

A SIMPLE ANALYSIS OF THE IMPACT OF CHILD SUPPORT GRANT ON THE FERTILITY RATE IN SOUTH AFRICA

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Abstract

The Child Support Grant (CSG) is the South African poverty-alleviation strategy targeted at children. Despite its major impact on child poverty, some CSG critics claim that it will 'cause teenage pregnancy'. Yet empirical research has had limited success in unraveling this relationship: 415 out of 4356 mothers receiving the grant are teenaged mothers. This paper reexamines the issue in the light of South African data. Unlike the previous studies, we look specifically at the relationship between two variables: the fertility rate and the CSG. The analysis of the data debunks some common misconceptions about the effect of the CSG on the fertility rate in South Africa, which may lend support to the current approach that the government follows in this area. JEL code: I3

1 INTRODUCTION

Despite an expanding global economy, child poverty has grown both across and within countries. The extent and depth of child poverty in developing countries requires appropriate policy responses. In tackling child poverty, the South African government introduced the Child Support Grant (CSG), in 1998 as the main cash transfer, payable to the primary caregiver of poor children between the ages 0-7. The grant was targeted at the very poor, particularly the African population living in rural areas.

2 WHY CHILD SUPPORT GRANT?

There is some evidence that child poverty is one of the most serious problems facing many countries including South Africa. According to UNICEF report 2005,

- ☞ 640 million children in developing countries live without adequate shelter: one in three.
- ☞ 400 million children have no access to safe water: one in five.
- ☞ 270 million children have no access to health services: one in seven
- ☞ More than 121 million primary school-age children are out of school; the majority of them are girls.

South Africa's experience, which is consistent with a UNICEF, report is summarized in the following table.

Table 1: The extent of child poverty in South Africa

Analysis based on OHS 1999 dataset	Using relative poverty measure of lowest two quintiles in 1999 terms	Using absolute poverty measures of R490 in 2002 terms	Using absolute poverty measure of R245 in 2002 terms (ultra-poor)
% of 0-17 yr olds living in poverty	59.2%	75%	57%
No. of 0-17 yr olds living in poverty	10.5 million	14.3 million	11 million
% of 0-6 yr olds living in poverty	59.3%	75%	57%
no. of 0-6yr olds living in poverty	3.8 million	5.2 million	3.9 million

Source: Cassiem and Streak (2001:20-23) and Streak (2002)

The table shows that the level of child poverty in South Africa is very high irrespective of the poverty measure we use. For example, using a relative poverty measure of the lowest two quintiles, the table shows that in 1999 10.5 million children (between the ages of 0-17) were living in poverty. Whereas, using absolute poverty line of R490 in 2002 terms we see that 14.3 million children between the same ages were living in poverty. The last column which uses absolute poverty measure of R245 in 2002 terms (i.e. ultra poor) also indicates that 11 million children were living in poverty.

The Department of Social Development released a first draft baseline document in July 2003 for the development of a national policy for families. According to this document:

Poverty affects children by reducing their chances of living beyond their first five years, by stunting their growth, rendering them vulnerable to infectious diseases and disabling injury, reducing their confidence and hope in the future, and limit (sic) their education capacity for developing to their full intellectual potential. (Social Development 2003, cited in Leatt 2003:4)

3 INTERNATIONAL EXPERIENCE OF THE IMPACT OF CHILD BENEFITS ON POOR CHILDREN

Evidence on the impact of child benefits has been well documented at least internationally. This section of the paper provides a summary of some evidence of the impact of child benefits on child poverty in two countries: Mexico and Britain. In Mexico a programme called Progresa is used. This programme consists of a variety of cash benefits (see Barrientos and Dejong for a detailed discussion of this programme). It had a significant impact on poverty: "...It is estimated to have reduced the poverty gap by 36 per cent, to have reduced both child stunting and rates of adult and childhood illness in participating households and increased school enrolments, particularly among girls in secondary school".

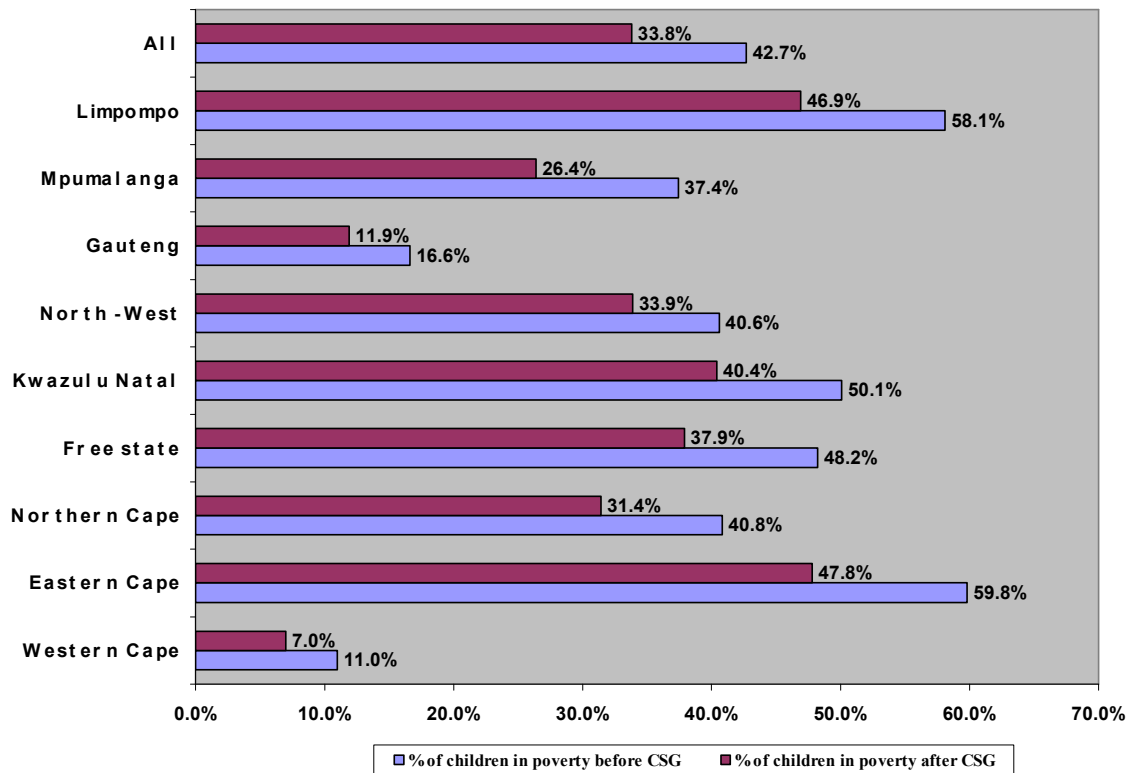
In Britain the positive impact of child benefits has also been documented: for example, Millar (2001:32) cited in Guthrie (2002:6) says that the number reaching expected numeracy standards at age 11 had increased from 54% in 1996 to 72% in 2000, and school exclusions had fallen by 15% between 1997/98 and 1998/ 1999. A significant decrease of children in workless household from 17.9% in 1997 to 15.8% in 2000 occurred. While, household with children experienced an average increase of £ 850. There is a consensus among government and independent assessments that about 1.2 million children will be rescued from poverty through these measures.

4 LOCAL EVIDENCE OF THE IMPACT OF A CSG ON POOR CHILDREN

The figure below shows that Eastern Cape, Limpompo and KwaZulu Natal Province have amongst the highest child poverty rates before the CSG was implimented. But after CSG these provinces experienced an average decrease, in child poverty of about 11%. Child

poverty is also deepest in the Free State, North-West and Northern Cape at least before CSG. In contrast child poverty rate in Gauteng and Western Cape are below 20%.

Figure 1: Local evidence of the impact of a CSG on poor children



Source: compiled from the demographic data contained in the Labour Force Survey of September 2000, projected forward using the ASSA 2000 model of the Actuarial Society of South Africa

More recently Case, Hosegood and Lund (2004:13) analyzed the relationship between grant receipt and school enrolment. They ran probit regressions of enrollment in 2003 and 2004 based on an indicator that the child was receiving a grant in 2002. In a nutshell, their findings reveal that CSG receipt in 2002 is associated with a 8.1% point increase in school enrolment among 6 year olds, and a 1.8% point increase among 7 year olds. It is clear from the above finding that there is a strong relationship between grant receipt and school enrollment. But the question is why? According to Case et al (2004:14) the CSG helps in the way of improving health and nutrition of poor children. This in turn contributes to

their school-readiness. Furthermore, receipt of a CSG may free up resources to pay school fees and buy uniforms.

Evidence that CSG improves the lives of children is not difficult to produce: The Children's Institute, UCT and Alliance for Children's Entitlement to Social Security (ACCESS) carried out two children participation processes. This enabled children participating in these processes to express how important the grant is in their lives. Their responses, which are copied directly from ACCESS is provided below:

“Children Speak on Poverty”:

When asked what help they needed the children most often mentioned food and then school needs such as fees and uniform. There were very few other things the children felt they needed. The quotes below are representative of what children told us in all groups:

Government can help us by paying school fees, we will be happy if we can get money to buy food, uniform.

I need healthy food.

I don't have uniform for school. I will be happy if I can have money for transport because I am far away from school. I walk a long distance without having something to eat. I also need pen, glues, ruler etc. We need money to buy these things.

I need money, clothes, shoes, socks, warm clothes and food. Money for things like soap, colgate and Vaseline.

I would use money for school fees because I love school with all my heart.

When asked about extending the CSG or introducing a BIG, they said:

I think it must come until we leave school so that we can get the opportunity to go to school and to live a better life because we have education. (Girl, 14, Gauteng)

It will make a difference especially if no one is working in the house. They will buy food, clothes, help to pay school fees and to pay rent at home. (Girl, 13, NC)

It will make a difference because we will have enough money to buy food. My challenge at home it was food.

I will buy clothes, shoes, socks. (Boy, 13, E Cape)

I could buy food like Mielie meal, meat and chicken. (Boy, 7, Mpum)

If you are hungry you will use it for food and if you need a uniform you will not buy sweets. (Girl, 10, EC)

Copied directly from:

ACCESS. Children Speak Out on Poverty. Report on the ACCESS Children's Participation Process. 2002.

5 THE CASE AGAINST CHILD SUPPORT GRANT

Section 3 and 4 provided reasons for believing that CSG is not only desirable as an anti-poverty strategy but also necessary. However, in this part of the discussion doubts are raised about the viability of a CSG. These reservations do not amount to an outright and firm rejection of the grant, but establish that more consideration is required in tackling obstacles and problems associate with the grant. Here we consider views which suggest that there is possibility of misappropriation in households (where power relations are not equal) which may reduce the scale and increase the probability of mistargeting of the anti-poverty benefits. Finally, we list some concerns about possible incentive/disincentive effects on the recipients of a CSG.

5.1 Mistargeting of CSG

Let us assume for argument sake that the funds have got through to eligible receivers – it seems possible that some percentage of parents (or caregivers) will misappropriate funds – using them for their own selfish (sometimes addictive) purposes rather than for children's security, health nutrition and so on. Black (2004) has recently reviewed this and related problems.

In many developing countries the control of all income in the households (no matter what its source) is exercised by the male head of household and is on average associated with lower levels of spending on food, child health care and education and higher levels of spending on alcohol and tobacco. Black(2004:432) questions whether the conventional policy prescription that advocates cash grant rather than subsidies is appropriate in such context, where the “rotten male heads have the power to appropriate government grants received by spouses”. He suggest: “subsidising food, education and health care may be the better option as it will benefit members of households most in need of such services.” .

5.2 Right to work – benefits of work

Despite the remarkable impact of CSG, some government officials still perceive social grants as a handout reinforcing a culture of dependency and inducing laziness. Some like Fraser-Moleketi go as far as saying “communities had to change the thinking of those who held out their hands for help but kept their sleeves down, a sign that they not willing to work”. What are the theoretical underpinnings of this statement?

There are some connections, between the statement and developmental claims advanced on behalf of paid work. Unlike CSG, paid work (say in the form of PWP) would “impose a structure on everyday life” and is “a source of social relations,” a means to self-realization,” and a basis of self-respect” (Kiedal, 1998, cited in Harvey) Stories based on the great depression almost always confirm this. During the great Depression people were lost without routines, and became aimless. Orderly life began to crumble. Waltman (2002) reaches similar conclusions and adds that work also gives a sense of identity.

At the same time Kiedal (1998) admits that these benefits are not limited to paid work – they can be achieved through other activities. For example, the structure imposed by paid work on everyday life can be experienced through institutions of education. She also notes that work is becoming less important as a source of social relationships because of “rapid growth of so-called a typical work” that provides a less stable social environment for workers.

The centrality of paid work to social and economic life as we know it, may give rise to reservations about a major policy change that might (though we cannot say it certainly would) reduce the demand for paid work and the obligation government and society feel to supply paid work. But would this effect be at all substantial in a society as apparently committed to the growth of broadly-based material consumption as South Africa now is?

5.3 Child Support Grant causes teenage pregnancy

Theories of fertility (and family size) which allow for optimizing behaviour in this field will attach significance to the net cost of rearing children – where these costs may actually be negative in environments where child labour is useful for subsistence purposes or is in demand in the labour market. Clearly a CSG will reduce the cost of child-rearing. The effect is likely to be more marked in poor households, where male budgetary control is strong and favours adult male consumption and reflects high rates of time preference. Could it be that this fertility effect might also be present in poor families where there is little control but high rates of time preference by young woman – generating higher teenage or single-parent pregnancies?

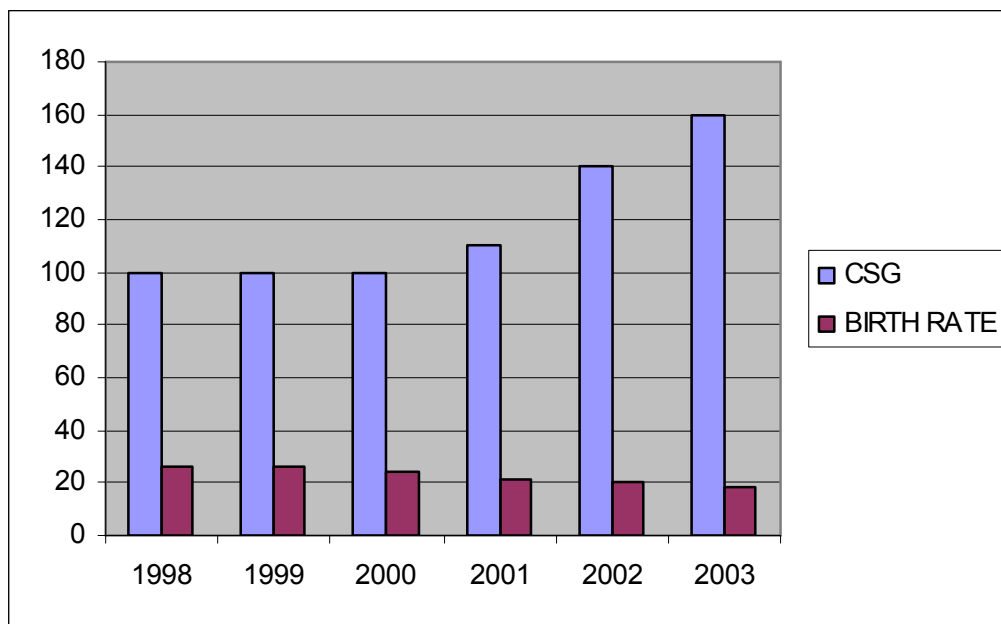
There is hearsay evidence which is loosely consistent with this view. “My life has gotten better since I get R170 (each) for the three children.” A Transkeian woman is reported as saying. “They [the ANC] care about us. I see more women having babies because they know they can get this [Child- Care] grant” (Deane, 2004). In a survey by Planned Parenthood Association of South Africa (PPASA), respondents were asked about circumstances under which teenage fall pregnant. According to some respondents girls fall pregnant so that they can get the CSG (PPASA 2003:29). Hassim (2005:19) says CSG is responsible for increasing teenage pregnancy. Girls misuse the CSG: they spend it on things like ‘clothing and lipstick’ this is supported by a claim by the Minister of Social Development that women have ‘rented’ out their children to their friends so as to access the CSG. There is nickname for CSG: ‘thigh grant’, meaning that girls ‘spread their thighs’ to get the grant.

6 A SIMPLE TEST OF THE RELATIONSHIP BETWEEN CSG AND BIRTH RATE IN SOUTH AFRICA

The table presents a data that may be used as a test of the relationship between CSG and fertility rate in South Africa. The table demonstrates that a CSG increased from R 100 in 1998 to R 160 in 2003. While, fertility rate decreased from 26.43% in 1998 to 16.87% in 2003. It can be inferred that the finding provides no support whatsoever for the belief that CSG induces teenage pregnancy. This is supported by a study in Hlabisa, KwaZulu-Natal, which found that only 3.7% of children receiving the grant have teenaged mothers, compared to 8.7 children with teenage mothers not receiving the grant (Case, Hosegood and Lund 2004).

Table 2: the relationship between CSG and birth rate in South Africa

YEAR	CSG	BIRTH RATE
1998	100	26.43
1999	100	25.94
2000	100	24.56
2001	110	21.12
2002	140	20.63
2003	160	18.87



Source: table compiled from CIA World Fact Book (2004) and SA stats

The above data indicates no causality running from the CSG to fertility rate. This implies that fertility is determined by other factors other than CSG. It is important to understand that fertility is a complex problem, one that has no single cause or cure. For example, in a survey by PPASA (2003) some respondents said girls fall pregnant in order to get grant. In contrast, some respondents said they fell pregnant because of method (contraceptive) failure (30.6%), failure to use contraceptives (19.5%), or peer pressure (19.8%). “Approximately 20% of female adolescents and teen parents reported having been forced to have sex or were sexually assaulted”.

7 RECOMMENDATIONS

In setting out the recommendation arguments we shall lean heavily on the work of The Children’s Institute University of Cape Town (2003) and on Alliance for Children’s Entitlement to Social Security (ACCESS). Their recommendations are:

- ☞ Means-testing should be abolished.
- ☞ Children without primary care givers should be allowed to access the grant.
- ☞ The primary care givers are required to produce the child’s birth certificate, with an ID number. These administrative problems should be minimized in order to improve access.
- ☞ It takes quite a while (i.e. thirty working days) for an application to be processed and checked and either accepted or rejected. The government should try and speed up application and evaluation process.

7.1 Motivation for recommendation

To emphasize the importance of the above recommendations, we will use two case studies. they were taken directly from a study undertaken by the Children’s Institute (Giese et al cited in The Children’s Institute(2003:5)

Gogo Mngomezulu, Siphon Thokozani and Sindile

Gogo Mngomezulu's yard was so dirty! Two children were sitting outside when I arrived. When I first approached, they ran away ... and then came back. They went inside the house and came out with a chair for me. I thanked them, and asked if there was anybody older than them. They told me their Gogo [grandmother] was inside the hut. When I looked inside, it looked like the hut was just about to fall apart. It was pitch dark. I couldn't see Gogo until I greeted, and a voice crackled next to the wall. The floor was just loose soil that the hut had been built on. There were two cansas – grass mats – spread on the soil. The rest of the floor was just a mixture of soil and dirt. Though the sun had long been up, the piece of material that hung against the tiny window was still closed, making the whole place dark. Gogo was bedridden, sleeping on a single bed.

It emerged that she lived here with her 3 grandchildren, Siphon (10), his brother Thokozani (7) and sister Sindile (5). Neither of the boys goes to school. Siphon completed Grades 1 and 2, but since then there has been no money (and he is busy with caring for his grandmother and his siblings). He said to me that he misses school. He was hoping to go back to school this year, but then his mother left them some months ago and never came back.

Siphon is the one who does the cooking. He says he also gives his sister a bath every day – although she looked like she hadn't had a bath for months. Thokozani herds cattle most of the time.

The children's father – Gogo's son – lives at Gingindlovu. His wife and their last born apparently joined him there some months back. They're always sickly. Last time her daughter-in-law went to hospital, says Gogo, she had pneumonia. This made me concerned because Siphon also said that his father is always sickly.

Siphon showed me that his father had 5 cows and 2 donkeys there at

the house. He said that when they run out of food, at least they have sour milk from the cows. When I asked him where they keep the food, he could not say. Everything was finished. But he pointed out that next to the trunk with their clothes was a three-legged pot that was kept open for fear that the food – half-cooked pap that had been cooked the previous day – might go bad. They were going to eat it again today. Sindile said that at times they collect a kind of imifino (a mix of leaves growing in the wild) – she called it something I could not understand. Other people here say it is the poorest people that eat that type of spinach.

Gogo receives a pension – but neither of the children eligible for child support grants are receiving them since, Gogo says, her daughter-in-law does not have an ID document.

Aphiwe and Lerato

After their mother died, Aphiwe (now aged 14) and his sister Lerato (7) lived alone in their one-room house in their village in Limpopo Province. Although their father's sister and her family live close by, they refused to provide care for the **children**. They, too, are desperately poor. Aphiwe described his average day:

“My school is about 5 km away. I walk daily to and from school. My sister travels about 1 km to her school. When my mom was alive she used to do everything for us. Ee, now everything has changed! Oh my, *everything*! Now I am a breadwinner. I must look after my family and myself. There is now so little time or no time at all to play with friends. My day starts at 6.30 every day. I wash myself, my little sister, and then prepare breakfast for both of us, see everything is ready for school. I must make sure there is food for my little sister to eat, and then I can also eat if there is left over. But before preparing food, there must be firewood ready.

After school I travel to the outskirts of the village to fetch some wood.

Although I am now used to it, it is still a challenge.

Well, first there are some village people who still laugh at boys who do the chores such as wood gathering and drawing water because these are widely considered jobs for girls and women ... but for me it is not a matter of choice ... Whether dangerous or not, hot or cold, I must go to get wood for my family to survive. I am used to it ... My sister must come with me on my back because there is no one to watch her when I go ... Then I travel about 500 m to a local village water pump, with my aunt's wheelbarrow to fetch water. I use two 25 litre containers which I push in the wheelbarrow. We store our water in a big drum. I travel four times to fill the drum. It is not easy to get even two of the 25 litres since people also queue at this pump to get water. This is our only water pump for everyone. Sometimes I wait for my turn until late, 6.30 pm. And my worry would always be where and how is my little sister... If I fetch water from the tap I have to pay but I do not have money, and so sometimes I have to walk a long distance ... Sometimes my sister helps in making fire; this can be very risky since she can burn. I'd rather do it myself. It is also a dilemma since she too needs to learn. She can't always depend on me. Then in the evening after dinner, I help my sister with her school work. When finished I do mine. I wash the dishes and she wipes them. I see her go to sleep. Then is my turn to sleep, usually at 20h00 ... On weekends I wash clothes. My sister and I cook and clean. I don't have parents, it's just me and my sister ...".

Without access to any financial support from the state, Aphiwe and Lerato are entirely dependent on the supervision and limited material assistance they receive from a local CBO that provides home-based care services. In this way, Aphiwe and Lerato survive from day to day.

8 Conclusion

The aim of this paper was to unravel the relationship between Child Support Grant and fertility rate in South Africa. It is difficult to prove causal relationships; not to mention the fact that CSG is a new grant (i.e. introduced in 1998). Nevertheless, our data cast some light on this relationship: it indicated no causality running from the CSG to fertility rate. For example, the data demonstrated that CSG increased from R 100 in 1998 to R 160 in 2003. While, fertility rate decreased from 26.43% in 1998 to 16.87% in 2003. This data was supported by a study in Hlabisa, KwaZulu-Natal, which found that only 3.7% of children receiving the grant have teenaged mothers, compared to 8.7 children with teenage mothers not receiving the grant (Case, Hosegood and Lund 2004). Both the analysis of the data and evidence based on the study in Hlabisa, Kwazulu-Natal debunks the common misconceptions about the effect of the CSG on the fertility rate in South Africa, which may lend support to the current approach that the government follows in this area.

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