soundness of these measures is weakened by the probability that the escalation of unemployment in the years since 1995 and the impact of HIV/AIDS have increased child poverty since 1995" (Coetzee and Streak, 2004:19). There were 13 365 142 children aged 0-17 years living below the poverty line of R430 per month/capita in South Africa. This translates to 75% child poverty rate in 2000 (Coetzee and Streak, 2004; Stats SA, 2005). It is argued that (Coetzee and Streak, 2004), even using the 'ultra-poor poverty' line of R215/month in 2000 rands, 54% or about 9,5 million children were poor. These statistics indicate that even in 2005, as the research in Khayelitsha shows, children still have poverty in great numbers.

According to the National Food Consumption Survey (NFCS) (Department of Health, 2000), in 2000 there were 52% of children aged 1 to 9 years experiencing hunger. A further 23% were at risk of starvation. The survey found out that 62% of children in rural areas experienced hunger than in urban area. "Households and children age 1 to 9 in informal urban and tribal areas, as well as on commercial farms, were the worst affected" (Coetzee and Streak, 2004:23). According to Statistics South Africa's 2001 Census there were around 17 million children aged 0 to 17 in South Africa. Out of these 17 million children, 13 million of them are considered poor using the poverty line of R215 per capita and 9 million children of them are considered poor using R430 per capita. This shows that more than half of all children aged 0 to 17 are poor and vulnerable, emphasising the need for the government intervention through a developmental response.

3.5 Who are the poor?

As it has been seen above, it becomes clear that most of those living in poverty are girls and women. Goldblatt (2004) quoting Adelzadeh (2003) states that the poorest households in South Africa are headed by women, 11.9 million of the poor (54.4%) are female compared to the 10 million poor males. Taylor (2004) in agreement with Goldblatt (2004) argues that close to 3 million households do not qualify for income support and are not in waged work and are women. Budlender et al (2005) argues that there are many children living with mothers only, compared to those living with the fathers only. Applied poverty line defines children as poor if they live in households with a disposable per capita income less than USD1 (Purchasing Power Parity).

The probability of child poverty is tremendously reduced if a household receives wage earnings (EPRI, 2004). Poverty and its consequences destroys the chances for children and youth to attend school, forming a vicious cycle of poverty by undermining the household's capacity to build up the human capital necessary to break the poverty trap (EPRI, 2004). A high percentage of poor children cannot attend school due to the costs associated with education, including the necessity to work with the aim of supplementing family income.

Women and children are the most affected by poverty and thus ought to gain most from the implementation of developmental policies. Women and children make up a bigger proportion of the poor people in the world. If one could compare the lives of the inhabitants of the poorest communities across the country, one would discover that, virtually everywhere, women and children experience deprivation. In this 21st century, women's concerns have increased in matters regarding their position in society; the effects of economic and political change on women's lives; the sort of development needed to benefit women; and the roles women can, or should, play in social change (Chagunda, 2002). Women's interests differ greatly from those of men and thus how they will be affected will differ. Socially constructed roles have resulted in a high percentage of women to be dependent on men financially. Poor women are unlikely to have the financial resources to pay for medical treatment or have the means of obtaining it, even when it is offered free of charge, due to the costs

of transportation or time lost from work (Hunter, 1995). Women bear the burden of giving birth and thereafter taking care of children until the children have grown up.

In most Third World countries including South Africa, the major responsibility of the family is on women (the wife or eldest sister) in terms of provision of households' needs. This is so because of migrant labour, when husbands deliberately run away from their responsibilities, or when women are divorced or widowed, or just single mothers, they have to struggle to look after the household. In terms of single fathers, most of them will leave the children in the care of their mothers or female relatives.

Hassim (2004) states that it has been estimated that urban women spend 207 mean minutes per day on carework (household maintenance, care of persons and community service) compared to 81 minutes spent by men. When care alone on persons is compared, women spend 31 mean minutes per day more than men. "In rural households, where young children and older people needing care are most likely to be spent, women spend 34 mean minutes per day caring for persons compared to the male norm of 2 mean minutes" (Hassim, 2004:41). Normally women take responsibility for the primary health and basic education of children and caring for the sick and the aged. This has become clearer in terms of AIDS patients; it is women who are always there. Girls nowadays are forced into early caregiving roles due to HIV/AIDS. Men and women work harder outside the home to make ends meet, but women work extra hard at home to try to maintain living standards and living conditions (Messkoub, 1992).

3.6 Poverty poses a threat to democracy

If nothing is done to alleviate poverty and ultimately eradicate it in the long term, the continued poverty levels in South Africa can easily undo the fruits of the democracy that we have achieved such as peace. Poverty erodes or nullifies economic and social rights such as the right to health, housing, food, and education. This is also true with civil and political rights such as the right to political participation (Mutabazi, 2003). Since 1994 the South African government has made firm commitments to integrate and transform the country. The government has worked towards the commitments such as civil peace, nation building, reconstruction and development and

democratisation of the country. In many ways we are free but the only freedom that the majority of people have not yet seen/experienced is freedom from poverty and pro-poor economic transformation. Campaigners from different political parties speak about the reality that despite the fact of the hard-won freedom and democracy, many people continue to lead miserable lives^{iv}. Poverty cycle continues to disfigure the face of the rainbow Nation. President Mbeki stated that this poverty cycle would make it impossible to say that the government has fully restored the dignity of all the people as long as this situation persists. “For this reason the struggle to eradicate poverty has been and will continue to be a central part of the national effort to build the new South Africa^v”. The continued poverty levels discredit the progressiveness of the Constitution with its highly respectable values.

According to the Brundtland Commission (Brundtland Report, 1987) the overriding priority in the country should be given to combating poverty and providing for the needs of the poor^{vi}. It follows then that the central focus on poverty should be to remove as many people as possible from residing in a state of poverty, especially those who are trapped below the bottom of the poverty line. Poverty is a vicious circle that must be broken if those trapped in poverty are to live a decent life. “Poverty deprives both parents and children of the opportunity to succeed and improve their lives” (Chelf, 1992:11-12). Children being most vulnerable to poverty should receive a basket of services that covers free health care, free education with uniforms and text books, housing and social services that include social assistance such as social grants. There should be a united effort to create an environment for continuous improvements in the standard of living for those in the lowest quintiles. The extent of poverty goes together with the problem of unemployment.

3.7 Unemployment

Poverty and unemployment are growing problems in South Africa. It is very worrying that the youth are the most affected by unemployment. As table 2 shows, the

^{iv} Statement of the President of the Republic of South Africa, Thabo Mbeki, after his election by the National Assembly as President of the Republic, Cape Town-23 April 2004.

^v Address by the President of South Africa, Thabo Mbeki, on the occasion of his inauguration and the 10th Anniversary of freedom, Pretoria-27 April 2004.

^{vi} The World Commission on Environment and Development-Brundtland Report-1987.

highest numbers of people who are unemployed are between 25 and 34, seconded by those who are aged 15-24.

Table 2: The unemployed people between 15 and 65 years

Age group	The unemployed people between 15 and 65 years														
	Black African			Coloured			Indian/Asia			White			Total		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	3910	1774	2133	385	192	192	82	46	37	106	42	64	4487	2057	2428
15-24	1276	603	671	168	90	78	30	18	12	27	12	15	1501	719	779
25-34	1628	700	929	112	51	61	28	13	15	38	19	19	1809	786	1023
35-44	620	274	345	64	33	31	16	*	*	22	*	14	722	322	399
45-54	297	136	161	33	13	20	*	*	*	17	*	11	365	160	195
55-65	89	62	27	*	*	*	*	*	*	*	*	*	100	70	30

Source: Labour Force Survey, September 2005

Table 2 shows the unemployed people between the ages of 15 and 65 with their age group, population group and sex. This is according to the official definition of unemployment. * indicates all values of 10 000 or lower the sample size that is too small for relative estimates. The totals include other and unspecified population groups and sex. It should be noted that due to rounding, numbers do not necessarily add up to totals. This table shows that the most unemployed and thus poor people are the youth. If one considers groups, the Black Africans are the most unemployed and thus most poor.

If one looks at table 2, it becomes very clear that the unemployment problem affects all race groups but mainly Black Africans. McCord (2003) argues that unemployment continues to rise, standing at 4.8 million in September 2002, or 30.5%, by the official definition, (compared to a broad rate of 41.8%). It is further estimated that even in the most positive growth scenario, after ten years with projected GDP growth of between 4- 5 percent per annum, broad unemployment among the semi and unskilled would not fall significantly below 30 percent (McCord, 2003). By March 2003 the South African economy provided only 11.56 million jobs for 16.81 million economically active people resulting in 5.25 million unemployed which is 31.2 percent. It is stated that between 1996 and 2002, the unemployment rate increased from 19.3 percent to 30.5 percent (strict definition^{vii}) or from 33 percent to 41.8 percent (expanded definition^{viii}) (South Africa Human Development Report, 2003).

^{vii} According to Nattrass (2002), the strict definition of unemployment comprise of people above a certain age who are without work but are currently available to work and furthermore they are seeking work.

^{viii} Nattrass (2002) states that expanded definition of unemployment drops the aspect that the unemployed must be seeking for work.

Table 3: Male and female's unemployment rate

Male and female's unemployment rate					
	Sept'01	Sept'02	Sept'03	Sept'04	Sept'05
Male	25,8%	25,9%	24,7%	23,1%	22,6%
Female	33,8%	35,9%	32,0%	30,2%	31,7%

Source: Labour Force Survey, September 2005

Table 3 shows that female unemployment rates have been higher than male rates in every period since September 2001 until September 2005. Since there is a relationship between poverty and unemployment, women will be affected in large numbers by poverty than men. Since most care-givers are women as it is shown in this research, if women are not empowered and be allowed to be involved in poverty alleviation projects, most households will suffer.

It should be noted that there are more women unemployed than men as table 3 shows. This in general explains why women are poorer than men. It should be further noted that among the many issues related to income poverty especially women headed households is the lack of maintenance by fathers. As one might guess there will be more poverty in female headed households compared to families where there are both a man and a woman. Since many children are cared for by women as it has been seen in this research, any poverty alleviation and developmental programme have to include women. This is one way how government intervention will improve the households and their well-being.

The causes of unemployment are complex. Some kinds are long term such as technical unemployment that happens when people's skills are made redundant. Some are medium term for instance cyclical unemployment happening because there is inadequate demand to keep production going. Some are short term, such as frictional unemployment which happens because people change jobs or locations. Seasonal work, casual employment and sub employment are patterns of work which lead to people being employed only for short periods at a time (Chagunda, 2002).

Exclusion from the labour market takes many forms: some people can opt for early retirement, further education or domestic responsibility. If poor people are unemployed, it is not just because they are more marginal in the labour market; it is also because they have fewer choices, and because people who become classified as

'unemployed' are more likely to be poor. Whenever parents or care-givers are without employment, there is lack of income in the household thus it leads to household poverty in general and specifically child poverty. It is argued that the main challenge for the South African economy is that unemployment will not be significantly reduced in the coming decades without major state intervention. Unemployment and the increase of HIV/AIDS have worsened the living standards of many poor households.

3.8 HIV/AIDS

South Africa is one of the countries in the world seriously affected by HIV/AIDS. This pandemic is the main cause of deaths among Black people, particularly among those who are economically active and between the ages of 15-49. Within this age group dying from HIV/AIDS, women outnumber men (Strand and Chirambo, 2005). In 2001, it was estimated that 25% of all deaths in South Africa were a result of HIV/AIDS (South Africa Human Development Report, 2003). The drastic rise in HIV/AIDS-related deaths has significantly reduced life expectancy in South Africa, and thus decreased the numbers of economically active people. The household expenditure of those affected is therefore strained as a significant portion of disposable income is directed towards taking care of the sick, and funeral services.

The HIV/AIDS pandemic has gone beyond a health issue to a socio-economic issue. South Africa has the largest number of people living with HIV/AIDS in the world (at least 4.7 million people) one in 10 adult South Africans is infected with HIV^{ix} and ACCESS (2006) has put the number infected by HIV at 6.5 million. According to Molefe (2004), more than 360,000 women, men and children die from AIDS related diseases each year in South Africa. This implies that when these individuals become seriously ill, they will be unable to earn an income and their children will have no financial support. The increased number of AIDS sick patients using the public health system exerts a lot of pressure on the health budget. AIDS patients and orphans in general are in dire need of social assistance.

^{ix} Submission by Olive Shisana of Social Aspects of HIV/AIDS and Health, HSRC to the Joint Budget of Parliament. 3 November 2004.

According to Noeth (2003) the HIV/AIDS impact on the South African population is evident. One of the most distressing indicators is the increasing number of orphans resulting from the disease. There are different statistics regarding orphanhood because of the differences in ways that orphanhood is defined, and furthermore, in the models used in arriving at the projections. The Centre for Disease Control and Prevention estimated that in 1998 the country had approximately 100 000 AIDS orphans and this figure increased to about 420 000 in 2003 and it is expected to reach 1, 6 million by 2008. USAID estimated that there were 1 million orphans in 2004 in South Africa. It has been argued that younger orphans suffer economically more than other children (Noeth, 2003). It is estimated that the HIV prevalence rate among children between 2-18 years old is 5.4%. ACCESS (2006) states that a tenth of children are estimated to have been orphaned by 9 years of age and 15 years by the age of 14 and by 2015, 3.6 million less than 18 years will be orphans. The most affected children would be of African descent especially those from poor households.

The HIV/AIDS epidemic has key implications for social assistance. There will be greater requirements of special needs such as health care, diet, support services; particularly for households with members ill with AIDS, and child-headed households over the next 10 years (Martin and Nell & Associates, 2002). Hassim (2004) reminds us that women's caring burdens on household have dramatically increased as HIV/AIDS infection rates have assumed pandemic proportions. Children too are increasingly taken up with the burden of caring for the sick and the dying. According to ACCESS (2006), children who have been made vulnerable by HIV/AIDS through the death of illness of their parents/caregivers use CSG as their financial assistance. Furthermore this grant helps them to access saving benefits such as transport to access medical treatment, additional nutritional needs such as ARV treatment and hospitalization when necessary.

3.9 Conclusion

In this chapter, I have discussed the extent of poverty in the country that is mainly affecting women and children especially from Black African households. In the same way most Black African households suffer greatly with the effects of unemployment. HIV/AIDS pandemic is also having its toll on households.

South Africa as a country where poverty and unemployment are rife, HIV/AIDS is having a devastating impact; there are particular challenges for government to intervene. In a context of mass poverty, "Can the CSG illustrate an appropriate social policy intervention of a developmental state?". According to what has been seen in this chapter in terms of high unemployment rate, mass poverty and HIV/AIDS pandemic, CSG can illustrate an appropriate social policy intervention of a developmental state. It should be emphasised that CSG should be linked with other government's interventions. I concur with the White Paper on Social Welfare (1997) that services should be provided to support and enable capacity building to families, communities through regular developmental assessment and programmes which strengthen the community's development over time.

The developmental approach to social policy should be of great assistance in a country such as South Africa where there is mass poverty. This could be done by meeting people's needs in a short to medium term but also enabling them to depend on themselves in a long term. In other words, combating hunger and destitution is important but building their capacity through skills training, and any means to be self-reliant is sustainable critical needs. With this in mind, let us see how such a developmental approach and social assistance provision could make this a reality.

CHAPTER FOUR

Social Assistance and Developmentalism

4.1 Introduction

In this chapter I deal with the history of the policy context in South Africa by looking at the United Nations Convention on the Rights of the Child; the South African Constitution; the Lund Committee; the White Paper for Social Welfare and its guiding principles; the findings of the inter-departmental task team; and the Committee of Inquiry into Comprehensive Social Security. By dealing with the policy context, I intend to show factors that have shaped social assistance such as CSG and further indicate the origin of the post 1994 adopted values and the characteristics of the developmental state in South Africa. In addition the chapter will present definitions of social policy and the significance of understanding social policy's context.

It should be noted that there is no single accepted definition of the term "social welfare". Its use depends on contextual factors. This explains why there are many definitions of social welfare. Probably because of different understandings over social welfare, it has generated various approaches to it that are based on the extent to which the state is involved in social provision, and the status of the beneficiaries of these provisions.

Finally, I will discuss different approaches to social policy with the aim of showing where the characteristics of Developmentalism come from and also to show how such approaches have contributed to shape social assistance. Therefore, this chapter will try to answer the following question: "Is South Africa's conceptualisation of social policy and social welfare in keeping with the characteristics of a developmental state?"

4.2 The history of the policy context in South Africa

International treaties and agreements play a critical part to formulate national policies. Considering the apartheid segregatory policies, it is very useful to outline the history of the policy context in South Africa as shown below.

Figure 3: Policy and Legislative Context



4.2.1 United Nations Convention on the Rights of the Child-1995

The UN Convention on the Rights of the Child (hereafter, the Convention), adopted by the United Nations in 1989, is one of the most critical international treaties dealing with all aspects of children's rights. The Convention aims at promoting the protection of children; encourage their participation in society, especially in matters that affect them; prevent harm being done to children; and provide assistance to ensure the children's basic needs are met. These are known as the four key rights in the Convention's general principles referred as the "pillars" of the children's rights framework (Sloth-Nielsen, 2002).

With regard to care and support given to South African vulnerable and marginalized children, these took the centre stage when South Africa ratified the Convention in 1995 (Taylor Report, 2002). This ratification implies South Africa has to comply with duties bestowed on it. Such duties include an obligation to ensure the survival and development of the child to the maximum extent possible (Article 6 of the Convention). Article 26 of the Convention states that every child has the right to benefit from social security, including social insurance, and the state should take the necessary measures to achieve the full realization of this right in accordance with national law. Social security benefits should take into consideration the state available resources and the needs of the child and those responsible for the maintenance of the child. Article 27 argues for the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development.

4.2.2 A Human Rights-Based Constitution 1996

The apartheid regime in South Africa offered different types and standards of social services based on race. After the democratic government, these services were offered based on the constitutional rights as I have discussed under the adopted values post 1994 in section 2.2 in this thesis. The Constitution as the supreme law of the land, states that everyone has the right to "social security, including, if they are unable to support themselves and their dependants, appropriate social assistance." Furthermore, "the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights"(RSA Constitution, 108 of 1996 section 27(1-2).

Rights to welfare can be *general* (applying to everyone) or *particular* (applying only to specific people). South Africa has attempted to extend rights to everyone on the basis of citizenship. Marshall (1965) called citizenship as a status bestowed on those who are full members of a community. The Bill of Rights states that all children have rights so that they can live a decent life with dignity and safety, having basic needs (such as food, clothing, and shelter, schooling and health care) for adequate social development. The human rights-based approach ensures that there is enough social protection especially for the children. It is important to note that the power to enforce and adjudicate the social security rights vests in the courts, especially the Constitutional Court, while the Human Rights Commission is mandated to monitor compliance with and support the development of fundamental rights (Taylor Report, 2002).

There are a number of independent bodies that have been assigned to make recommendation with regard to social security in South Africa; the Lund Committee is one of them. The government set up the Lund Committee because it was concerned about the growth of SMG and its affordability if it was to be extended to all children in need.

4.2.3 The Lund Committee-1996

In 1996 the Lund Committee on Child and Family Support was set up (hereafter known as Lund Committee) to investigate the administration and payment of social assistance and provide recommendations in line with the provisions of the new Constitution.

The final terms of reference for this Committee were:

- to undertake a critical appraisal of the existing system of support in all departments to children and families;
- to investigate the possibility of increasing parental financial support through the private maintenance system;
- to explore alternative policy options in relation to social security for children and families as well as other anti-poverty, economic empowerment, and capacity building strategies;
- to develop approaches for effective targeting of programmes for children and families;
- to present a report giving findings and recommendations.

Among other findings the Lund Committee identified that social assistance is a powerful means of providing support for children and families. The Committee further stated that there are many alternative programmes and policies that could be pursued to contribute to the whole package of support such as free health care, early childhood education, and public works programmes. It has to be noted that in reality there are no other options for the poorest of the poor even though this committee mentions of other alternatives and policy. The developmental social welfare programmes offer more potential for more assertive initiatives for the full development of people's capacities, particularly the development of productive opportunities for women. It is critical that multi-faceted strategies and intersectoral collaboration should be developed alongside social assistance provision (Lund Committee, 1996). Having found out the above aspects, the Lund Committee provided key recommendations.

Some of them are as follows:

- **Introduction of a flat-rate child support benefit**

The Committee recommended that the current State Maintenance Grant be phased out over a five year period to allow for the introduction of a new child support grant. The underlying principle of the new system would be that the benefits should follow the

child. The Committee recommended that all children 0-9 are eligible for the benefit of R70. Money would be paid to the primary care giver for all children who qualify. Children would need to be registered and meet certain health requirements like immunisations to receive their grant.

- **Develop an HIV/AIDS policy**

Because of the magnitude of the HIV/AIDS epidemic in South Africa, the Committee recommended that the Department of Welfare urgently calculate the impact of the disease on the delivery of social services. This will facilitate future planning for the epidemic and shift responsibility for some services to other departments and sectors.

- **Forging links between welfare, social security, poverty alleviation, and other development programmes**

The Committee commended the Department of Welfare for its paradigm shift to developmental social welfare. It recommends that these efforts be expanded to form greater linkages with the NGO sector and to share information and resources with other government departments on these issues.

- **Some Issues for Progressive Health and Development Sectors**

Although fiscal discipline imposed by the government's macroeconomic growth strategy makes it impossible to reach all poor children, the proposed grant system would promote greater equity among South African children. It would address the historical imbalances and distribute more money to rural, African women and their families who are most seriously disadvantaged under the existing system. In order to achieve greater equity with limited resources, some current recipients will lose out (Lund Committee, 1996).

In 1997 the above recommendations were handed to the department of Welfare and the recommendation that SMG be phased out was approved.

In the same year the White Paper for Social Welfare was adopted. The White paper for social welfare was based on policy processes within the democratic movement and the RDP.

4.2.4 The White Paper for Social Welfare-1997

Taking the dictates of the Constitution further, the national Department of Welfare (Social Development) engaged in a number of different processes to formulate and adopt policies. The first important document to date has been the 1997 White Paper for Social Welfare which provides the broad framework for other policies. The White Paper for Social Welfare (Ministry for Welfare and Population Development, 1997) established three principles for the Department's work:

- Welfare will continue to be a partnership between government, the community and organisations in civil society and the private sector who are involved with the delivery of social services.
- There will be a paradigm shift toward developmental social welfare.
- Social security will continue to be a central and valued part of the overall provision of welfare.

It should be noted that the White Paper for Social Welfare (Ministry for Welfare and Population Development, 1997) intended social welfare services to be conceptualised and delivered within a developmental paradigm. Even though the developmental paradigm is not defined but one can conclude it from the vision below. The White Paper for Social Welfare's (Ministry for Welfare and Population Development, 1997:7) vision is to create "a welfare system that facilitates the development of human capacity and self-reliance within a caring and enabling socio-economic environment". Its mission is "to serve and build a self-reliant nation in partnership with all stakeholders through an integrated social welfare system which maximizes its existing potential and which is equitable, sustainable, accessible, people-centred and developmental" (Ministry for Welfare and Population Development, 1997:7). Equitable, sustainable, accessible and people-centred are part of post 1994 adopted values that concur with the characteristics of the developmental state. With regard to children, one can rightly argue that social welfare services are designed to enable vulnerable and marginalised children, families and communities to meet their needs and achieve their potential.

4.2.4.1 Some of the Guiding Principles in the White Paper for Social Welfare

The White Paper (Ministry for Welfare and Population Development, 1997) puts forward eleven principles to guide all social welfare delivery including social security. Some of these principles related to this thesis are as follows:

- *Securing basic welfare rights*: the commitment to create the conditions essential for the progressive achievement of every citizen's rights to social security through both private and public financing;
- *Equity*: the distribution of resources should be equitable and in a way that addresses racial, gender, geographical, urban/rural and sector disparities;
- *Human rights*: the programmes and delivery of services should be in harmony with human rights and the fundamental freedoms as articulated in the Constitution;
- *Accessibility*: welfare organisations and institutions should be accessible to all those in need and action should be taken to build access for all where there are barriers;
- *Appropriateness*: social welfare approaches are to be appropriate and responsive to the range of cultural, social and economic conditions in communities; and
- *Ubuntu*: efforts should be made to adhere to the principles of 'caring for each other's well-being'.

Reality tells us not much was done for the poor namely women and children; otherwise we would not be having chronic poverty as it is at present. Nevertheless, the government continued with its effort to transform the welfare system.

The White Paper for Social Welfare (Ministry for Welfare and Population Development, 1997) as a policy framework went very far to set the basis to transform the social assistance system. This White Paper put much emphasis on alleviating poverty and the integration with other interventions; the strengthening of family life; the adoption of a developmental approach in service design and delivery; focuses on citizen participation in development, and that everyone should acknowledge the reality of fiscal constraints and as such that people should understand that social welfare service vision is to be implemented progressively.

4.2.5 Findings of the inter-departmental task team-1999

The Department of Social Development convened an inter-departmental task team to review the social security system, and it identified critical gaps. Some of the gaps identified are as follows:

- Many people remain financially vulnerable in respect of healthcare
- No child benefits are available for children older than 7 years, and under school-leaving age
- Large numbers of South Africans remain vulnerable to harsh poverty with limited means of advancement (Taylor Report, 2002:9).

Due to the above challenges among others, the task team recommended that South Africa should investigate a move to a comprehensive and integrated social security structure. “The task team noted that changes of this kind would require considerable planning, political debate and consultations with the social partners and all sections of the community” (Taylor Report, 2002:10). The task-teams recommendation led to the appointment by cabinet of the Committee of Inquiry into Comprehensive Social Security for South Africa, chaired by Professor Vivienne Taylor.

4.2.6 The Committee of Inquiry into Comprehensive Social Security-2000

The Committee of Inquiry into Comprehensive Social Security (also known as Taylor Committee) released its report in 2002 (known as Taylor Report). The broad term of reference involved an evaluation of the entire social assistance mechanism including all grants, their funding mechanisms, and the efficiency with which they achieve their goals (Taylor Report, 2002).

Based on the above information, the Taylor Committee argued that strategies to address child poverty must be part of the overall strategy to alleviate and reduce poverty. It further stated that measures to address child poverty (and the child support grant in particular) are centrally embedded in the Committee’s recommendations covering “comprehensive and integrated medium to long-term framework for income support” (Taylor Report, 2002:77). The Taylor Committee found out that there is no income for poor children between 7-18 years and thus recommended that Child Support Grant be extended up to 18 years. The Taylor Committee further recommended that this grant be supplemented by an appropriate nutrition and child care programme but ultimately to address income poverty, the Committee recommends the Comprehensive Social Protection (CSP) framework (Taylor Report, 2002).

The Taylor Committee defines CSP as:

Comprehensive social protection for South Africa seeks to provide the basic means for all people living in the country to effectively participate and advance in social and economic life, and in turn to contribute to social and economic development. Comprehensive social protection is broader than the traditional concept of social security, and incorporates developmental strategies and programmes designed to ensure, collectively, at least a minimum acceptable living standard for all citizens. It embraces the traditional measures of social insurance, social assistance and social service, but goes beyond that to focus on causality through an integrated policy approach including many of the developmental initiatives undertaken by State (Taylor Report, 2002:41).

It is important to understand social policy and social welfare if we have to understand the basis for a comprehensive approach to child poverty. This is so because social policy has a direct impact on the welfare of the people. The social welfare is concerned with the protection against socially recognized needs including poverty, old age, disability, unemployment, families with children and others. Social policy is mainly influenced by politicians. If they are conservative/neo-liberal politicians, the social policies would follow the traditionalist approach that favours individual initiative and private enterprise and thus social provision will cover the minority. If the politicians are liberal/democrats, then we might see the social provision that covers the majority. Social policy and social welfare will help us to understand the particular model that state follows to provide social services to its citizens.

4.3 Social policy and social welfare

This section deals with definitions of social policy and social welfare; their relationship; aims and the context in which they are used.

4.3.1 Defining social policy and social welfare

The establishment of the discipline of social policy in the true sense came from the politics of collectivism and the practice of state intervention to deal with social problems in the beginnings of the twentieth century (Williams, 1989). Social policy is that part of public policy that deals with social issues such as public access to social programmes. There is no single, universally accepted definition of 'social policy', even academics do not agree among themselves. According to Gil (1992), many writers on social policy do not define the term at all thereby assuming that 'it conveys the same meaning to every reader, and it therefore requires no definition'. Marshall (1965) defines social policy as the policy of governments with regard to action having a direct impact on the welfare of the citizens by providing them with services or income; Jones (1985) understands social policy as representing an attempt to interfere and by some criteria to improve or correct a given social order; and Kleinman and Piachaud (1993) define social policy as government interventions that are designed to affect individual behaviour or command over resources or to influence the economic system in order to shape society in some way.

DiNitto and Dye (1983) define social policy as anything the government chooses to do or not to do that affects the quality of people's lives. Further they argue that social policy is political because it arises out of conflict over the nature of the problems confronting society and whether anything should be done about them. According to Mishra (1977: xi), 'Social policy refers, in a generic sense, to the aims and objectives of social action concerning needs as well as to the structural patterns or arrangements through which needs are met'. The given definitions above highlight certain key aspects of social policy, which is meeting people's needs and improving their well-being/welfare. Mishra goes further to state that the understanding of social policy; should be through the 'structural patterns or arrangements' through which these needs are met. In this thesis, I will use the term social policy as defined by DiNitto and Dye (1983) and also Mishra (1977).

Social welfare is an integrated and comprehensive system of social services, facilities, programmes and social security to promote social development, social justice and the social functioning of people (Ministry for Welfare and Population Development, 1997). Social welfare should be understood from the interventionist point of view because it recommends a course of action or at least laying bare the choices confronting society (Mishra, 1977). Chelf (1992) states that social welfare policies are issues on which rational and intelligent people can and do hold a wide range of often conflicting opinions. Social welfare is an irrefutable reality but ideologically it has remained only marginally acceptable for many. Social welfare has remained a fundamental aspect of many nations. This includes capitalism with its emphasis on hard work and individual initiative that suggest that poverty is a result of a person's unwillingness to work or to work hard enough (Chelf, 1992).

Social welfare is concerned with the protection against socially recognised needs including poverty, old age, disability, unemployment, families with children and others^x.

^x <http://en.wikipedia.org/wiki/Social-security>

The implication of the above definitions for approaches to child poverty is that decision makers will have different views over the social assistance towards child's poverty. Some politicians will view social assistance to poor children as not necessary as this would act as an incentive to be pregnant while others will view social assistance as the greatest mechanism to address children's poverty. At this moment, it is important to find out the aims of social policy and social welfare.

4.3.2 Aims of social policy and social welfare

George (*cited in* McPherson, 1983) outlines 3 aims of social policy that are achieving certain minimum standards, reducing inequality and encouraging economic growth. Meeting minimum standards could be through inputs, outputs or outcomes. It should be noted that it is possible for inputs and outputs to increase without reducing inequality. The availability and access to services could be addressed through either 'even' or 'fair' distribution means. By 'even distribution' one refers to a situation where everyone regardless of their social situation will have access (universal distribution) to the same level of services. For instance the BIG of R100 per month that would be given to everyone regardless of being rich or poor. In terms of 'fair distribution' it refers to distribution based on a particular level of need with the aim of achieving a level of equity.

The aim of social welfare is to promote the well-being of individuals, families and communities (Ministry for Welfare and Population Development, 1997). Welfare services are part of a broad menu of services which aim at enhancing the quality of people's lives and that provide an enabling environment for the poor and the marginalised to achieve their aspirations (Ministry for Welfare and Population Development, 1997). Social welfare provides a measure of material welfare of a society; give a number of economic variables as inputs. The concept of social welfare was first introduced by Abram Bergson in 1938 and as such social welfare is a function of the levels of utility of members in society^{xi}. Kromberg (1995) argues that in South Africa, social welfare is a critical component of the RDP process. Following the objectives of the RDP, the White Paper on Social Welfare (Ministry for Welfare and Population Development, 1997) emphasises poverty alleviation through meeting

^{xi} <http://en.wikipedia.org/wiki/Social-welfare-function>

the fundamental basic needs. "Social welfare will approach these needs through developmental social welfare and empowerment programmes in order to make a productive contribution to the RDP as well as to society" (Kromberg, 1995:15).

These aims help us to understand the importance of social assistance in a society such as achieving certain minimum standards of living, reducing inequality in a society, and encouraging economic growth within a community and a country as whole. Furthermore, they help us to measure the material welfare of a society and encourage poverty alleviation through meeting the fundamental basic needs.

4.3.3 Understanding the context of social policy

Williams (1994) states that an understanding of social policy should be in terms of

social relations, not only of class but of gender and "race"-not to mention age, disability and sexuality...underpin welfare policies, their outcomes, the organisation of labour within the welfare state, the delivery of services, political pressures and ideologies, and patterns of consumption (Williams, 1994:50).

Social policy should be understood in its micro level in as far as such policies and implementable programmes that emerge from them assist the poor and socially excluded people to meet their needs. At the same time social policies should be understood at the macro level in terms of a reduction in the poverty level and inequality nationally (Hassim, 2004). The definitions of social policy provided by DiNitto and Dye (1983) and also Mishra (1977) tell us that whatever the government chooses to do is part of an action that will affect people's needs. If the government chooses to provide social services, then the beneficiaries' lives will improve in one way or the other. If the government chooses not to provide social services to the needy and the poor, then the poor people's lives will deteriorate and in such a situation lead to strikes, boycott and cause social revolution. Social policies were initiated as a result of political decisions as DiNitto and Dye (1983) argue.

Surely, such social services provided in a structural arrangement to meet people's needs have been the aims and objectives of such particular social policies as Mishra (1977) argued.

It is useful and necessary to understand the context in which 'social policy' is used and by whom. This will help to unfold it because the context will give meaning to it such

as in South Africa where there is wide spread poverty and high unemployment and yet enough economic growth to help those in need. If we are trying to improve people's welfare, it is helpful to try to understand something about the way those people are, and how welfare policies relate to their existential situation. Some scholars have gone further, arguing that because welfare takes place in a social context, it can only be understood in that context because social policy is underpinned by social inequality especially the inequalities of class, race and gender (Williams, 1989). Social policy emanates from conflicts over resources, how they are provided and to whom and as such, states are categorised according to how they view the distribution of resources such as the conservative or neo-liberal, social democratic, developmental and very recently- human developmental state. The 'state' is a general term for the institutions; agencies and procedures related to government. But in this paper it will be used to mean 'state as an institution'. It should be noted that all social policies are reflective of particular approaches.

4.4 Three social policy approaches

It is important to note that while social policy approaches may be emphasised at different historical stages in a country's development depending on the dominant values and ideologies of those in government, the approaches co-exist and thus they are not sequential.

4.4.1 Conservative or neo-liberal state approaches to social policy

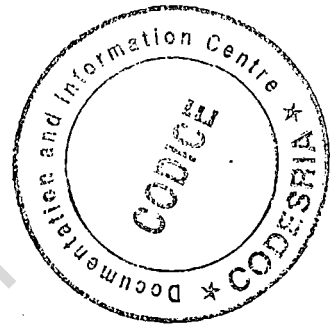
This approach to social policy is based on the conviction that social welfare activities should be called upon only when the ordinary, expected and normal structures of society break down. This view assumes that if the individuals are unable to survive, then their needs should "naturally" be met through the channels of the family, friends, neighbours, religious institutions and charities (Midgley, 2003).

4.4.1.1.1 The main features of a conservative or neo-liberal state

The conservative state has a number of features that characterise it as such a state.

Some of the main features include the following:

- Freedom of market
- Individualism
- Privatisation of goods and services
- Government's provision is conditional, targeted and limited
- Government play a small role in social welfare
- Benefits are targeted
- Structural conditions are assumed to be functioning for everyone
- State responsibility in meeting people's needs is minimal
- Need-based distribution as a value is marginal
- Population covered by statutory services is minority
- Level of benefits is low
- Proportion of national income spent on state services is low
- Use of means-test is primary
- Nature of clients are the poor
- Status of clients is low
- Role of non-statutory agencies in welfare is primary



(Mishra, 1977; Gil, 1992; Taylor, 1996; Giddens, 2001; Midgley, 2003)

4.4.1.2 The Residual Approach

The conservative or neo-liberal state uses the residual approach to social welfare. Government social welfare institutions are understood to be the last resort to provide human needs, but they are limited and target only on those who are unable to work. This way of conceptualising social welfare is termed the residual approach. According to Mishra (1977), this approach is predominantly market economy oriented and saves only the few of the society. In many countries including South Africa, this has led the increase of unemployment and marginalisation of the majority, which has led to immense income poverty, and thus makes this approach economically and humanly unsustainable in South Africa. "Many conservatives see social programs for the poor as actually doing more harm than good" (Chelf, 1992:6). It is assumed that recipients of such assistance use it as a disincentive to work. Lack of conclusive evidence that income support discourages recipients from job seeking neutralises the argument. Nevertheless, the conservative state still play a relatively small role in social welfare so that people can live a dignified life and be encouraged to work.

Further, such a state generally believes that individuals and their families are responsible for their own well-being.

4.4.1.3 Conservative or neo-liberal state

The neo-liberal state is best understood as a pure market distribution (Mishra, 1977). In a conservative state, the government's focus is primarily on long-term economic growth that they believe will eventually create employment and its benefits will trickle down to the poor and the unemployed. Since they focus on employment, it follows that the unemployed and the poor able-bodied adults of working age do not deserve social security support. The conservative state does not clearly outline what would happen to the poor and unemployed in the short and medium term as they wait for the benefits to trickle down to them. One can easily argue that such a state has minimal role to provide social services. This explains why voluntary and relief agencies play a big role. According to Wikipedia^{xii}, welfare in a neo-liberal state is not actually provided by the state but by a combination of independent, voluntary, mutualist and government services.

Social policy practised during the apartheid regime, was expressed through the residual model for the black majority reinforcing the most anti-social aspects of society that is gross income disparity and further negated a nation building. Only the minority benefited from this model. Taylor (2005) rightly argues that a highly problematic assumption made by the residual model is that societal institutions generally function adequately and serve people equitably. The practised residual model during apartheid time served to intensify the stigmatisation of social welfare consumers and deflected an examination of how social institutions had failed the majority of poor deserving people.

We have seen above that starting from the apartheid time, the family has been viewed as an appropriate institution to meet the needs of the family members. Only those, whom the family cannot manage to support, are expected to be supported by the neo-liberal state. Lund Committee (1996) tried to change the view on families by stating that the CSG should follow the child, implying that the emphasis should not be on the

^{xii} <http://en.wikipedia.org/wiki/Welfare-state>

family, but the family is still expected to meet the needs of its members. Some scholars such as Williams (1994) shows that the belief that families should exercise greater responsibility in caring for the young and old dependents has been in existence for a long time within the social policy arena. The family is perceived as the appropriate institution for meeting the needs of the poor and it reduces the burden of the conservative state to take care of them. Social policy refers to this view of the state as a minimalist state intervention. South Africa considers itself a developmental state. And yet, it practices the neo-liberalistic view in considering markets and institutions that are functioning sufficiently. Furthermore, that markets are well organised to allow all the individuals who are willing to work to benefit from the market exchange.

In contrast to the neo-liberals assumption that all families are able to provide social welfare, the Lund Committee (1996) found out that not all families are stable and able to perform these roles. The HIV/ AIDS pandemic that claims the lives of many parents make it difficult for families to perform their expected roles. In addition, changing forms of families; poverty and unemployment; divorce and absence of fathers also affect what they can do. It has to be noted that to assess or evaluate the appropriateness of any social policy it is necessary to assess the extent to which people's needs in a household and community as a whole are being met.

4.4.2 Social democratic state and approaches to social policy

The social democratic state represents its citizens, embodies their will, and gives expression to their collective desires to care for each other (Midgley, 2003). Its approach takes a number of the main features of a social democratic state such as the ones below.

4.4.2.1 The main features of a Social democratic state

There are many features that inform a state to be a social democratic one. The main ones being the following:

- Citizenship rights emphasised
- Economic growth
- Universalism welfare for all
- Institutionalised approach to benefits
- Equality and fairness

- State responsibility in meeting people's needs is optimal
- Needs-based distribution as a value is secondary
- Population covered by statutory services is majority
- Level of benefits is medium
- Proportion of national income spent on state services is medium
- Use of means-test is secondary
- Nature of clients are citizens
- Status of clients is medium
- Role of non-statutory agencies in welfare is secondary

(Titmuss, 1974; Mishra, 1977; Chelf, 1992; Taylor, 1996; Giddens, 2001; Midgley, 2003)

4.4.2.2 Social democratic state

The social democratic state originated from the Great Depression and 2nd World war. According to Carlos (2004) the capitalist economies grew enormously up to 1970s, social rights were being recognised and the welfare state implemented. For social democrats in the Reformist state, the point of reform is to strengthen the welfare state and as such the safety-net welfare system proposed by the neoliberals, is not an option (Giddens, 2001). The guiding principle of redistribution in a social democratic state is that 'to each according to his/her needs' (Mishra, 1977). Bearing in mind those who have written on citizenship rights such as T.H.Marshall, it is in this type of state that one can experience citizenship as a social right.

People who are in poverty, in poor health, inadequately fed, poorly educated, and badly housed cannot be regarded as citizens in the proper sense of the term. The state should, therefore, ensure that all members of society have rights to an adequate income, health care, education, housing, and other social goods. It must establish these rights in law and create mechanisms that guarantee their implementation. This involves the provision of extensive social programs and institutionalization of state responsibility for social welfare (Midgley, 2003:15).

According to Marshall (Mishra, 1977) the social rights consist of civil, political and social elements. The civil right refers (legal institution) broadly to guarantees of individual liberty and equality before the law. The political right refers (political institutions) to the right to vote and to seek to political office. The social right concerns (social services) the economic welfare and security and the right to share to the full in the society. In a social democratic state there are free social services such as health and education.

The tax burden and the state apparatus within this approach grew due to the new social and developmental activities taken on by the state. “With the social state emerges plural or public opinion democracy. Political elites diversify, including increasing representatives of the professional middle class. Capitalism also diversified...” (Carlos, 2004:53-67).

The proponents of the social democratic state argue that social welfare should be based under the social democratic principles such as of equality whereby the government has an obligation to look out for the welfare of *all* its citizens (Chelf, 1992). The defenders of this state hold that although equality of opportunity may legitimately produce inequality of outcomes and results, the state is still obliged to seek equality in the institutions of society and to ensure the rights of all people to equality of treatment by the state (Chelf, 1992). The social democratic state needs to intervene to provide the required degree of equity for different elements of the population. Equality and fairness in social policy and social welfare are inseparable as Chelf argues:

The concept of equality also involves the idea of fairness, and although those who are employed may question why they should pay taxes to provide benefits for those who are not working, this begs the issue of society’s obligation to those who are quite willing to work but cannot find jobs or are forced to accept wages that fail to provide them a descent living (Chelf, 1992:10).

The social democratic state focuses on welfare and poverty alleviation whereby the welfare transfers are done at a high level of social assistance type grants. The goal of full employment ensures social participation and higher revenue that enables social expenditure to take place. State support is medium to high with the aim of alleviating adverse effects of market economy. The high levels of this support may create “dependency tendencies” that can ultimately undermine the goal of long-term economic development (Taylor, 2004). The problem with social democratic state is that decisions are made by elite only without public participation. It is easier for First World economies to manage this type of social assistance but the scale of poverty and unemployment in the developing states make this economically unsustainable. It has been argued that the social democratic state was successful in promoting economic growth and social justice in the developed countries between 1930s and 1970s. But neo-liberal ideological wave, globalisation and the fiscal crisis of the state led the social democratic state into crisis (Carlos, 2004).

“Traditional socialist ideas, radical and reformist, were based on the ideas of economic management and planning a market economy is essentially irrational and refractory to social justice” (Giddens, 2001:2). History has shown that unregulated markets, specifically financial markets, do little to assist the poor, mainly because they are profit driven. People do not want to be left unprotected in the face of the global marketplace (Giddens, 2001).

4.4.2.3 The Institutional approach

The extent of people in need such as the elderly, the sick including the mentally ill, poor and orphaned children among other reasons, made some people to rethink the residual approach within the conservative state. The social democratic state applies the institutional approach to social policy. This approach considers social services as part of a blueprint of creating a classless society (Mishra, 1977). Unlike the residual approach where income is generated through the market, in the institutional approach, income is generated through wages and salaries. Through the institutional approach the social democratic state controls wages and salaries directly. This means that social services, transfer of payments, such as pension are less redistributive because they are wage related. The state spends relatively more on social services in kind such as health and education as such it is likely to be a more redistributive social policy (Mishra, 1977).

The institutional approach is based on the notion that social welfare is an accepted legitimate function of the modern industrial society, designed to serve individuals and groups who seek to attain a satisfying standard of life and health for themselves. Titmus (1974) was the most eloquent and persuasive proponent of the conception of this approach and he elevated the social welfare debates to a moral level. This approach holds that the government social programmes ought to be universal, generous and institutionalised as we have seen under the main features of a social democratic state. It thus aims at developing the capacity and well-being of individuals as a way of serving both the individuals and social groups. The institutional approach is content with ameliorating the negative effects of capitalism in many areas of life. Institutionalism presupposes that social welfare should be provided through collective

mechanism (Mishra, 1977). Titmus (Midgley, 2003) believed that the state is the most effective collective institution for the provision of social welfare in complex industrial societies. “Institutionalism dominated social policy in Europe, North America, and other industrialised nations during the middle decades of the last century” (Midgley, 2003:14).

4.4.3 Developmental state and approaches to social policy

The developmental state tries to find ways of recognising people who are excluded from any acceptable minimum standard or way of life so that they can contribute to development. To make sure that people are able to participate in development, the developmental state provides social support in areas of education, health, housing and social services. This state is identified through its main features as seen in the paragraph below.

4.4.3.1 The main features of a developmental state

- Human dignity
- Equality
- Social justice
- State intervention in the short to medium term to reduce poverty
- State balancing economic growth and social policy objectives
- Policy interventions to deal with short, medium and long term developmental needs
- A focus on capacity building of poor people
- Emphasis on social institutions to address social needs
- Provisions of social assistance to cater for the needs of workers as well as poor citizens
- State responsibility in meeting needs is total
- Need-based distribution as a value is primary
- Population covered by statutory services is all
- Level of benefits is high
- Proportion of national income spent on state services is high
- Use of means-test is marginal
- Nature of clients are member of the collective
- Status of clients is high
- Role of non-statutory agencies in welfare is marginal
- Orientation of the service is solidaristic

(Mishra, 1977; David, 1988; RSA Constitution, 1996; Giddens, 2001; Taylor, 2002).

4.4.3.2 Developmental state

The concept of the 'developmental state' model is closely associated with Johnson (1981) and his seminal analysis of Japan's very rapid, highly successful post-war reconstruction and (re)industrialisation. Johnson (1982) perceived a 'developmental state' as one that was determined to influence the direction and pace of economic development by directly intervening in the developmental process, and not relying on the uncoordinated influence of market forces to allocate resources.

In Japan the most important issue was the reconstruction of its industrial capacity; a process made easier by a widespread social consensus about the importance of economic development. Cheng (1996) defines a developmental state as the one that pursues policies that co-ordinate investment plans; and has a national development vision whereby the state is an entrepreneurial agent that engages in institution building to promote growth and development. Manuel (2004) quoting Patrick Heller defined the 'developmental state' as one that has been able to manage the delicate balance between growth and social development. The 'developmental state' focuses on integrating social security and economic growth goals within a wider developmental strategy. The developmentalist ideas have been applied to social policy so that states could foster economic growth and simultaneously raise people's standard of living through social security. According to Mkandawire (1998:2), "it is the ideology-structure nexus that distinguishes 'developmental states' from other forms of states. In terms of ideology, such a state is essentially one whose ideological underpinning is 'developmentalist' in that it conceives its 'mission' as that of ensuring economic development". This type of state combines positive features of social democratic and conservative states.

Figure 4: The Developmental state

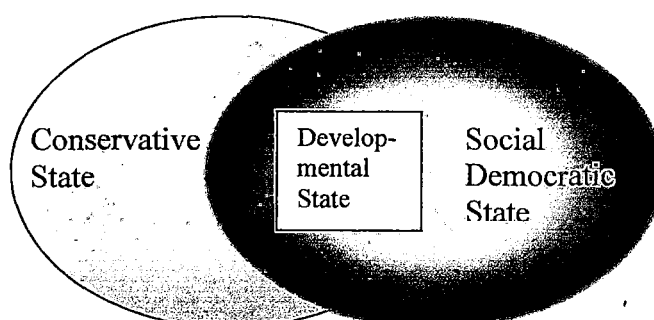


Figure 4 show that the developmental state has both the characteristics of the conservative and the social democratic state. One can say that it has taken positive characteristics from both states to promote development.

The proponents of the developmental state offer a macroperspective on social policy and deliberately link economic and social policies within the framework of a planned development process. Esping-Andersen (2001) strongly states that income support to households is the most single effective policy against poverty, welfare dependency, and also an investment in human resources at the same time. It is therefore wrong to perceive such income support as merely 'passive consumption' but also as active investments which yield a long-run return (Esping-Andersen, 2001). It is inevitable that a developmental state comes up with better policy that is aligned between social and economic priorities. Developmental state intervenes in the economy with the aim of providing protection for citizens and regulating markets and the private sector. It is because of such principles that a developmental state has social provision available to all who need it. But it has to be noted that issues of inequality and exclusion are on a different scale in developing countries such as South Africa. This makes Giddens (2001:16) argue that:

Redistribution, often of land as much as wealth and income, must have a role. But even if redistribution were achieved on a wide a basis, it would only have a limited effect on poverty. Tackling poverty in the poorer countries depends upon generating economic development, and upon making sure the underprivileged are included in such development.

East Asian countries are good examples of the developmental state because in a short to medium term, poor people received social security and later the countries achieved economic development; this led millions of people to be lifted out of poverty (cf Giddens, 2001). In the understanding of Giddens (2001), once Korea had put more emphasis on developmental approach in 1970 when it was poorer than Ghana, around 2001 it became richer than Portugal. Job creation and enterprise development within this approach is promoted through small, medium and micro enterprise (Taylor, 2005).

The developmental state encourages economic growth as in conservative states, but goes further to state that economic growth should take care of the social needs of people in the short to medium term. This explains why the developmental state aims at alleviating poverty in the short to medium term and poverty eradication in the long term. The role of the state in terms of distribution of state welfare is universally needs based, meaning that everyone is eligible for services based on need. As such there is more emphasis on meeting people's needs in a redistributive way to address equity. The level of benefits and status of clients is high and the population covered is the majority, with high social spending. Midgley (2003) argues that a developmental state recommends that social programmes be 'productive' and investment oriented by promoting economic participation and generating positive rates of return to the economy. Even though Midgley proposes this but he fails to admit that in the short term poor people need social security to survive, while waiting for long term benefits of economic growth to absorb them into economic participation. It should be noted that developmentalism emphasis on productivist social welfare demands that the beneficiaries of social programmes be required to work or start their own businesses so that they do not depend on social programmes forever.

It is interesting to note that Midgley (2001) outlines well the debate between the pro economic development without redistributive welfare and those who are for economic development with redistributive welfare. Economic development is about growth, profits and wealth accumulation. Every proponent for social policy approach supports economic development. Different opinions arise when neoliberals conceive social welfare as transferring productive economy into unproductive social expenditures.

The neo-liberals would like to see substantial cuts in social expenditure so that economic growth would be sustained because of that they are more interested in increasing incomes, accumulating wealth and raising levels of prosperity. Advocates for the institutional and normative approaches support economic development so that the wealth created would be redistributed to fund social services for the poor and the most vulnerable people in a society. This makes Mishra (1977) to argue that the underlying view of normative approach is satisfaction of needs on basis of equality as the main aim of production and distribution.

Just like many proponents of the developmental approach, Midgley (2001) acknowledges that economic development is a powerful dynamic for progress and better social ends. However, he is cautious that if left alone, economic growth would result in conditions of distorted development marked by conspicuous contrasts between wealth and poverty. Further, it would exclude a substantial number of people who would benefit from it. Midgley (2001) is convinced that social development would bring a shift in social welfare from consumption and maintenance oriented social programmes to those that invest in people and enhance their capacity to participate in the productive economy. It is surprising to note that Midgley (2001) does not suggest any solution like social security for people who will never be economically active. There is nothing proposed in a short to medium term for those who could be brought into the productive economy by participating in the labour market, human capital investment, accumulating assets, mobilising social capital in poor communities and developing microenterprises^{xiii}. What Midgley (2001) is suggesting is long term but poor people need to survive in short to medium term if they should reap the benefits long-term. His contribution to developmental state is only for a long term basis which is not realistic. Whether one considers the short, medium and long term benefits of CSG, it will contribute the extent to which the state-based social security provision influences the characteristics of a developmental

^{xiii} Many people are poor because they cannot find a job or have been retrenched. How will such people survive in the short to medium term before they find another job (labour market)? What will they use to travel to look for a job? Human capital investment such as personal savings, how will they save if they have nothing? To save, implies that in the short to medium term they have something and thus can save for the future. These long term aspects will depend on short term aspects, such as social security which this type of social development does not mention.

state. The findings of this research as it will be shown in chapter seven; it has both short to medium term benefits as well as long term impact.

4.4.3.3 The normative approach

Giddens (2001) argues that there is a general recognition almost everywhere that the two ways [neo-liberal and social democratic states] that had dominated political thinking since the Second World War had failed. Another approach to social policy was inevitable. The third approach to social welfare is the normative approach that is applied by a developmental state. Social welfare within the normative approach is best understood as pure need-based distribution (Mishra, 1977). In this approach, the welfare state appears as a useful social institution, that is, the one that serves a number of purposes and which develops in a piecemeal and pragmatic fashion. Giddens (2001) is one of the proponents of the normative approach. Giddens promoted a “third way” approach [normative approach] that seeks to balance between the institutionalism of the social democratic state and the residualism of the neoliberalist state. According to Giddens (2001) the normative approach has defined the social policy agenda of the United Kingdom. This approach has fostered a congenial equilibrium suited to the needs of the time and Quadagno (1993) and Wilson (1995) cited in Midgley (2001) have emphasised the importance of the role of gender and race in the dynamics of social welfare. Skocpol (1995) cited in Midgley (2001) believes that the developmental state is possible to combine selective social welfare measures with universal ideals. The approach sees the role of the welfare state as that of supporting a fundamental redistribution of wealth and power in society.

According some academics, the normative approach puts together the positive features from the residual and institutional approaches (Skocpol, 1995 cited in Midgley, 2001). It is argued that this approach recognises that large social deficits such as the lack of access to health, education, housing, water and sanitation, are obstacles to sustainable economic growth and thus must be removed. The state intervention is aimed at providing protection for citizens as well as regulating markets. It is argued that this approach integrates the efforts to promote economic growth that can create employment, enable the government to provide basic services to the people through increased social spending and it emphasizes human rights.

The poor who receive social assistance in a developmental state are expected to behave responsibly, strive to become independent and contribute to the common good.

4.4.3.4 Impact of social policy in a developmental state on people

The developmental state applies the normative approach to social policy. This approach refutes the idea that goals of equality and equity can be met within a capitalist society. Social policy in a developmental state purposefully links social programmes and economic growth. This developmental approach to social welfare emphasises integrated, multi-pronged interventions that build self-reliance and foster participation in decision-making at individual, family and community level. The normative approach that is applied to a developmental state is consistent with the values and goals of our human-rights based democracy.

The work of the social welfare sector supports the broader development agenda of the country as a whole. The advocates of the developmental state regard economic development as a desirable and essential element in social welfare and propose that social programmes support the developmental imperative (Midgley, 2003). Since the developmental state takes an activist role in economic development, it has more chances of raising people's living standards. According to Esping-Andersen's (2001), the social policy in a developmental state impact on people through the enhancement of human capital and promote full employment. The full employment is what South Africa still waits to attain it as a developmental state. This approach promotes people's effective participation in the economy and is committed to progressive social change through the social assistance that is provided and job opportunities created.

In this chapter I have dealt with the history of the policy context in South Africa and the three approaches to social policy. However, my emphasis has been on the Developmental state. The developmental state that applies a normative approach advocates the eradication of poverty, poor economic opportunities as well as social deprivation, neglect of public facilities and promotes self-reliance. To some extent, South Africa is trying to apply the normative approach but not hard enough to deal with the challenges of poverty, unemployment and promotional of self-reliance.

The conceptualisation of social policy and social welfare in South Africa is in keeping with a developmental state. On paper most of the policies are surely progressive. But the problem is only with the implementation of social policy and social welfare provisions as some of the findings in next chapter bear witness.

4.5 The Relationship between Social policies and Economic policies

It is important to note that social policy is concerned with the holistic social aspects of human beings even though the state can choose a social policy that is selective. As a testimony to this one finds aspects of sociology, history, law, social work, psychology, religion, economics, politics, management, ethics and philosophy. Whenever one deals with social policy, one ventures in the area of health, housing, education, employment, community care and social security. Connected to these social services are social problems such as unemployment, crime, mental health, disability, poverty, gender and old age (Leonard, 1997). The proper way of dealing with the above mentioned issues demands the collective social response.

Social Policies are guidelines for behaviour, evolved through societal processes, which specify and maintain or transform the structures, relations, values, and dynamics of society's particular way of life. While established social policies are results of societal processes throughout history, individuals and groups may develop and promote alternative policies to those in force in a society (Gil, 1992). This happens very often when the existing policies benefit the minority just as it was pre-1994 and that there is room to promote alternative policies. All social policies working at a time in a society constitute its system of social policies and shape its way of life through their combined effects and interactions.

Gil (1992) states that in some instances social problems are intended or unintended outcomes of economic policies. It is in this regard that social and economic policies are related. Furthermore, economic policies are one of the many driving forces behind the collective social response. Social policies are responses to perceived social problems. Economic policies can exacerbate existing problems and can also be a cause or potential cause of social problems as it has been seen under GEAR policy. These two policies deal with human needs as such they should not be separated.

Gil (1992) argues that the separation inhibits development of effective social policies and reduces social policies conceptually to a residual function focused mainly on victims of economic policies.

Within a conservative/neo-liberal state: The separation of these policies is evident within the neo-liberal state as it enables the market to operate freely with very minimal governmental interventions and controls. The practice of the residual model during apartheid was different to the residual model practised through the Growth, Employment and Redistribution (GEAR) strategy. The GEAR residual model assumed that economic growth will necessarily result in development. The main focus of the neo-liberal approach to social policy is having an emphasis on economic growth that will enable wealth to trickle down to the poor. The Taylor Report (2002) argues that although the markets are able to make huge profit as experienced in South Africa with GEAR, wealth does not trickle down to the poor. The GEAR residual model has failed to maintain the unskilled and semi-skilled labour in the market and also failed to create employment for many people. One can easily agree with Titmuss (1974) that the true objective of the welfare state under the residual model is to teach people to do without publicly funded welfare. To this argument, Williams (1989) adds that the residual approach places emphasis on freedom to act in the private market as the basis of economic freedom. The trickling down to the poor that would lead to development has failed. It is only redistribution through the provision of social grants, the CSG in this regard, that has been achieved and the impact on people's households is witnessed immediately.

The social policies guiding CSG promotes the principles of social inclusion that ultimately supports economic development of poor to low-income households. But in reality CSG is means-tested, that means only those who meet certain criteria are allowed to receive CSG. Gil (1992) adds that social policies, which are socially inclusive in nature, ensure that everyone has equal rights and responsibilities concerning work and production, management of resources and distribution of goods and services as well as rights.

Within Social democratic state: The principles within this social democratic state demands there should not be separation between social and economic policy. These principles include equality and fairness; and the goal to create full employment that should ensure social participation and higher revenue that enables social expenditure to take place. The social democratic state provides medium to high support to its citizens, with the aim of alleviating the adverse effects of a market economy. This requires the relationship between social and economic policies. Giddens (2001) says that people do need not be left unprotected in the face of the global marketplace as such the social democratic state intervenes with economic policies wherever necessary.

Among other reasons, high public expenditures on social welfare in the context of globalisation makes the social democratic state privatize and contract out public services, and this prompts the change of the approach to social welfare (Midgley, 2003). The failures of the residual and institutional approaches, made it inevitable that another approach would emerge. Giddens (2001) refers to this approach as, “Third Way Politics” as it reflects differences in political values. Such values include a state that leaves no citizen without assistance; has commitment to equality, have a sense of obligation to protect and care for the more vulnerable members of society. Above all, there is a belief that the intervention of government is necessary to pursue such objectives. The normative approach seems to be one of the best approaches to achieve such objectives. This has been the beginning of the normative approach that is applied to the developmental state.

Within a democratic state: Social policy provides room where the state must not neglect its disabled people, the sick, the elderly and children as any move to neglect them, slows down the country’s economic growth. This might be due to less household expenditure, sickly people who put pressure on medical care and family members who stop contributing to the development of the country, as they have to take care of family members in need of help. Kulkarni (1997) argues that social policy should help people who are physically and mentally normal but lack opportunities to contribute to economic growth. This view recognises that for people who have no opportunity to contribute to the economy, should be assisted to generate an income

which is critical for poverty alleviation and economic growth. The relationship between social and economic policies is very strong in the democratic state compared to the other two described above.

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CHAPTER FIVE

Analysis and interpretation of the findings

5.1 Introduction

In chapter 5, the analysis and interpretation of the findings of the research will be given. The objective of this research is to review literature and policy documents and collect information from some care-givers of children receiving the CSG to find out the extent to which such state-based social assistance provision impact on their households. In analysing these findings I would like to examine what impact does social assistance provision in the form of a CSG, has on poor households. I will argue in this chapter that CSG is an appropriate social policy intervention of a developmental state in the context of mass poverty in as far as it alleviates it. The analysis of the findings will show that South Africa's implementation of social policy and social welfare is not in keeping with a developmental state in its entirety because it excludes other needy children. This chapter will further point out the impact of social assistance provision in the form of a CSG on poor households. However, it will be emphasized that such impact together with other policy intervention could contribute to lifting people out of poverty and building their developmental capacity.

The participants in the research were drawn from Khayelitsha. I have chosen Khayelitsha because it is predominantly populated by black people; the majority came to Cape Town for better living conditions and better services and yet they are still living in poverty. Most of the youth and adults are unemployed. Most households are living in shacks and HIV/AIDS is taking its toll. Khayelitsha will be able to give us an indication whether CSG is making any socio-economic impact on the beneficiaries. Since there are so many manifestations of poverty, Khayelitsha provides us with a genuine case where a more comprehensive approach to social assistance and to poverty is needed. I will start by providing the profile of Khayelitsha.

5.2 The Profile of Khayelitsha

One indicator of the social inequalities in South Africa is the persistent segregation of residential areas. Most black South Africans have remained in areas where they were moved to during the apartheid era. One such area is Khayelitsha where the research

was done. Khayelitsha is a Xhosa word meaning 'new home', and it is a peri-urban settlement, historically a black township. It is 35 kilometres from Central Cape Town in the Western Cape Province. Khayelitsha, which presently covers an area of about 28 square kilometres; it is one of the three biggest black townships in South Africa. It becomes third after Soweto in Johannesburg, which is the biggest and Mdantsane in East London, which is the second biggest. According to Dyantyi et al (1998) Khayelitsha is under Tygerberg Substructure which itself is under the Cape Town Metropolitan Council. In Khayelitsha there are two types of residential areas; these are formal and informal settlements. The poorest areas are the squatters because of their lack of services of any kind and water is obtained from community taps at serviced sites. Many sites are unsustainable for housing and the location of shacks changes in response to flooding or drifting sand (Cook, 2001). I chose Khayelitsha because of its informal dwellings, it is Cape Town's largest African township (36% of Africans living in Cape Town live in Khayelitsha) and the people's income distribution there approximates that for Africans as a whole in Cape Town (Magruder and Natrass, 2005).

5.2.1 Brief History of Khayelitsha

History tells us that from 1955, only a limited number of Africans had legal right to remain in the Western Cape and in 1966 a deliberate policy of exclusion and harassment of African Cape Town residents was implemented. It came as a surprise that in 1983 an official announcement by National Party Cabinet Minister Dr Piet Koornhof that a "black" township at Swartklip, Khayelitsha, was to be created for African residents of Cape Town (Cook, 2001). This was a way to remove all black Africans within and around the city of Cape Town. According to Dewar et al (1990a) the first people to move to Khayelitsha were from Nyanga Bush (KTC) where 3 445 structures had been demolished in the beginning of 1983. In June 1983 people from squatter settlements mainly Crossroads who were prepared to live in Khayelitsha were housed in temporarily erected huts. The majority of Africans were not happy to be forced to move to this new place. Due to refusals, demonstrations and rioting in February 1985 the idea of moving all Africans in Cape Town to Khayelitsha was dropped (Dewar et al 1990a). Things changed by October 1985 when core houses were built for rent and all Africans legally residing in Cape Town were allowed to

rent. In 1986 the private sector was involved building houses and hostels accommodation for rent (Dewar et al 1990a). Many Africans started occupying Khayelitsha. The largest population settled in Khayelitsha came from Crossroads during the 1986 violence and after the abolition of 'pass laws' in 1986 (Cooper and Murray: <http://www.isisweb.org>). Ndegwa et al (2004) state that migrants into Khayelitsha constituted 86% of the African population and most of them originated from the Eastern Cape. The break-down is as follows: 56, 6% from Transkei, 11, 8% from Ciskei and the rest from other Eastern Cape areas (Ndegwa et al 2004). It should be noted that only a few Khayelitsha residents were born in the settlement. Cook (2001) confirms that the majority of Khayelitsha residents came from Eastern Cape.

5.2.2 Demographic details

The Western Cape has a profile population of 4.5 million, and of this 1.2 million are Black African. 600 thousand are black African men compared to 607 thousand who are women (Stats South Africa, 2005). The population of Cape Town is about 2.8 million and Africans number 916,540 thousand (Ndegwa et al, 2004 and Magruder & Natrass, 2005). The population of Khayelitsha, is about 328 997 thousand people of which 158,050 are men and 170, 959 are women. 50, 230 households are headed by males while 35, 757 household are headed by females. 97,308 thousand are children aged 0-14; 150, 070 thousand are youth aged between 15-34 years; 74, 248 thousand are adults aged 35-59 years and 7,371 people are those above 60 years old (City of Cape Town, 2005).

5.2.3 Social and Economic activity

Dewar et al (1990a) argues that most black people moved from homelands such as Transkei to Cape Town for economic and family links reasons.

Economically, conditions in the homelands are so poor that for many the perceptions of better life chances in the city are very strong. Many families living in rural areas in the Transkei and Ciskei do not have access to agricultural land and unemployment is frighteningly high. Even those who have access to some type of job face desperate struggles to survive...However, although perceptions of better life chances in the city are strong, the reality is harsh (Dewar et al, 1990a:24).

Ndegwa et al (2004) argues that the relaxation of influx control and ultimately the removal of legal barriers to movement allowed wives and children to join husbands and fathers in Khayelitsha.

Most husbands and fathers used to leave their families behind in their homelands to look for employment. The need to generate income still motivates some people in this township to live in shacks. But some people live in these shacks because they do not have many choices. Job seekers who leave areas where they have not been able to find work come to the Western Cape to find employment and most of them end up squatting in Khayelitsha. In Khayelitsha, the levels of education and skills are low and poor as this research has shown.

5.2.4 Electricity

Seventy six percent of households in Khayelitsha have access to electricity as a source of lighting. For those who do not have electricity they use candles and oil lamps for lighting and the lack of space necessitates that cooking is done indoors on paraffin stoves or open wood-burning fires. It has to be noted that construction materials are all highly inflammable as a result shacks are frequently destroyed by fire which very often ends in serious injury or loss of life (Cook, 2001). Whenever shacks are destroyed in fire, poor households lose all the belongings accumulated over a long period of time and thus are pushed back to severe poverty.

5.2.5 Shelter

In Khayelitsha 64.4% of households live in informal dwellings (City of Cape Town, 2005). It should be noted that materials for shack construction are difficult to obtain and must be paid for at commercial rates which most poor people cannot easily afford. Second-hand shack-building materials are expensive and prices of cardboard and plastic reflect the cost of transport from Cape Town. Even second-hand corrugated iron is almost as expensive as new iron and is obtained primarily from builders suppliers who deliver to the periphery of Khayelitsha or at the building material depot at Philippi, which is also far from Khayelitsha (Cook, 2001). Floors of most shacks are hardened earth which might be covered with plastic, cardboard or pieces of carpeting and most of such shacks are too hot in summer and too cold in winter (Cook, 2001). This is where the poor spend their lives.

5.2.6 Local employment

Local employment opportunities within Khayelitsha are very limited and largely confined to low-paying council jobs and the informal sector. There are very few formal shopping centres, and as such many are informal shops where prices are very high. This forces the majority of the people who happen to be poor to shop locally since they cannot afford to travel to Cape Town or Mitchell's Plain to shop because of the lack of money for transport. Cook (2001) states that the range of goods is also limited and the operations themselves are tenuous. Since the informal shops "spazas" have no trading restrictions, most accessible rooms become such shops where credit is open throughout (Cook, 2001). In the City of Cape Town, an estimated 33% of households earn below the Household Subsistence Level/HSL (<R1600/month), which limits their access to basic needs such as food, transport, shelter and energy. These conditions are of an extreme nature in Khayelitsha where 71.8% of households earn below the HSL (City of Cape Town, 2005). This information is almost the same as it was in 1990 when unemployment in Khayelitsha was estimated at 80 percent and poverty endemic. Dewar and Watson (1990a) reported that market research showed that 76 percent of households in sites B and C of Khayelitsha had earnings below the household subsistence level.

5.3 A summary of the research design and techniques

This chapter contains an analysis and interpretation of the findings of the research in Khayelitsha Township. The population sample of the interviews consisted of 20 CSG carer-givers. The method that I have used is the quantitative and qualitative research process that involves using an interview schedule for the 20 care-givers. The information from these care-givers was captured in Excel format. Drawing from those findings, I will then use secondary research and literature to illustrate how positive impact of the CSG influences the characteristics of a developmental state.

5.4 The profile of research participants

Figure 5: The research sample

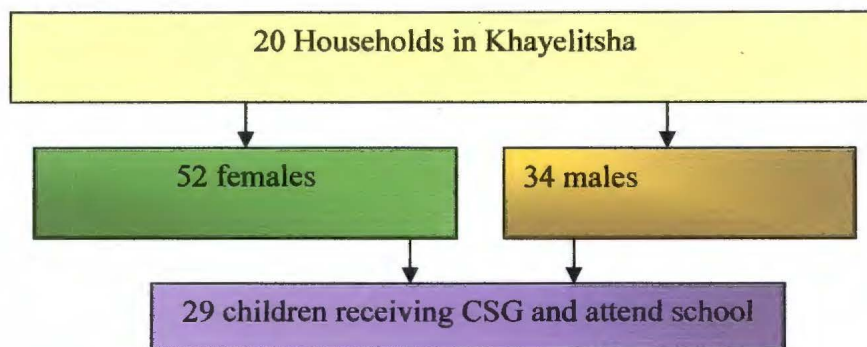


Figure 5 shows that most members of the household in the sample are women, 52 females compare to 34 men.

The main findings in this sample are as follows: the household size varied from two to eight. The majority of the households have three and four household members. All the households have children varying from one to three. In all the households there are adult members of both sexes, 52 are women and 34 are men. There are 29 children receiving CSG in the sampled households.

Does state based social assistance provision in the form of a CSG influence the character of a developmental state? The CSG provides a lifeline for poor households and a way of making them feel part of South Africa. Through a CSG and other forms of social provision the poorest members of South African society are able to attain civil, political and economic rights. This is crucial in the formation of the developmental state.

5.5 An Overview of the main findings

Three households have small businesses and two households have vegetable gardens. Three quarters of the households live in shacks; this explains why 14 households live in fear of fire that could destroy their belongings. In many households there is more than one CSG beneficiary. In one third of the households, there is a combination of CSG and OAG (Old Age Grant). **50% of the households rely on CSG as their source of income.** It follows then that without CSG most of the households would be destitute. All carer-givers spend most of their CSG on food, 6 households spend part of CSG on school transport, 3 households spend part of it for transport to look for a

job, 4 households spend part of it on African medicine and 8 households spend part of it on clothing. All carer-givers interviewed in this research are women and they reported that they have a bigger say in household budgeting even in households where men are present. One third of the households take loans from micro money-lenders. All the carer-givers in this sample are either the biological mother of the child or the grandmother of the child.

Figure 6: Household Size

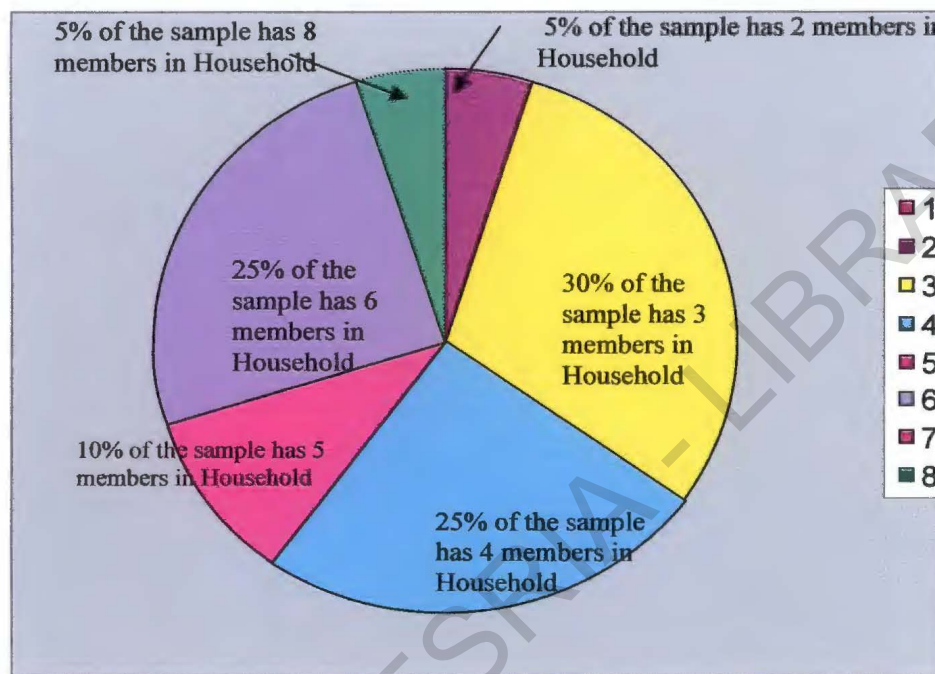


Figure 6 shows the household size of 20 interviews done. It has been converted into percentages.

Basing on figure 6, the impact of the CSG is variable depending on the size of the household. The bigger the household size the more income will be needed. As it has been shown in the sample, when the CSG is the only income in a household, the higher the diminishing factor of its impact on the household would be. The biggest percentage of the sample has 3 members in a household and it is within these households where CSG is the only income. It can be argued that in most of the households, one finds 3 members of the family and at the same time it is within these households where CSG has been found to be the source of income. As such it is easier to find out the socio-economic impact of CSG in a household because the household

will have to budget according to the total amount of money they get from CSG against the household needs.

Figure 7: How Households spend their Child Support Grant

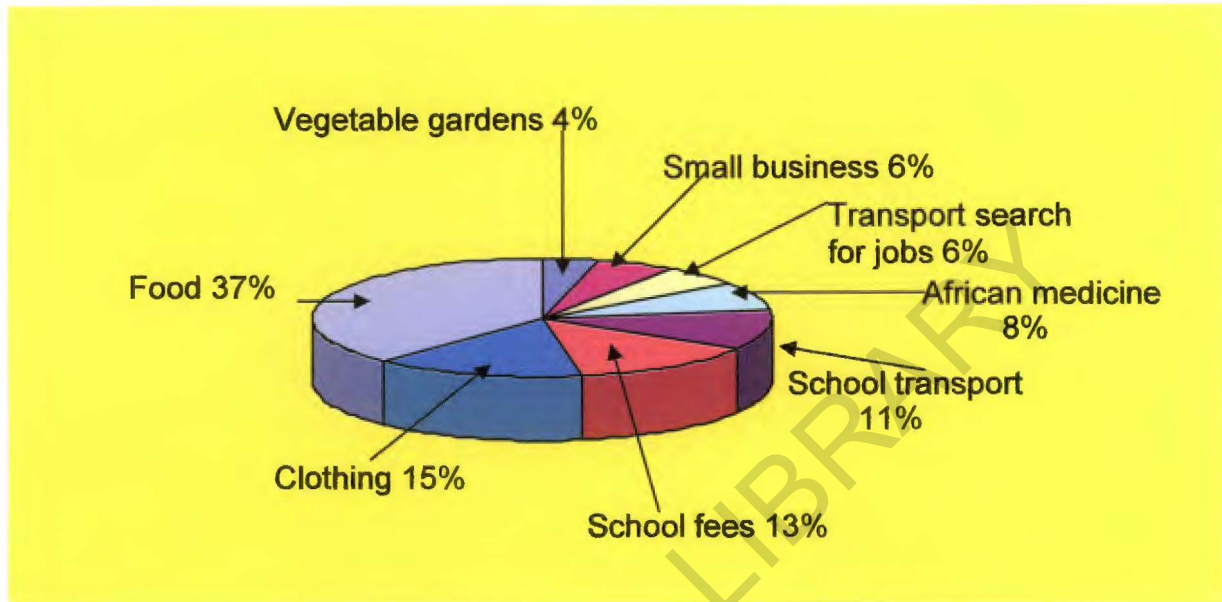


Figure 7 shows how households spend their CSG. The biggest percentage of their CSG is used to buy food, seconded by clothing and the lowest is used on vegetable gardens. There is certain % of debt payment related to HIV/AIDS expenses though is not reflected in the diagram. This figure indicates that CSG is used beneficially.

5.6 How CSG is used

This section deals with how the household spend the amount of money they get from CSG according to the priority in a household.

5.6.1 Using CSG for Economic Activity

In this thesis it has been found that CSG alleviates poverty in the short to medium term, and also has the possibility of reducing poverty, encouraging job creation and human development. CSG alleviates poverty by being the main source of income or by increasing household income that is mainly used to enable household consumption. The social-economic impact of CSG varies according to households' poverty level and other sources of income. Income stabilisation pre-empts acute distress. This research shows that CSG as a poverty alleviation grant is effective, and in some households it goes beyond poverty alleviation as it can generate small investments.

The sustainable poverty alleviation of CSG should be assessed in terms of promoting household livelihoods. The most important thing is whether households are able to buy nutritious food. The findings of this research show that they are able to do so even though some of the households run out of such food stuffs towards the end of the month. Some households use CSG to buy seeds and manure to cultivate vegetables near the shack. In some creative households they use the grant's money as working capital to increase profits from informal activities such as petty trading. This research has shown that some CSG beneficiaries have the grant as their only source of income. But for others who have other sources of income, the grant increases their household income thus it has a much more significant poverty alleviation impact. The question that needs to be asked for those who have the grant as their only source of income is, how will they survive after the child is over 14 years old?

5.6.1.1 Duration of Child Support Grant

The findings show that households where the child has been receiving the grant from the age of 0-6 up to the present time, there is a greater socio-economic impact. In areas such as regular school attendance, good nutrition, no malnutrition, and the ability to buy things on credit because of an ongoing and regular source of income through the grant and the start of informal small business. But for those who started receiving it later than 2003, there is a less visible impact because their income has not stabilised. Recipients of the CSG who have no other source of income or those who will only receive the grant for a few years before the age of 14, removes them from the system, the grant will not impact significantly on their households' livelihoods.

The multiplier and stabilisation effect is on the households that have been receiving the child support grant for a number of years. This stabilisation effect is contingent on the length of the period over which the grant is being received. This raises the concern for those newly receiving this grant. What will happen once their child reaches the age of 14 years before they can establish survival mechanisms such as small businesses or even getting employed? In this regard the government and the Non-Governmental Organisations need to help in educating the public, how to survive after the grant is terminated especially the very poor who depend on the CSG.

Households where the children have stopped accessing the grant, if they are not empowered and helped to start small businesses for example, will be like many workers in the Expanded Public Works Programme who return to the ocean of unemployed labour after completing their short term employment projects, without being absorbed into the labour market.

5.6.1.2 The amount of Child Support Grant

At present the amount of the CSG is R180 per child per month. This amount is not enough for a person to live on for the whole month but if used creatively and properly, it can be like the biblical mustard seed that grew and produced branches where birds could nest in. This grant is capable of buying basic food and a source of the multiplier effect such as starting small business in the long run. The research findings concur with Devereux quoted in McCord (2003) that the poor use grants as incremental income to satisfy basic consumption needs first, then invest in human capital (education and health) and social capital to invest in income generating activities. In this way the CSG only impact on productive investment if the accumulation of the grant through a period of time or the amount of it (if the care-giver receives a grant for more than one child) is large enough to cover consumption needs. As we have noted above that since this grant is received regularly, households are able to accumulate assets (asset building) such as appliances, tools for production as they can buy things on credit and still others are able to save small amount (financial savings). These assets (i.e. buildings), that are tangible and financial in nature, have implications for public-social policies and household development in the sense that they can be viewed as one way to increase human capabilities as Sen (1985) would argue.

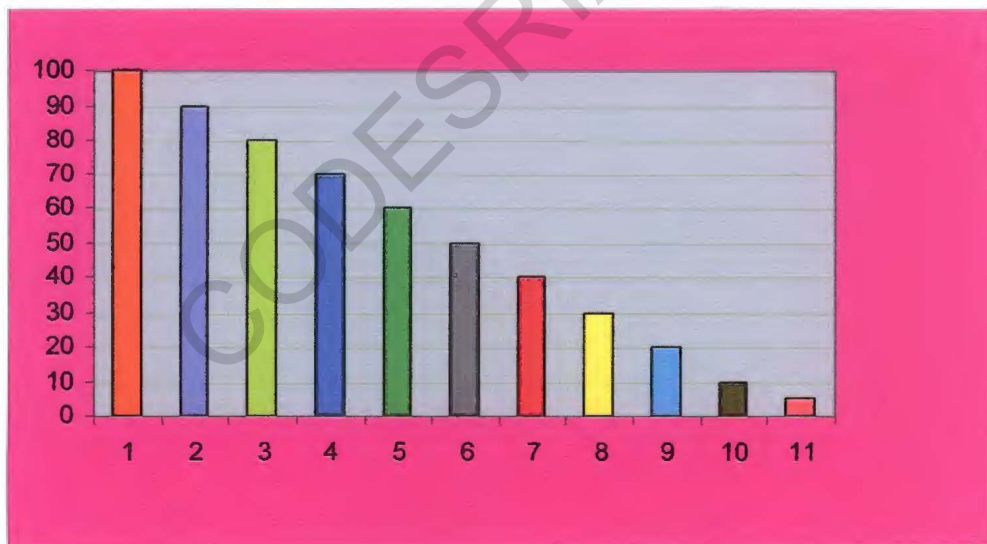
Thirty percent of the sample mentioned, are women. Some women become pregnant so that they can have an income in their lives. It follows then that some women fall pregnant to receive Child Support Grant and even have more children to get more money. The more children they have the more amount of money they will receive and the bigger their expenditure list. It has to be noted that for somebody who has no other income, they could be pressured to do anything to get some money, including falling pregnant. But it is not the aim of this research to find out the motive in falling pregnant but to find out the impact of the grant on the child's poverty and the

household where the child resides. In this regard it was necessary to mention the intention of becoming pregnant because the more children receiving the grant, the more income the household has available to spend. It should be noted that income from CSG and small business arising from grants directly and indirectly in Khayelitsha circulate within the community and thus promote sustainable economic development within Khayelitsha.

5.6.2 Using CSG for Food

The findings in this research show that most of CSG beneficiaries spent their income on food. This result concurs with other studies in developing countries, where they have found out that food expenditure constitutes a large portion of total household expenditure (EPRI, 2004). The households use their CSG mainly to buy the following food stuff: beans, rice, maize meal, meat, tinned fish, sugar, salt, cooking oil. These food items are mainly the ones listed as the minimum monthly ration scale for low income groups, outlined by the Department of National Health and Population Development in 1993 (EPRI 2004).

Figure 8: Food Households commonly bought with CSG



1: salt and sugar

2: cooking oil

3: maize meal

4: fish and Soya soup

5: bread

6: cabbage, tea and meat

7: jam/margarine

8: cake flour

9: rice

10: beer

11: cigarettes

Figure 8 shows that most of the household in a sample use their CSG to buy basic food. The highest percentage of the CSG goes to food stuff that household cannot do without them. The last two items on this figure are non-food items. It follows then household use CSG in a beneficial way. All the households in a sample buy salt and sugar as the 100% indicates.

Monthly Cost of Food, August 2000

Child 1-3	Child 4-6	Child 7-10	Male 11-14	Male 15-18	Male 19+	Female 11-14	Female 15-18	Female 19+
R79.25	R95.55	R118.17	R140.70	R160.57	R160.57	R135.56	R135.56	R135.56

Source: Potgieter (2000) in EPRI (2004).

If we consider these prices for Cape Town on food stuffs per person per month, I find out those households in my research in Khayelitsha, they are in food poverty. This is very true especially those who depend on CSG as the only source of income. For instance household 1 with 3 members in a household where there is one adult female (R135.56 per month per person), two children of under 10 years (R236.34 per month per two of them). The total comes to R371.90 per month per three of them. In this household the only source of income is CSG (R360). The income is not even enough to cover for the minimal requirement of nutritious food per month. This is not considering other expenses such as transport for school or to search for a job and not medication. In this regard such a household is in poverty crisis such that CSG will just help them to survive poverty but not lifting them out of poverty.

Let us consider household 2 where there are also three members where by 2 members are adults, one female and one male (R160.57 + R135.56 = R296.13 per month per two people). A boy is 12 years old (R140.70 per month per person). The total required for a month is R436.83. Their income is R180 for CSG and R1, 350.00 from selling fat cookies. Their total income is R1, 530.00. This household can easily manage to afford the minimum nutrition for the month and extra cash can go to other expenses. Households who only depend on CSG are the ones who go hungry towards the end of the month because they do not have money to buy food.

5.6.3 Using CSG for Medical Care

It has to be noted that health is a direct reflection of the society's welfare. Very often health and economic productivity are directly related. If there is no investment in healthcare of its citizens, it is highly likely that the very same people who are economically active may not be able to contribute to the economic growth of the state due to health status. Whenever the state does not invest in the healthcare services, in the long term the state might find itself spending more in trying to cure illnesses that would have never occurred had it been that basic health care was provided to people at an early stage.

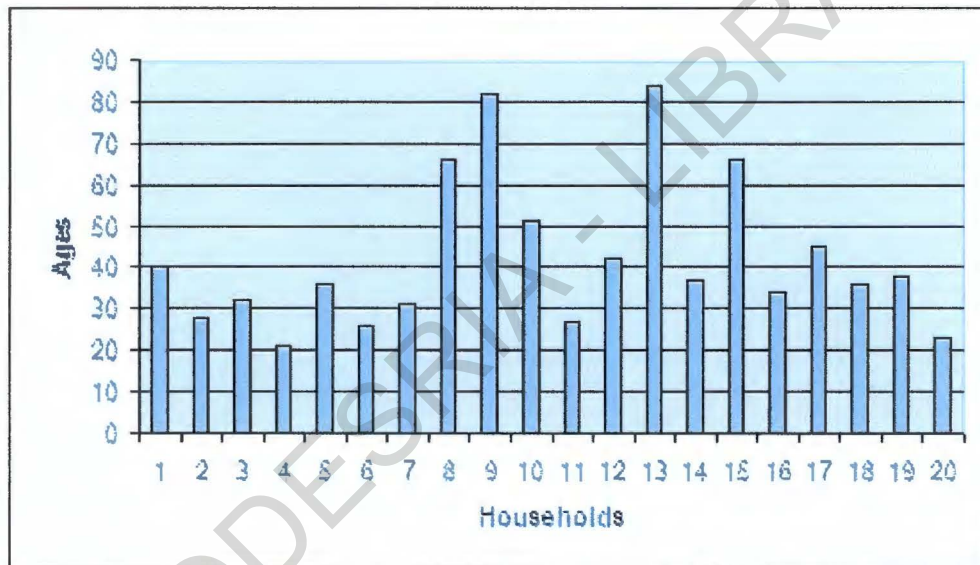
HIV/AIDS has an economic impact on the household expenditure in general and particularly on children's poverty. The CSG helps a lot in HIV/AIDS stricken households. Forty percent of the respondents stated that every month they use part of the CSG to pay for credit from money borrowed to bury a family member who has died from HIV/AIDS. Some are still buying medication especially from African doctors (traditional medicine) for sick family members. These respondents choose to consult the African doctors for HIV/AIDS medication as it is thought to be more accessible and affordable compared to western medication. Furthermore they believe African medicine (from the African doctors) can easily cure HIV/AIDS because they have built trust in the African medicine for generations. However, this African medication is not provided free of charge and thus takes a portion of their grant/income per month. The longer an HIV/AIDS patient suffers the higher the household expenditure becomes. This further shows that the CSG has a greater socio-economic impact on the household's well-being and is instrumental in poverty alleviation and eradication.

This indicates that CSG is not just for child support as it is supposed to be, but it becomes a family support grant because of a family needs that arise. This is so because once the grant is received it goes into the family basket to be used for family expenditure. The findings show that the first priority is not to make sure that the child does not starve, but what the family's urgent expenses are. Two respondents said that the sick family members (suffering from Pneumonia and TB), whom they are helping, used to support the family with income when they used to work.

Now that they have been declared unfit to work they cannot be left without support, as such any income that the family has, will be used on them. In general the CSG has a fundamental socio-economic impact on the household to keep the family going. The CSG that is supposed to alleviate child poverty is being diverted to alleviate family poverty and in some cases it is used for medical expenses and funeral costs. These findings concur with Booyesen (2003b) in his examination of the role of social grants in alleviating the impact of HIV/AIDS on poverty stricken households. Booyesen showed that households that had been affected or had experienced a recent morbidity or mortality were more dependent on social grants than those that had not.

5.6.4 Using CSG for Educational purposes

Figure 9: Educational Profile



EDUCATION PER CAREGIVER

1	No educ.	6	Grade 9	11	Grade 12	16	No educ.
2	Grade 10	7	Grade 6	12	No educ.	17	No educ.
3	Grade 4	8	No educ.	13	No educ.	18	Grade 7
4	Grade 11	9	No educ.	14	Grade 5	19	No educ.
5	No educ.	10	Grade 2	15	No educ.	20	Grade 12

Figure 9 shows the education profile for the 20 households. According to this information, the caregivers who are older than 40 years have no education while those who are under 40 had some education. Only two caregivers reached matric level.

Education is the key to success and it plays a key role in human capital formation which impacts on national economic performance. Education is very critical to

improve employment, reduce poverty and food security in a household. On the national level, it improves the country's resources capacity and productivity. Education raises people's living standards by allowing greater freedom to make informed choices. It follows then that lack of education affects social and economic development.

Most of the people who are poor, unskilled and marginalised are those who never went to school or never went far enough to be skilled. Statistics South Africa 2001 found out that the highest level of education and labour market status of the household head had a direct impact on the living conditions of the entire household. "People identified as household heads, particularly women, may require special attention in terms of receiving training, particularly in extending...employment creation schemes" (Stats South Africa, 2005:198). This research and other work done in Khayelitsha have shown that many unskilled and uneducated people reside there. This makes it almost impossible for most of the residents to get employment. Most of the respondents said that they had not reached Matric level. This dates back to Bantu education that favoured the minority (white people in general) and disadvantaged the majority (black people). The lesser education or the fewer skills one has is confronted with the probability of a poor socio-economic situation. The most likely this will impact on the children unless there is an intervention to improve the socio-economic situation just like the provision of CSG. Esping-Andersen (2001) argued that children's ability to make the best out of schooling depends not just on the quality of schools but also on the social conditions in their families.

In this research it has been shown that there is socio-economic impact of CSG on education and as such it would be instrumental in poverty eradication. But CSG alone is not enough to improve the poor socio-economic situation that has been there for many years. There is a very strong connection between poverty, unemployment, unskilled labour and education as all these have to do with the household socio-economic situation. Good education that should start with Early Childhood Development can reduce skill shortages and promote better livelihood in later years. This will help them to find better and long-term employment that will contribute to poverty reduction and better household development.

It is deduced from this research that CSG plays a great part in education outcomes (in terms of learners concentrating in school, attending school regularly and performing well in school). Research (EPRI, 2004; WCDSSPA, 2004 and ACCESS, 2006) has shown that social assistance grants counter the negative effects on households by providing households with more resources to finance education.

Children in households that receive social grants are more likely to attend school. Furthermore, it improves the learner's socio-economic situation as CSG puts food on the table and school transport money. Even though South Africa is economically a power house of Africa, South African pupils fall behind their counterparts in other African countries (very much poorer than South Africa) even at a young age (SA Reconciliation Barometer, 2005). While service delivery has improved for poor children and we can stress the socio-economic impact of CSG, the need of the poor children, outstrips progress and resources made available to them.

Considering the question that I have been trying to answer in this chapter, which is, "What impacts does social assistance provision in the form of a CSG, has on poor household?" It has been shown with the findings from Khayelitsha that CSG lifts poor households from destitution. CSG provides the households with food, clothing, school fees, school transport money, and transport to look for a job, money to buy seeds and manure for vegetable gardens and even to start small business.

5.6.5 Other Intervention needed by Government

Having seen the impacts that CSG has on poor households one would ask, "Can such impacts together with other policy interventions contribute to lifting people out of poverty and building their developmental capacity?". In this section I will try to answer this question by examining other interventions.

5.6.5.1 Microfinance and small businesses

The provision of CSG, a means-tested transfer as one component of the state's intervention in alleviating child poverty, could be boosted with simultaneous access to capital through micro-credit facilities to start small business. Micro-credit facilities would help households that are not able to accumulate capital directly from their

CSG. Some respondents said that they are not able to have extra income because they have no access to micro-credit facilities to start small business as an informal income generating activity. They then resort to borrowing from money-lenders at high interest rates thus perpetuating poverty.

It follows then that lack of access to capital is a major disincentive to self employment among the beneficiaries of CSG. There can be no adequate sustainable socio-economic impact of CSG on poor households without a basket of interventions such as access to credit. Households that have extra income apart from the grant, have food until the next pay of the grant compared to most of those who depend on the grant as a sole source of income. This finding is supported by a survey, within Expanded Public Works Programme in Limpopo where public works participants cited lack of access to capital as the primary factor inhibiting informal income generating activity (McCord, 2003). Micro-finance can promote small business that in turn can contribute to household savings and asset building. These ultimately would improve household stability, increase the welfare of children and promote development of human capital. This could be a big boost for the developmental state. This is how the socio-economic benefit of CSG comes about, with other interventions and not only the grant by itself.

5.6.5.2 Land

The socio-economic impact of CSG would be felt more if the household was given other economic means and access to basic services such as shelter and a healthy environment. 80% of the respondents outlined a lack of land as a contributing factor to their persistent poverty level. It should be remembered that just before 1994, and after the first democratic election in April 1994 land was one of the most contested issues. Such that towards the end of apartheid era, civil society organisations (CSOs) promoting land reform for the benefit of the landless and other disadvantaged communities were contesting bitterly with the National Party government and its allies, the white farmers' unions (Camay and Gordon, 2004). The African National Congress led government in the *Reconstruction and Development Programme (RDP)* in 1994 committed itself to pay urgent attention to the land issue, "The land reform programme ...must be in place within one year after elections.

The programme must aim to redistribute 30% of agricultural land within the first five years of the programme. The land restitution programme must aim to complete its task of adjudication in five years” (Section 2.4.14 of the RDP, ANC 1994).

The *Restitution of Land Rights Act No.22 of 1994* was signed into law by President Mandela on 17 November 1994 among others, it stated that all land claims were to be made against the State that would finance restitution or compensation, or provide some other form of relief. The land redistribution programme aims to provide the poor and the marginalised, including CSG beneficiaries, with access to land for residential and production use in order to secure their tenure and improve their living conditions. But this has remained a big challenge such that people build their dwellings close to each other because of shortage of land. 90% of the respondents do not have a small portion around the shack where they can grow vegetables. Lack of space between dwellings makes it difficult to have fresh air that is good for their health and at the same time such closeness makes it difficult for refuse to be collected, this becomes a health hazard. One of the greatest fears of the respondents is the occurrence of fire. Because of how the shacks are built once one shack burns, all shacks in the vicinity burn destroying all they had accumulated.

It can be argued that the willing seller/willing buyer principle to acquire land with full rights of ownership (Camay and Gordon, 2004) failed the poor. The implementation of land restitution and redistribution in practice has been disappointing. Bearing in mind the original intentions of land restitution and redistribution, what emerged in practice was demand-led land restitution and redistribution programmes rather than a rights-based, proactive approach by government. Khayelitsha in general is a good example where there have been serious shortfalls in meeting targets and very little improvement in the lives of communities within land reform projects. Land redistribution and restitution in South Africa can play a vital role in developmental state, especially in townships such as Khayelitsha and rural areas where it can contribute to sustainable livelihoods, food and social security.

Many previously disadvantaged people have not profited from land redistribution as land still remains in the hands of the few. Some progress has been made of land

reform, but most aspects of the programme have suffered from major delays in delivering land and secure rights to the previously dispossessed and have had minimal impact on the racially-skewed distribution of land in the country including Khayelitsha. This raises questions about the commitment of the state to land reform as one mechanism to boost the socio-economic situation of poor household and children in particular. Access to land can contribute to the socio-economic impact of CSG on households where care-givers reside and as such be instrumental in poverty alleviation and eradication.

In this section it has been shown that the impacts of CSG on poor households with other government interventions such as access to microfinance and small business, land and other social services such as free basic education, basic healthcare, would lift people out of poverty and building their developmental capacity.

5.7 Is South Africa a developmental state?

In chapter one some characteristics of a developmental state were mentioned such as the ability to manage the delicate balance between growth and social development. Another characteristic of a developmental state is an integration of social security and economic growth goals within a wider developmental strategy (Manuel, 2004). Among other issues Mkandawire (1998), argued that a developmental state conceives its 'mission' as that of ensuring economic development. Taylor (2005) elaborated more on developmental state. She says that it has an approach that works against large social deficit such as lack of access to health, education, housing, water, sanitation and work opportunities as these might become barriers to sustainable economic growth. A developmental state tries to find ways of recognising people (such as children living in poverty in Khayelitsha) who are excluded from any acceptable minimum standard or way of life so that they can contribute to development.

South Africa's economic growth has been good, despite the increased social security expenditure that has grown so much due to the extension of the Child Support Grant in 2003. It follows then that the economic growth has not been disturbed because of the amount of money spent on social grants, mainly CSG. This economic development has given South Africa confidence such that it is optimistic to achieve an

economic growth of 6% annual real Gross Domestic Product (GDP) within 2006/07 financial year. It is encouraging to note that 2005/06 financial year, just like the two preceding financial years, there has been more revenue collected than expected (National treasury-MTBPS, 2005). This means that the country can continue spending more money on social security if it wishes to do so.

A developmental state recognises a basket of basic services for the comprehensive sustainable development of people (Taylor, 2005). South Africa continues its effort in fulfilling resource obligations to children's constitutional socio-economic rights. Furthermore, in making sure that poor children receive a basket of services, the MTBPS 2005 for the 2006/07 financial year has certain provisions. These include the following:

- there will be an increase in provincial equitable share to help provinces eliminate school fees in schools operating in poor communities especially children receiving CSG;
- the state has allocated additional R4,2 billion over the next three years for financing an expansion of Extended Public Works Programme that includes Early Childhood Development services for children between 0-5 years old;
- an increase in the allocation to national government to allow the value of social assistance grants including CSG to increase in line with inflation.

Basing on the above points, South Africa is a developmental state. It has balanced economic growth and social spending on social security. South Africa fulfils the progressive realisation of socio-economic rights as stated in the Constitution through the provision of CSG. So far direct support to needy children through CSG to improve their well-being has not undermined the capacity for economic growth.

To what extent does state-based social security provision influence the characteristics of a developmental state using CSG as an example? The literature review and the profile of Khayelitsha in this thesis has shown that factors such as high levels of poverty, the HIV/AIDS pandemic and increased unemployment, trap millions of South Africans in extremely difficult situations and put their livelihood in danger. CSG as rightly pointed out in the White Paper on Social Welfare (Ministry for Welfare and Population Development, 1997) as being a small part of the comprehensive package of social development intervention, will examine in two

ways. The first way, it will be examined in as far as it contributes to poverty alleviation in the short to medium term. The second way will be examined in terms of its long term contribution to poverty reduction, creation of sustainable jobs and contribution to human development.

5.7.1 Can the CSG be a feature of South Africa as a developmental state?

The task of a developmental state especially in South Africa is to fight poverty and expand economic opportunities for the poor and the marginalised. These are the two main ingredients to ensuring that poor people are being looked after and also ensuring that the country competes globally. It is very hard if not impossible to make the economy grow faster if short-term poverty alleviation measures such as social assistance are not being given priority at the same level as economic growth. This is so because when economic growth is ready to fighting poverty, the consequences of poverty might have now worsened the situation to the extent that even economic growth would not be able to eradicate poverty. Having analysed and interpreted the findings of the research with regard to the CSG as a state-based social security intervention, it is appropriate to examine such findings if CSG could be a characteristic of South Africa as a developmental state.

5.7.1.1 CSG's contribution to Poverty alleviation

One characteristic of a developmental state is that it should alleviate poverty in the short to medium term. This research has shown that there has been a significant socio-economic impact of CSG on household where care-givers reside. The amount given of this grant manages to alleviate poverty and developmental in long term as Esping-Andersen (2001) argues, child allowances add to families' spending power but they do also diminish poverty and thus enhance children's future life chances. It has been shown that the bigger percentage of CSG on a sample group goes to food stuff. Some households mentioned that before their children started receiving CSG, they were having sugar water as breakfast and they used to have one meal a day. CSG alleviates poverty as those who receive the grant are not destitute any more. Direct social assistance to citizens in need, is essential in a society where poverty is widespread, the HIV/AIDS epidemic is a reality and employment opportunities are scarce. According to ACCESS (2006) if there were no social grants available to poor people, an additional

430,000 households (or 1.66 million individuals) would be in poverty. The impact of this grant is realised immediately in beneficiaries' households.

CSG boosts available disposable income that helps to pay the otherwise unaffordable costs such as education, funeral costs and medical treatment. Expenditure on medical treatment includes both western and African medicine. As it has been mentioned above, some black Africans have more trust in African medicine (traditional medicine) when it comes to chronic diseases such as HIV/AIDS. Furthermore African medicine is easily accessible compared to the availability of ARVs.

In the short to medium-term CSG will continue to be a main source of direct income for many people as the government testifies "...the social security system and public health services will continue to be important sources of support for significant proportions of the population" (National Treasury-MTBPS, 2004). CSG in a short to medium term alleviates poverty and since one characteristic for a developmental state is social security's intervention to alleviate poverty, CSG actually does that, it follows then that CSG is a characteristic of a developmental state.

5.7.1.2 CSG's Poverty reduction, Sustainable jobs and human development.

Poverty reduction, creation of sustainable jobs and contribution to human development are some of the characteristics of a developmental state. This research and other works done within social security as seen in the literature review, show that CSG has long term benefits. These include poverty reduction, contribution to sustainable jobs and human development.

CSG makes it possible to have food on the table. The availability of nutrition goes beyond the poverty alleviation because it needs healthy people to contribute to human development. Children with empty stomachs hardly concentrate in school if they happen to go to school at all. In general children need food to grow and stay healthy. This contribution is usually realised in the long run. It is within this thinking that CSG has long term impact on households in as far as investing in education and poverty reduction is concerned. Investing in education will in the long run reduce the number of people dependent on government's social security as they would be self-sustaining.

Some people use this CSG for transport to go and look for employment. One can already conclude that CSG improves the chances for people to look for work. This research has shown that in households where they have other sources of income, the standard of living is better. This is because they have increased income to spend therefore the probability of reducing household poverty is higher.

The saving schemes that other recipients of CSG are involved in help them to accumulate assets such as fridges, stoves, TVs, and beds. It has been established that CSG helps others start small business and market gardens. In the long run this can contribute significantly to the household income and thus reduce poverty and promote human development. The analysis of the socio-economic impact of the CSG on beneficiaries' households in Khayelitsha shows that CSG is a characteristic of South Africa as a developmental state. It would be rightly concluded that the state-based social security provision, the Child Support Grant, influences the characteristics of a developmental state.

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CHAPTER SIX

6.1 Conclusion

Out of 46.9 million of the South African population, it is believed that almost 22 million of the population live in poverty. Eleven million do not qualify for income support. Many of these people are indigent, they lack food security and they are vulnerable to the worst forms of exploitation and abuse. This means that half of the population live in poverty, and a quarter needs income support. This research finding has shown that poverty causes vulnerability whereby households borrow money from money lenders at high interest rates. CSG is a means-tested benefit and it helps somewhat to alleviate household poverty and can act as a springboard out of poverty.

It has been mentioned in chapter one that the object of this research project is to collect information from some care-givers of children receiving the CSG to find out the extent to which such state-based social assistance provision has a positive impact on poor households. The primary research goal was to explore and analyse 4 questions related to the primary research goal. The following were the questions:

- Can the CSG illustrate an appropriate social policy intervention of a developmental state in the context of mass poverty?
- Is South Africa's conceptualisation of social policy and social welfare in keeping with a developmental state?
- What impact does social assistance provision, in the form of a CSG, have on poor households?
- Can such impact together with other policy interventions contribute to lifting people out of poverty and building their developmental capacity?

The primary research goal has been to study the extent to which state-based social assistance provision influences the character of a developmental state. I have also used the secondary research and literature to illustrate whether such impact of the CSG influence the characteristics of a developmental state.

The findings from this research with the help of the mentioned questions, CSG enables households to afford basic foods; enable children to go to school, start small business, to enable members of the households to use part of the grant for transport to look for work. (In situations where they cannot find work, this is a big risk because it becomes expenditure every month). It also enables them to access credit. This thesis has shown that some households depend on the CSG to borrow money to solve short

term problems without realising that they are putting themselves in long term deprivation as they will have to pay for such credit for a long time, if not perpetually. This is so because the CSG is not enough for their needs and further the inadequate income does not allow them to pay off the credit at concurrently. At the same time, it is difficult to avoid such credit, as doing so might plunge them perpetually into deeper deprivation.

The issue of HIV/AIDS seems to be the main cause of death amongst the poor people compared to the middle class and the rich because they cannot easily afford a better diet and access to anti-retrovirals (ARVs) that can help them live longer. As a consequence the household expenditure of those affected is strained because part of the grant is directed to taking care of the sick in terms of nutrition, medication and paying for funeral services. Since the grant stops at the age of 14 years, it is vital that such households put in place mechanisms to survive after the grant. The primary objective to poverty eradication should be intensifying small businesses such as selling basic needs to the community, gardening, sewing projects, where possible provide vocational training to poor people so that they can get a job but above all making education free and easily accessible for the poor especially those receiving the ECSG.

It can be argued that the Child Support Grant (CSG) from 0-6 to 7-14 years in 2003 as recommended by the Taylor Report (2002) indicates that this cash grant is a powerful instrument of poverty alleviation and economic development. Research (EPRI, 2004) done by prominent institutions on the outcome of social grants in general and the Child Support Grant in particular shows that social grants play a critical role in reducing poverty and promoting social development. Social grants contribute greatly to the developmental state, especially by promoting household development, with regards to effects on health, education, housing and other essential services. The research by EPRI (2004) on social grants shows that South Africa's system of social security successfully reduces poverty, regardless of which methodology is used to quantify the impact measure or identify the poverty line.

As it has been found in this research, CSG has a positive socio-economic impact on poor households and thus more efforts should be made for eligible poor children who are not receiving such grants, to access the grant. The argument that other people put forward to limit Child Support Grant beneficiaries is that it would create dependency. The one thing that such people forget: that everyone who is employed depends on their employers for whatever standard of living they seek to maintain. Poverty and unemployment are involuntary and unavoidable for many, so it is not proper that one could think that the poor and the jobless are to blame for whatever troubles they have.

6.2 Recommendations

The South African Constitution guarantees everyone a right to social security including if they are unable to support themselves and their dependents. This constitution defines a child as anyone younger than 18 years of age. This research based on a limited sample and an extensive literature survey, has shown that in the presence of high poverty ratio, the CSG is the only way for poor children to access many of their basic needs. According to EPRI (2004) the extension of CSG to all eligible children of 14 years, it reduces the poverty gap by 16.6% and if it can be extended to eligible children under 18 years, it will reduce the poverty gap by 21.4%. It is therefore, recommended that eligible-children should receive this grant and further extends it to all needy and poor children under 18 years of age. By extending the child support grant to all poor children will make a difference to substantially more households with children under 18 years old.

Suitable and idle land must be identified for distribution/redistribution to the poorest members of the community. This should be accompanied by government subsidies and wherever possible a budget could be created to build the capacity of communities to handle housing projects. Civil society should intensify the campaign for free services for the jobless and the poor such as free health care services. Small and medium size business sector should be intensified. Credit facilities should be made available to those who want to start income generation projects. Community based development should be supported by every sector of society. The government and other sectors should see informal sector as one source of contributing to the socio-economic situation of the community, and thus support it in full. The informal sector

can help resource mobilization. The intensification of the campaign to stop women and child abuse including involving women in development activities will go a long way to boost the socio-economic situation and peace in household which is the foundation for human development.

If we are to sustain the socio-economic impact of the CSG and promote people's livelihoods, business sector, government and civil society should be involved in household empowerment and promote small businesses. Such a joint venture will reduce and alleviate poverty while promoting social development.

It is critical that micro-credit facilities should be available to the beneficiaries of CSG so that small business can contribute to the multiplication effects of CSG within the household, community and ultimately at a national level as a whole.

In order to have sustainable socio-economic impact of CSG on households, poor children receiving the grant should have free education and school uniform (uniforms provided freely). In doing so, we shall transform the future of our children from a poor socio-economic background and enable them to improve their status later in their lives. South Africa as a developmental state needs to place more emphasis on the characteristics of a human developmental state so that many common women could be empowered and be given strategies of establishing small businesses. There ought to be respect for women and children. Women must be integrated into developmental projects.

6.2.1 Human Developmental State

The measurement of a developmental state according to its values can be misleading. Since one values it to alleviate poverty, once this is done, one can easily conclude as I have concluded that South Africa is a developmental state while thousands of children continue to starve. Another value for the developmental state is to achieve economic growth. South Africa has been achieving economic growth but yet this has not translated into job creation for millions of people who are living in poverty. Furthermore, South Africa seems to conform to human rights-based approach and yet

millions cannot have a meal from the 1st of the month to the end. Perhaps this is the time to try a human developmental state.

The purpose of a human developmental state would be to address human needs while promoting the *comprehensive* well-being of human beings and nature. Well-being is meant in the sense of a conducive environment which allows the comprehensive unfolding of a being as it is supposed or meant to be (Nürnberg, 1996). The Human developmental state aims at addressing human needs that go beyond material ones, it encourages human rights based approach to development and emphasises the involvement of women and girls in development activities. This human development state measures development widely that is beyond GNP. In this sense human beings assume control of their destiny (Gutierrez, 1973). This implies “liberation from all that limits or keeps [people] from self-fulfilment, liberation from all impediments to the exercise of [their] freedom” (Bonino, 1975:35), and the “totality of processes by which individual human beings and human societies seek constantly to realise their potentials” (Nissiotis, 1997:82).

Rights-based approaches in Social Policy and Development

The South African Human Rights-Based Approach in the Constitution is in line with rights-based approaches in social policy and development internationally. According to the UNDP (2000) a rights-based approach is a conceptual framework for the process of human development that is normally based on the international human rights standards and is operationally directed to promoting and protecting human rights. This means that South Africa will have to integrate the norms, standards and principles of the international human rights system into the plans, policies and processes of development and social provision. This approach includes the expression of linkages to rights as rights-based approaches are comprehensive in their consideration of the full range of indivisible, interdependent and interrelated rights as we have seen above.

If it could be concluded that CSG as the state-based social security provision influences the characteristics of a developmental state, it would be highly recommended to extend CSG to all needy children under 18 years old.

Despite the constitution, the adopted values post 1994, the social welfare policy framework, programmes (the social assistance) does not fulfill the requirements, in its current form, of meeting the needs of mass based poverty and unemployment. There is no income support for millions in the short term.

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Interview Schedule

7.0 Questioner for the Child Support Grant Care-givers

7.1 Personal details

7.1.1 Care-giver's gender

Male	Female
------	--------

7.1.2 How old are you?

21-30	31-40	41-50
51-60	61-70	70+

7.1.3 And how many children do you have?

1	2	3
4	5	6+

7.1.4 How many of these children receive the Child Support Grant?.....

7.2 Economic Status

7.2.1 Your employment status

Formal employment	Informal employment	Unemployed	Pensioner
		Retrenched	Other specify

7.2.2 How many family members are supported in the household?

1	2	3	4	5	6	7	8	9+
---	---	---	---	---	---	---	---	----

7.2.3 What is the average monthly income for the household?

Less than R250	R 250 – 500	R 501 – 1 000
R1 001 – 1 500	R1 501 – 2 000	> R2 000

7.2.4 Do you have an alternative source of income?

Yes	No
-----	----

7.2.5 If yes, please indicate the amount?

Amount	
--------	--

7.2.6 Do you make use of transport to go to work?

Yes	No
-----	----

7.2.7 If yes, how much do you spend on transport to and from work per day?

0 – R2,00	R2,01 – R4,00	R4,01 – R6,00
R6,01 – R8,00	R8,01 – R10,00	R10,00+

7.2.8 What type of transport do you use?

None	Walk	Bus	Train	Taxi	Car / Other
------	------	-----	-------	------	-------------

7.2.9 If you pay for electricity, how much do you spend per month? R

7.3 Dwelling

7.3.1 What type of dwelling do you live in?

house	shack
-------	-------

7.3.2 Do you pay rent, rates or service charges?

Yes	No
-----	----

7.3.3 If yes, can you afford to pay these charges?

Yes	No
-----	----

7.3.4 How many rooms do you have in your house/shack?

1	2	3	4	5+
---	---	---	---	----

7.4 Education

7.4.1 What is your highest level of education?

None	Grade one	Grade two	Grade three	Grade four
Grade five	Grade six	Grade seven	Grade eight	Grade nine
Grade ten	Grade eleven	Grade twelve	Degree/Diploma with grade twelve	

7.4.2 Give details about your children according to the table below:

Child	Age	Grade currently in	Average distance from school	School Transport money a day	Mode of transport

7.5 Health

7.5.1 On average how many times do you visit the clinic / hospital each month?

None	Once	Twice	Thrice	Four times	Five times +
------	------	-------	--------	------------	--------------

7.5.2 What are the common illnesses that your family suffers from?

Diarrhea	Chicken Pox	Mums	Measles	Coughs/Cold
Diabetes	Pneumonia	Tuberculosis	Blood Pressure	Others Specify

7.5.3 How much do you spend on each consultation?

R 2.00 -3.00	R 3.00 - 4.00	R 4.00 – 5.00	More than R5.00
--------------	---------------	---------------	-----------------

7.5.4 What form of transport do you use to get to the clinic?

Walk	Train	Bus	Taxi	Car / Other specify
------	-------	-----	------	---------------------

7.5.5 If you use transport, how much do you spend for transport?

0 – R2.00	R 2.01 – 4.00	R 4.01 – 6.00	R 6.01 – 8.00
R 8.01 – 10.00	R 10.01 – 12.50	R12.50+	

7.5.6 Do you make use of the services of traditional healers?

Yes	No
-----	----

7.5.7 Whose services you use most a medical doctor or traditional healer?

Medical doctor	Traditional Healer	Both
----------------	--------------------	------

7.6 Nutrition

7.6.1 On average, how much do you spend on food every month?

R 200.00 <	R 200.00- 250.00	R 251.00- 300.00	R 301.00 - 350.00
R 351.00– 400.00	R 401.00- 450.00	R 451.00-500.00	R 501.00 +

7.6.2 Does your family have enough to eat each day?

Yes	No
-----	----

7.6.3 Do you consider your daily food intake sufficiently nutritious?

Yes	No
-----	----

7.6.4 Indicate average daily consumption. Explain fully what each daily meal consists of?

Breakfast	Lunch	Supper
-----------	-------	--------

7.7 Extra

7.7.1 What is your general view of this grant from the government?

7.7.2 Would recommend that the government to extend this CSG to children under 18 years?

7.7.3 If yes/no, why?

7.7.4 What is your greatest fear?

7.7.5 Do you think some women get pregnant to receive Child Support Grant?

THANK YOU FOR YOUR COOPERATION, ITS HIGHLY APPRECIATED

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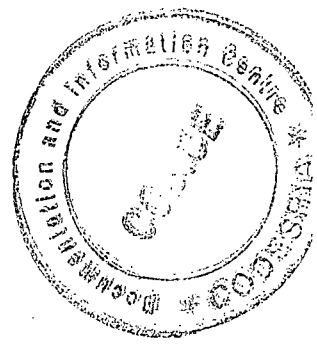
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