

**TARGETING OF THE CHILD SUPPORT GRANT
IN
KWAZULU-NATAL**

by

Linda Naidoo

DECLARATION

Submitted in fulfilment / partial fulfilment of the requirements for the degree of Masters in Population Studies, in the Graduate Programme in Development Studies, University of KwaZulu-Natal, Durban, South Africa.

I declare that this dissertation is my own unaided work. All citations, references and borrowed ideas have been duly acknowledged. It is being submitted for the degree of Masters in Population Studies in the Faculty of Humanities, Development and Social Science, University of KwaZulu-Natal, Durban, South Africa. None of the present work has been submitted previously for any degree or examination in any other University.



Student signature

25 MARCH 2010

Date

ABSTRACT

In response to the high levels of child poverty, the government of South Africa introduced the Child Support Grant (CSG) in 1998. The grant, initially targeted children 6 years and younger. Over the years it has been extended to include children 15 years and younger. According to many studies the grant has proven to be beneficial. This study investigated the targeting of the CSG, if it indeed reaching the poor children via their caregivers. Care-givers, who reported receiving the CSG in KIDS 2004, were tracked to KIDS 1998 to determine their demographic and socio-economic profile. A combination of quantitative and qualitative research methods was employed. The demographic and socio-economic characteristics of caregivers receiving and not receiving the CSG were analysed using cross tabs. Based on the means test income threshold, caregivers who are eligible and non-eligible for the CSG were identified. Multinomial regression was applied to identify the targeted, omitted and leaked CSG beneficiaries. These findings were augmented by the findings from the qualitative data. Based on the proxy indicators of poverty, the findings from the study have revealed that the CSG is being targeted at the poor, however there is evidence of both type I and type II errors of targeting present. Whilst type II error (leakage) is negligible, type I error of under-coverage is quite prominent. In essence the grant is reaching only some of its intended beneficiaries but not all of them. The study calls for government and its stakeholders to revisit the targeting design and implementation of the GCS.

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CHAPTER 1

1. Introduction

South Africa, unlike many other middle income countries, boasts a fairly large system of cash social assistance (Lund, 1993; Kruger, 1998). This cash social assistance forms part of the state's social security system. The assistance reaches some of the most vulnerable groups, including predominantly poor Africans who have previously been marginalised (Voster, 2000). For many years these benefits were solely allocated to the white race group, however in 1944 social assistance was extended to all South Africans. Unfortunately it was racially based and discriminatory. Since then steps have been taken to gradually remove discrimination, leading to the development of the Social Assistance Act of 1992 (Lund, 2001; Lund, 2008). This reform created a platform for the extension of all social assistance interventions to all South Africans on an equal scale. Before 1992, these reforms did not extend to the main grant for children and their parents, the State Maintenance Grant. The majority of impoverished Africans were excluded from this grant (Lund, 2001). An investigation by Lund (2001: 10) revealed that "Africans were not legally ineligible but *de facto*". With the exception of a few, the majority of Africans could not get access to the grant, unless they had a human rights or advocacy organisation that was willing to take their case to court. During this time, a major concern that was expressed especially by economists was that improved coverage of African people may render the social assistance system unsustainable.

Introduced in 1998, the Child Support Grant (CSG) was intended to address this lacuna. The CSG is a monthly cash grant paid out to the primary care-givers of children living in poverty. In its year of inception, the award had a cash value of R100 and was available to children who were eligible on the grounds of their care-givers' poverty, and who were six years of age or younger. Since then, both the amount of the grant and the age-eligibility criteria has changed. As of 1 April 2009, the value of the grant is R240 per child per month. The increases in the CSG have kept pace with inflation in the ten years of its existence. In 2003, the government announced an extension to the age eligibility which was phased in over three years. From April 2003, children of the ages of seven and eight became eligible.

This was followed by nine and ten-year-olds in April 2004. Those aged eleven; twelve, and thirteen became eligible in April 2005 (Leatt, 2006: 5). As of January 2009, the CSG has been extended to include children up to their 15th birthday (Manuel, 2009). The primary care-giver is entitled to claim the CSG for the maximum of six non-biological children and an unlimited number of biological children (de Koker et al., 2006).

The need for this grant is supported by the level of child poverty in South Africa (Guthrie, 2002). The draft baseline document on National Policy for Families states that 59 percent of children in South Africa aged 0–17 are poor (Department of Social Development, 2003b). This rate is based on estimates of household income using the Income and Expenditure Survey of 1999. According to Streak (2001) when income poverty is defined in absolute terms, a situation in which a child does not have the income needed to meet his or her basic needs, the child poverty rate in South Africa is even higher at around 70 percent. The high levels of child poverty in South Africa are further confirmed by Woolard (2002) (cited in Leatt, 2004) in her analysis of the 2000 Income and Expenditure Survey. Based on a poverty line of R430.00 per month per capita, it was found that 74.9 percent of children aged 0–17 were poor, whilst a poverty line of R215.00 per month per capita revealed that 54 percent of children in South Africa are ultra poor. A provincial analysis of the ultra poor children showed that KwaZulu-Natal has one of the highest (60 percent) child poverty rates in the country (Streak, 2004).

Social assistance programmes are targeted to ensure that the allocated resource goes to the intended beneficiaries, the poor. As pointed out by Coady et al., (1995) the motivation for targeting is to maximise the reduction in poverty within a limited budget whilst at the same time minimising the opportunity costs through the trade-off between the number of beneficiaries reached by the intervention and the level of transfer. In essence targeting can assist in transferring the maximum amount of the poverty alleviation budget to households or individuals most in need.

In view of the many development challenges facing KwaZulu-Natal, poverty can be identified as one of the key contributors. In an attempt to address the challenge of child

poverty, this study will review of design and implementation of the one poverty alleviation mechanism, the Child Support Grant, so that its effects can be maximised.

1.2 Child poverty and the state's responsibility

As with their families, the majority of children in South Africa are poor. Woolard (2002) confirms that there are grave contrasts in the levels of poverty across race and province in South Africa. Limpopo province, for example, has the highest rate of child poverty, with 81 percent of its children living in income poverty. Gauteng and the Western Cape are the only two provinces where less than half of all children live in income poverty. Whilst poverty is not confined to any one racial group, in South Africa it is concentrated among Africans. They account for 95 percent of the poor (Woolard, 2002). In view of the history of apartheid which has resulted in discrimination and under-development, nearly all poor children are black Africans (95 percent) (Leatt, 2006).

Aliber (2001) cautions us to the fact that in South Africa it is not unusual to find the co-existence of poor health, low levels of education, and disintegrated families on one side, with inequitable resource distribution, inadequate infrastructure and insecure employment on the other side. Poverty is related to employment volatility. In September 2004, the national unemployment rate was 26.2 percent (Statistics South Africa, 2004). An expanded definition of unemployment at the same time showed that 42 percent of adults wanted a job and had not succeeded in finding one in the previous two weeks – or had given up looking for work.

As pointed out by May and Meth (2007: 279) the discouraged unemployed are “cut off from independent income earning opportunities whether in modern (first) or subsistence (second) economy.” The reality of the situation is further exemplified by the findings of May and Meth (2007), which reveals that there is an increase in the number of workless households which contain unemployed people who do not receive any remittance. Across South Africa, some 59 percent of children live in a household with at least one adult who is employed.

The other 41 percent, or 7.3 million children from birth to 18, do not live with an employed person (Child Count Abantwana Babalulekile, 2006).

‘There are several other indicators which reveal that a significant number of children live in resource constrained circumstances. Evidence provided by Leatt (2006) reveals that nationally, 7.7 million children do not have adequate access to water in their house or on the household stand; only half of all children in the country have access to adequate sanitation – with the other 8.75 million children using pit latrines without ventilation or bucket systems, or having no facilities at all. Whilst 67 percent of children live in adequate housing, 11 percent of them live in inadequate housing, 22 percent in traditional dwellings, and more than a quarter of all children live in over-crowded dwellings (Jacobs et al., 2005).

The reality revealed by these data stand in contrast to the intentions set out by South Africa’s Constitution. Section 28 of the Constitution of South Africa provides that every child has the right to basic nutrition, shelter, basic health care services and social services.¹ Section 28 goes further and states that should the state be challenged on the basis that its actions have the effect of depriving children of their Section 28 rights, the court is empowered to order the state to take steps to ensure that basic nutrition, shelter, and so forth are provided. Unlike the right to social security, the rights of children are not fettered to the extent that the state can answer to a charge by showing that it has taken steps within available resources to progressively realise the right. If the court finds the state in breach, it will be ordered to provide support. The Constitutional Court’s ruling in the *Grootboom v Oostenberg Municipality* case is testimony to the state’s obligation to protect children as stated in section 28 of the constitution.²

¹ S 28 of the Constitution reads: "(1) Every child has the right - (a) to a name and a nationality from birth; (b) to family care, parental care, or appropriate alternative care when removed from the family environment; (c) to basic nutrition, shelter, basic health care services, and social services; (d) to be protected from maltreatment, neglect, abuse, or degradation; (e) to be protected from exploitative labour practices; (f) not to be required or permitted to perform work or provide services that - (i) are inappropriate for a person of that child's age; or (ii) place at risk the child's well-being, education, physical or mental health, or spiritual, moral, or social development; (2) A child's best interest is of paramount importance in every matter concerning the child. (3) In this section, "child"

means a person under the age of 18 years."

² *Grootboom v Oostenberg Municipality and others* - Mrs Irene Grootboom along with the other applicants were rendered homeless after being evicted illegally from their informal settlements, which were situated on land earmarked for low-cost housing by the Cape Metro Land Programme. - in terms of section 28(1)(c). The Court held that this provision imposed an obligation on the state to provide shelter to children if the parents were unable to do so. The Court went on to say: An order, which enforces a child's right to shelter, should take

In response to the high levels of child poverty in the country, the South African government provides social assistance – income support through cash grants. Three of these grants are specifically targeted at children – the Child Support Grant (CSG), the Care Dependency Grant (CDG) and the Foster Child Grant (FCG). The CSG deals with poverty alleviation, while the other two are for children living in circumstances that require additional support (Leatt, 2006: 1).

According to Leatt (2006), in 2003, approximately 2.6 million children were receiving the CSG via two million primary care-givers; in 2004, nearly 4.3 million children were in receipt of a CSG. A year later, in March 2005, 5.65 million children were able to benefit from this support to their primary care-giver. Leatt (2006) estimated that across South Africa, 65.3 percent of children should to be receiving a CSG, which amounts to a total of almost 8.8 million children under the age of 14 from a total number of nearly 13.5 million children of that age group in the country.

An investigation of the data provided by Leatt (2006) reveals that eligibility rates vary quite considerably across the provinces, which is understandable given the differing levels of poverty in each. Both Gauteng (47 percent) and the Western Cape (49 percent) have just under half their children eligible, whilst five of the nine provinces are in a situation where 70 percent or more of their resident children from birth to the age of 14 are eligible for a Child Support Grant. These include the Eastern Cape, the Free State, KwaZulu-Natal, Limpopo and the North West. As verified by Leatt (2006), KwaZulu-Natal, the Eastern Cape and Limpopo are home to the largest number of eligible children.

account of the need of the child to be accompanied by his or her parent. Such an approach would be in accordance with the spirit and purport of section 28 as a whole. The order made by the Court can be summarised as follows: (a) children must be afforded rudimentary protection from the elements in terms of section 28(1)(c) by the state; (b) the applicant parents are entitled to be accommodated with their children in the mentioned shelter, until the parents are able to shelter their own children; and (c) the state is bound to provide this rudimentary shelter irrespective of the availability of resources.

1.3 Statement of the problem

Although the CSG is perhaps one of the most important instrument through which the South African government can discharge its responsibilities to the country's children, the success of the grant rests upon its implementation. In particular, the CSG is a targeted grant via two types of targeting mechanisms, namely individual assessment – assessment of the means or the income of the primary care-giver and spouse where applicable and categorical targeting based on delineation of age groups who may be eligible for the grant. In theory targeting allows for the “efficient and equitable allocation of scarce public resources”, the idea being to reduce benefit leakage to the non-poor whilst maximising the transfer of available public resources to the poor (Devereux, 2002: 7). In practice however, targeting can be compared to “firing at a moving target” (Sen, 1995: 43).

In order to qualify for the CSG, there are certain requirements which must be met. Firstly, both the child and primary care-giver must be South African citizens or permanent residents in South Africa at the time of application. Secondly, the applicant must be the child's primary care-giver and cannot already be in receipt of a grant for that child. With regards to the grant being means tested, a primary care-giver will qualify for the grant based on specific income criteria. Prior to 24 August 2008, if a primary care-giver and child lived in a rural area in either a formal or informal dwelling with a personal income of less than R13 200 per annum, they qualified for the CSG. A primary care-giver and child also qualified for the CSG if they lived in an urban area in an informal dwelling with a personal income of less than R13 200 per annum. If a primary care-giver and child lived in an urban area in a formal dwelling with an income of less than R9 600 per annum, they also qualified for the CSG. As can be seen, the means test differentiated between rural and urban applicants, as well as applicants living in formal or informal dwellings. However as of 24 August 2008, there is no longer a differentiation between urban and rural, and the income threshold which has been static for the past ten years was increased. A formula was introduced whereby the income threshold effectively doubled to accommodate devaluation as a result of inflation since 1998. The income threshold is now calculated at ten times the amount of the grant. In 2009 the income threshold is R2 400 per month for a single care-giver or a maximum of R4 400 per month for the joint income of care-giver and spouse. (www.services.gov.za)

When the CSG was initially introduced it was based on certain conditionalities. Applicants were required to provide proof of immunisation and school attendance for their children. However with the passing of time the conditionalities were viewed as a deterrent to access as they created unnecessary difficulties for the applicants. The state is currently reviewing eligibility criteria with the intention of reinforcing the care-giver's responsibility towards benefiting the children (Manuel, 2008).

During the application process of the CSG, the applicant has to provide certified copies of the following documents: proof of personal income of the primary care-giver and spouse; proof of efforts made by the primary care-giver to obtain maintenance from the parent(s) of the child; proof that the applicant is the primary care-giver of the child; a thirteen-digit birth certificate of the child as well as the applicant's bar coded identity document (ID); and where applicable, consent from the parents, guardian or custodian for the applicant to take care of the child; and proof of financial contributions (proof of a private pension, interest or dividends earned on investments and bank accounts, bank statements for a three-month period, a wage certificate, and, if unemployed, an Unemployment Insurance Fund (UIF) card or discharge certificate from the previous employer (De Koker et al. 2006: 232).

In an attempt to broaden the access of the grant, the South African government has increased the income threshold to R2 400 for a single care-giver and R4 400 for the joint income of the care-giver and spouse. Whilst the change in the income threshold is welcomed, this income level does not take into consideration the number of children supported by the care-givers and this is likely to discriminate against households with a larger number of children. Of greater concern is the means test itself: The use of means testing, as is evident from the above, is associated with the imposition of strict rules about who is and who is not eligible, which can turn out to be an obstacle to effective poverty relief. The CSG is means tested, which therefore suggests that the poverty indicator is at an individual level, whilst children live in households. Therefore in measuring targeting, it is important to juxtapose both individual and household poverty among children in order to assess the effects of targeting, especially with regards to under-coverage and leakages of the CSG. Hence understanding who the CSG actually reaches, both at the individual and the household level, is an important research question for this study.

1.4 Aim and objectives of the study

The Child Support Grant is a poverty alleviation mechanism implemented by the Government to help relieve children from poverty. This is made possible through a cash transfer to the care-giver of the child. The grant which is means tested, is intended to contribute to the rearing of children in poor households.

The focus of this study is to determine if the CSG is indeed reaching the poor through its prescribed targeting mechanisms.

The objectives of the study were as follows:

- To examine differentials in the demographic and socio-economic characteristics of the CSG recipients and non-grant recipients in KwaZulu-Natal;
- To identify Type I (leakage) and Type II (under-coverage) errors in the targeting of the CSG;
- To provide recommendations for improved targeting of the CSG.

1.5 Rationale of the study

The study seeks to add knowledge to existing studies on policy issues in South Africa. It also provides empirical data on the effectiveness of policies in South Africa, in particular, the CSG. While other current studies have focused on the take-up of the CSG, there still exists a lacuna on the effectiveness of targeting policies on poor children in South Africa. In this way, the study is expected to assess the effectiveness of targeting by examining the demographic and socio-economic profiles of care-givers and more especially those care-givers who are targeted (eligible and receiving the CSG), omitted (eligible and not receiving the CSG) and the leaked (not eligible and receiving the CSG).

1.6 Limitations of the study

The measurements of targeting are based on the 1998 KwaZulu-Natal Income Dynamic Survey (KIDS) which was linked to care-givers receiving the CSG in the 2004 KwaZulu-Natal Income Dynamic Survey.

The limitation of this study is the change in status of care-givers:

- Individuals who were identified as poor in 1998 may not have been poor in 2004, the reverse may also hold true for the well off;
- Some women who were children in 1998, moved into reproductive ages;
- The situation may also hold true for the marital, employment, residential and access to services.

Although poverty status can shift over time (Sen, 1995), the study is based on the assumption that the status of care-givers did not change, at least in a structural sense. It is expected that the majority of the poor in 1998, were still poor in 2004 at least in terms of the means testing criteria. This statement is supported by Carter and May (2001), who have found upon investigation that shocks and recurrent market failures do not allow the poor the opportunity to utilise the assets that they currently possess or to accumulate additional assets, and in the absence of fundamental change the chances of the poor remaining poor is inevitable. Hence those with a change in status are viewed as insignificant in numbers.

1.7 Outline of the dissertation

The first chapter provides an introduction to the study, with the background information of the study area, problem statement, aim and objectives of the study, limitations of the study and the outline of the dissertation. The second chapter offers a review of literature on the targeting of social programmes, as well as case studies of how targeting has been met in other forms of social programmes. This includes both criticisms and appraisals of targeting social programmes. Chapter Three describes the data sources used in the study. Also highlighted are the methodology adopted in this study. Frequencies, cross tabulations and

multinomial logistic models with their statistical differences are employed in the analysis of the quantitative data. Qualitative data is analysed thematically to buttress findings from the quantitative data. Chapter Four provides results from the study and goes on to discuss these. Finally, Chapter Five provides the conclusion and recommendations.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Chapter two provides a review of literature on targeting. Targeting is first defined, followed by a discussion on the errors of targeting. The chapter then goes on to discuss the different methods of targeting, offering an appraisal of both the positive and negatives of each. The chapter ends by advocating for targeting design to be reviewed taking into account the context in which such programmes are implemented.

2.2 What is targeting

Targeting in terms of social programmes can be described as a planned attempt to deliver goods and services to a selected group of individuals to reduce poverty. Targeting became popular in the 1990s due to the noted weakness of universal programmes with its high leakages to the non-poor and fiscal constraints that made it impossible for governments to fund universal programmes (Weiss, 2004). According to Grosh (1995: 450), the benefit of targeting is that it “can concentrate expenditure allocated to poverty alleviation or social programmes on the persons who need them most.”

Untargeted transfers are viewed as a waste of limited resources on the non-poor. In theory it is believed that targeting allows for the “efficient and equitable allocation of scarce public resources” hence reducing leakage to the non-poor whilst optimising the transfer of available public resources to the poor (Devereux, 2002a).

2.3 Errors of targeting

Literature on targeting identifies two distinct forms of targeting errors: under-coverage, which is the failure to reach some of the target group (commonly referred to as type I or error of exclusion), and leakage, when benefits accrue to those outside the target group (commonly referred to as type II error or error of inclusion) (Weiss, 2004; Grosh 1995; Devereux, 2002a). Practical application of targeting measures “inevitably involves some trade-off between these two errors” (Weiss, 2004:3). In an attempt to reduce under-coverage, a more lenient means of assessing eligibility may be applied, whilst stricter

criteria may be applied to minimise leakage, and if these are not specified and applied accordingly they may tend to exclude some of the target group (Cornia and Stewart, 1993).

2.4 Targeting mechanism

The targeting mechanism is usually determined by the choice of instrument, for example, supplementary feeding targets undernourished children, pensions target the elderly, and public works use self targeting (Devereux, 2002a). In this way the problem of selecting a targeting mechanism is less likely to arise.

There are however a number of ways to target social programmes to the poor. The following are three broad approaches (Grosh, 1995; Devereux, 2002a):

- Individual assessment
- Group characteristics
- Self targeting
- Community targeting

Community targeting has gained popularity only recently (Conning and Kevane, 2001). Devereux (2002a: 7) points out that community-based targeting is more of a “channel than a mechanism for beneficiary identification”, in the sense that it delivers a benefit to the poor in a community.

2.4.1 Individual assessment

Individual assessment requires programme managers to decide whether or not to accept individual applicants on the basis of various criteria, such as means tests or the nutritional status of the applicant (Grosh, 1995). Means testing involves evaluating a person’s assets and income. An individual is awarded the benefit if his or her income is deemed to be inadequate. In theory individual assessment is believed to be objective and an accurate targeting mechanism, however in practice it is found to be both difficult and expensive to

implement (Devereux, 2002a; Besley and Kanbur, 1993). Means testing is criticised as it is viewed as the basis of a residual system of welfare due to its limiting on welfare provision.

A major shortcoming of this mechanism is that applicants are likely to conceal or play down their actual incomes in order to qualify for the benefit. Both Devereux (2002a) and Sen (1995) have cautioned that this kind of incentive is likely to result in behavioural distortions. With individual assessment, like most other targeting mechanisms, screening and monitoring are imperative. A case that comes to mind is the Food Stamp Programme which operated in Sri Lanka in the 1980s. Eligibility was determined by the household size and earnings. Many households continued to be on the programme even though they no longer qualified. This unfortunately crowded out households that became eligible (Devereux, 2002a).

Besley and Kanbur (1993: 71) suggest that in an attempt to increase targeting accuracy the administrative costs of any targeting mechanism also rise “at an increasing rate” resulting in a “targeting dilemma”. Whilst programme managers try on one hand to gain equity and efficiency by reducing leakages to the non-poor, on the other hand the higher administrative costs reduce the resources available for transfer to the poor, resulting in efficiency and equity losses. A perfect example of a targeting dilemma is the GAPVU in Mozambique (Devereux, 1999): GAPVU (Office of Assistance to the Vulnerable Population) was a prominent safety net programme that transferred small amounts of cash to destitute urban households in Mozambique. Community leaders visited applicants to assess their living conditions. However as GAPVU expanded, targeting accuracy deteriorated. GAPVU’s director, who was more concerned with maximising cost effectiveness, refused to increase the number of staff as the beneficiaries increased. Administration costs dropped from 13 percent in 1993 to 7 percent in 1995. Although GAPVU was found to be performing extremely well in terms of cost efficiency, the lack of supervision of project staff and monitoring of beneficiaries resulted in massive leakages to the non-poor and corruption by the state officials who were responsible for implementing GAPVU. In 1997 GAPVU was suspended and many of its officials were dismissed including the director. All beneficiaries were cross-checked and reregistered and the numbers fell from 93 000 to 34 000. GAPVU was re-launched as the National Institute of Social Action in 1997. Some of its basic

procedures changed and double checking and random verification visits by senior staff were introduced. This no doubt increased administration costs. What is clear from the above case is that despite GAPVU's cost effectiveness, its attempt to expand coverage and reduce exclusion resulted in massive leakages, with only 40 percent of the project budget going to the urban destitute (Devereux, 1999a).

2.4.2 Group characteristics

With this method of targeting, common characteristics of poor people or vulnerable groups are identified as “proxy indicators of need” (Devereux 2002a: 7). Group characteristics could take the form of geographic or demographic depending on the context. Transfers such as emergency food aid that are distributed during times of drought are based on proxy indicators of vulnerability and often identified according to disaster zones (Devereux, 2002a). In this case, every individual who displays the required characteristics is entitled to the assistance. There is no individual assessment whatsoever. With this method it is known and accepted that not all members of the group are vulnerable and that there will be a degree of leakage to the non-poor. Geographic targeting allows for swift identification of large numbers of beneficiaries within a very short period of time with a generally low cost factor (Ravallion, 1993).

With demographic proxies, personal characteristics such as age, sex or disability of sub-groups of the population are identified for transfers. As an example, the Old Age Pension in South Africa which targets the elderly has been found to be both “vertically and horizontally” efficient (Lund, 1996: 25). According to Lund (1996) the pension has a high take-up rate, and the majority of those who are eligible, receive the pension. The pension has come to be accepted as a reliable source of income; it goes disproportionately to women; in most instances it is consumed by up to three generations within one household; households also use the pensions as collateral to gain access to credit (Ardington and Lund, 1995).

Sometimes a combination of geographic and demographic targeting is administered. The above combination was used during the recent droughts in Africa. Food-for-work was targeted at the adults who were physically well, and in addition free food was distributed to

the “vulnerable groups, which included female headed households, pregnant and lactating women, elderly people living alone, marginalized youth, the chronically ill and disabled and undernourished children” (Devereux 2002a: 8).

Empirical evidence on targeting by demographic characteristics such as female-headed households does not appear to be consistent (Devereux, 2002a; Lund, 1996). According to Devereux (2002a: 8) an analysis of household income and expenditure data in Uganda found “no correlation between sex of household head and the probability of being poor”, whilst studies conducted in South Asia and Africa highlighted the distinction between “de jure and de facto female headed households”. The studies revealed that households that were headed by widows and deserted mothers (de jure) were more likely to be poor than households headed by women (de facto) who receive regular remittance from their husbands or sons working elsewhere.

Targeting by group characteristics is believed to be simple and much cheaper than individual assessment. It is less likely to be susceptible to incentive distortions; however it is susceptible to both type 1 and 11 errors of targeting (Devereux, 2002a).

2.4.3 Self-targeting

This mechanism depends on the poor selecting themselves. According to Grosh (1995: 451) “*theoretically it is available to all but it is designed in such a way as to discourage the non-poor from using it.*” With self-selection programmes, such as public works, the poor are more likely to participate than the non-poor. It is often accompanied by arduous and humiliating procedures purposely designed to discourage the non-deserving.

As pointed out by Devereux (2002a: 9), the strategy is to “raise the cost of accessing the resource relative to its benefit.” This is done either by lowering the value of the transfer or by raising the accessing costs, for example by requiring applicants to queue for benefits, thus requiring a great deal of time and effort on the part of the applicant.

Self-targeting mechanisms rely on the belief that the “poor’s opportunity cost may be lower than that of the non-poor, hence they will be more prepared to wait in long queues for long

hours, or travel long distances, or work for a low wage” (Haddad and Zeller, 1997: 13). This type of targeting is achieved at a cost in terms of foregone income earning, foregone child care, or foregone rest (Haddad and Zeller 1997). In a study of the Employment Guarantee Scheme (EGS), a large public works programme in Maharashtra, India, it was found that the opportunity cost of participation by the poor in the programme was one quarter of the gross wage earnings of the scheme (Ravallion and Datt, 1995, cited in Haddad and Zeller, 1997: 13). What is evident in this case is that the cost of participation in terms of foregone income made the poverty impact of the programme no greater than that of an untargeted transfer, despite the programme targeting those with low wage or no wage opportunity.

A major access cost in self-targeting is stigmatisation. Stigma has been defined as a “loss of self-respect and personal dignity, a sense of guilt, of shame, of personal fault or failure” (Lavalette and Pratt, 1997: 203). Social stigma reinforces the social marginalisation of recipients. The poor may not feel free to participate in such self targeting schemes for fear of being labelled. At the same time those who do participate bear the brunt of being viewed as poor and this is likely to increase their marginalisation. As pointed out by Sen (1995: 13) “any system of subsidy that requires people to be identified as poor and that is seen as special benefaction for those who cannot fend for themselves would tend to have some effects on their self respect as well as on the respect accorded to them by others”.

As Acharya (1998: 168, cited in Devereux, 2002b) rightly points out, labour cannot be viewed as a homogeneous category and it therefore does not make sense to assume that that self-targeting can be achieved by fixing a stipulated wage rate whilst ignoring non-wage factors as well as labour supply in the targeted economies. According to Devereux (2002b: 6) the “determinants of labour market segmentation include gender, age, religion, education, location and agricultural seasonality, all of which result in differential labour supply at a given time”. Self-targeted programmes like public works schemes may exclude significant groups of poor people due to time constraints. Contrary to the belief that labour is the poor’s most abundant asset, the poor are often overworked and have little time to spare (Devereux, 2002b). Gebremedhin and Swinton (2001, cited in Devereux 2002b) found that participation in a food-for-work project in Ethiopia was highest among eligible households which had labour to spare, whilst many households that were experiencing food insecurity were unable

to participate because of the labour demand. Time could be a constraint for women who are responsible for caring for children, cooking, collecting water and wood. However time may not be the only constraint for women in self-targeting programmes. In some societies, religious and cultural restrictions may prevent women from participating.

In comparison to other targeting mechanisms, self-targeting is theoretically cheaper and more accurate than most alternatives (Devereux, 2002a; Grosh, 1995). Indeed, self-targeting methods, especially with regard to labour-intensive public work programmes, have provided short-term employment for millions of people in Africa and South Asia during rural livelihood crises (Devereux, 2002b, Dreze and Sen, 1989).

2.4.4 Community-based targeting

This form of targeting allows communities to identify vulnerable individuals and households based on the personalised knowledge community members have of each other. The information that community members have of each other is viewed as “better information” for awarding a benefit in comparison to the indicators that are used by welfare agents. This mechanism of targeting is likely to allow for fewer targeting errors of inclusion and exclusion and reduced administration costs associated with screening and monitoring (Conning and Kevane, 2001).

Community-based targeting was used in Uzbekistan for targeting child benefits and other types of social assistance to low-income families. The State identified the mahallas, which are quasi-religious groups, to identify families who are in need of social assistance. The mahallas are the ones who traditionally mediate in community problems and conflicts and were found to be the most appropriate to assess the needs of the poor (Conning and Kevane, 2001: 6).

Although community-based targeting may appear to be very appealing in terms of accuracy and equity, the channel could become corrupt. Community representatives may award benefits to family and friends instead of poor and socially marginalised community members. The selection of local beneficiaries by community representatives can lead to division and resentment amongst those not selected. According to Devereux (2002a: 10),

“experiences with community targeting in practice has yielded mixed results”. In Ethiopia, it was found to vary from one region to another. In Malawi, attempts to use community structures to identify beneficiaries for Starter Packs, which included fertiliser and seeds, failed. Communities refused to divide local residents into needy and not needy arguing that they are all poor (Devereux, 2002a).

The Lund Committee in South Africa was also adamant on not allowing community leaders to decide on the eligibility of beneficiaries of the Child Support Grant. Lund (1996: 31) pointed out that in South Africa’s divided communities, this mechanism will have very little success especially in poorer rural areas which are under the domain of traditional leaders.

Conning and Kevane (2001) provide us with the following lessons that have been learnt from community targeting:

1. Communities differ in their ability to gather information and implement effective monitoring systems;
2. Communities differ in their willingness to target the poor;
3. Community targeting is not likely to be effective where populations are mobile;
4. Community targeting may be influenced by local politics;
5. Evaluating community-based targeting is not a simple exercise.

Community-based targeting is unlikely to target beggars, street children, etc., who are really in need, but not part of an organised community.

2.5 Major criticism of targeting

Many studies (Devereux, 2002a; Coady et al. 2004b) reveal that identifying the poor with the accuracy suggested in theoretical models involves extremely high administrative costs and capacity that may simply not exist especially in developing countries and where poverty is widespread. The following provides a summary of administrative and political difficulties in targeting social programmes:

- Identifying eligible beneficiaries and introducing monitoring systems to minimise leakages to the non-poor can increase administrative costs to such an extent that it may out-weigh savings from universal benefits. This argument applies mainly to means testing. It has been observed that means tested benefits have always been characterised by low take-up rates (Lavalette and Pratt, 1997).
- Stigmatisation of beneficiaries: According to Titmuss “to claim means-tested benefits constituted a self-declaration of failure, of inadequacy, of poverty; it represented a demonstration that the claimant was unable to cope in a competitive market economy”. Apart from the psychological damage that this inflicts on people, advocates of universalism believe that the reality of stigma acts as a deterrent to the take-up of welfare entitlements (1976, cited in Lavalette and Pratt 1997: 203)
- Poverty is not static; empirical evidence on poverty dynamics has found that a large number of people move in and out of poverty in poor countries. Accurate targeting in these circumstances will require constant reassessment of beneficiaries with major cost implications for programme design and monitoring (Devereux, 2002a).
- The lack of political support from those who are excluded from the programme may undermine the political stability of the programme. In order to buy in the political support of the excluded, it may be necessary to allow a degree of leakage to the excluded groups.

2.6 Comparison of universal and targeted approaches

A comparison of both universal and targeted approaches reveals that both have their pros and cons and their applicability needs to be contextualised. This is succinctly captured in the table below:

Table: 2.1 A comparison of the characteristics of universal and targeted approaches

Characteristics	Universalism	Selectivism
Effectiveness	High take-up rates	Usually low levels of take-up
Meeting policy objectives	Wasteful resources (benefit goes to those who do not necessarily need them)	Effective use of resources (targeted)
Administrative costs	Low administrative costs	High administrative costs
Public expenditure implication	Relatively demanding of public expenditure	Lessens pressure on public spending
Social costs and social benefits	1. No stigmatization 2. Promotes social integration 3. Egalitarian	1. Considerable stigmatisation propensities 2. Socially divisive 3. Equitable
Labour market implications	Promotes work incentives	High marginal tax rates theoretically damaging to work incentives

Source: Lavalette, M. and Pratt, A. (1997) Social Policy: A Conceptual and Theoretical Introduction

2.7 Conclusion

The objective of targeting is to channel resources to the poor. In the 1980s, universal schemes were criticised for their high leakage and their budgetary implications. The targeted measures introduced in the 1990s have been found to be just as expensive in terms of the high administrative costs. Targeting involves a mechanism which discriminates between the poor and non-poor, and as such runs the risk of error I (under-coverage of the deserving poor) and error II (leakages to the non-poor). According to Devereux (2002a: 9) most of the administrative hurdles of targeting apply to both rich and poor countries, but are “invariably compounded in poor countries where most people’s source of livelihood is in the informal sector, people’s visibility to the state is low, and the state’s overall capacity is low”.

Weiss (2004: 9) cautions us that “with relatively high levels of leakage the expectation is that in practice most targeting measures have been high-cost means of transferring benefits to the poor”. As Sen (1995: 14) elegantly puts it, “Benefits meant exclusively for the poor often end up being poor benefits.” According to evidence from a study of 122 targeted anti-poverty programmes in 48 countries, Coady et al., (2004b) concluded that, whilst the median programme transfers 25 percent more to the poor individuals (persons and households found in the bottom quintiles) than would be the case with a universal allocation, 25 percent of the programmes are regressive, in the sense that what was initially designed to target the poor, in practice, ends up being resources targeted at the non-poor. In sub-Saharan Africa it has been found that the median targeting programme transfers 8 percent less to poor individuals than a universal programme (Coady et al., 2004b).

Whilst targeting has many flaws, in light of fiscal constraints it is viewed by many as the only way to reach the poor. Information on the poor is generally not readily available, and at the same time is very costly to obtain. In practice however, it appears that there is no such thing as perfect targeting although targeting seems the most plausible means of delivering a particular good/service to the poor. As pointed out by Devereux (2002a: 29) “it is by no means clear that efficiency and equity gains from restricting eligibility to specific target groups outweigh the identification and monitoring costs as well as the political risks that targeting introduces.” Programmes have generally targeted beneficiaries through four types

of mechanism, indicator targeting, geographical targeting, community-based targeting and self-targeting, each with its own strengths and weaknesses. Besley and Kanbur (1993: 10) advocates for a “detailed country specific analysis” before deciding on any single or combined targeted intervention. There is a need to review targeted programmes in terms of design and implementation, taking into account a country’s individual characteristics, politically, economically and socially. This would be critical for any move towards efficiency and equity in targeting. This dissertation draws from the review of various literatures available on the targeting of social assistance programmes to inform and justify its findings and recommendations.

CHAPTER 3

METHODOLOGY

3.1 Introduction

This chapter provides details on the methodology and research design that was adopted in this study on the targeting of the Child Support Grant. In the exploration of the targeting of the Child Support Grant, the dissertation shall investigate the profile of caregivers receiving the CSG and seek to identify the targeted, leaked and omitted care-givers. The chapter starts by describing the data sources used for the study. This is followed by a description of the sample population, including an assessment of data quality. The methods of analysis are provided before concluding the chapter.

3.2 Data sources

The data sources for this study came from the 1998 and 2004 KwaZulu-Natal Income Dynamic Survey (KIDS), as well as focus group discussions which were conducted in KwaZulu-Natal in 2004.

3.2.1 Quantitative

Although the Child Support Grant was introduced in 1998, information on this grant was collected for the first time in the 2004 KIDS survey. The link between the 2004 and 1998 KIDS surveys was done mainly to determine the targeting of the CSG. In order to achieve this, care-givers with children 10 years and younger in 2004, who were both receiving and not receiving the CSG in 2004 were traced back to 1998 to review their poverty status. This was based on the assumption that if a household was poor in 2004 it is likely that it would also have been poor in 1998. May et al. (2007) have found that downward mobility and chronic poverty rates were still high for the period 1998–2004, however it was not as unfavourable as for the earlier periods of the KIDS study.

KIDS is a longitudinal study and as such it addresses questions concerning dynamic processes and causal linkages. In this panel study households that were interviewed in 1998 and are re-interviewed in subsequent surveys. This allows researchers to determine whether

the same or different households are in poverty in two periods, whilst providing an opportunity to analyse the causes for these transitions.

In 1998 a research consortium consisting of the University of Natal, University of Wisconsin and the International Food Policy Research Institute undertook a survey of some 1 100 KwaZulu-Natal households that had been interviewed in 1993, as part of the South African Labour and Development Research Unit (SALDRU). KwaZulu-Natal was selected because it was feasible both in terms of resources and re-locating households that were interviewed in 1993. In 1993, the KwaZulu-Natal portion of the Project for Statistics on Living Standards and Development (PSLD) sample was representative at provincial level. The data pertained to 1 558 households of all races located in 73 sampling points or clusters, 23 in the former “white” province of Natal and 50 in the former Zulu homeland of KwaZulu (May, 2004). For KIDS, the White and Coloured households were excluded from the sample frame due to sampling biases that appeared to be evident as a result of the small sample size and distribution of the clusters that were sampled (May, 2004).

KIDS 2004 is the third wave of this panel study. Once again the University of KwaZulu-Natal, University of Wisconsin-Madison and the International Food Policy Research Institute were the consortium responsible for conducting the re-survey of 1 713 households, and were joined by the London School of Hygiene and Tropical Medicine. The 2004 study is based upon the original 1993 household socio-economic questionnaire, but several modules have been amended or expanded. According to May et al (2004), attrition rates between 1993 and 2004 appear to be within acceptable limits. A detailed description of the KIDS survey is provided in May et al. (1999) and May et al. (2004).

3.2.2 Qualitative

The qualitative data used in this study comes from focus group discussions conducted at social security pay-points in Durban, Port Shepstone, Ulundi and Ladysmith. These areas were selected because they included both urban and rural areas and they also provided a good coverage from four different areas in the province. Purposive sampling was utilised to identify participants for the focus group discussions. Those who were willing to be part of the focus group were invited to participate. Three focus group discussions were held at each

of the identified areas according to different age categories. There were a maximum of 12 interviewees in each of the above age categories. All interviews were conducted in the local language with the assistance of a translator.

3.3 Population sample

3.3.1 Quantitative

The population used in this research consisted of primary care-givers with children ten years and younger. The total population of care-givers in the KIDS 2004 with children ten years and younger was 1222. Both care-givers receiving and not receiving the CSG were included in the study sample. The study sample was limited only to those care-givers whose profile information was complete resulting in 332 care-givers being dropped off the sample. This was necessary to investigate the targeting of the CSG in terms of care-givers who are targeted and eligible, omitted and eligible, and leaked and non-eligible.

3.3.2 Qualitative

The sample population consisted of care-givers receiving the CSG in the following age categories:

<24

25–45

46–59

>60

Different age groups were targeted with the purpose of capturing different perceptions of the CSG. The focus group discussions were also used to reveal some of the complexities associated with the CSG, such as the gender, age, employment status, educational status, residential location, including issues of stigmatisation and reasons for the delays in the processing of CSG applications.

3.4 Quantitative independent variables

The following demographic and socio-economic variables of the care-giver were identified as being influential in determining the receiving of the CSG, age; sex; race; educational level; employment status; residential location; access to services: water, electricity, sanitation; income; percentage of household income spent on food; eligible and non-eligible for CSG.

The age of care-givers were categorised into four age groups for effective analysis: <24; 25–44; 45–59 and >60. The study only focused on the Indian and African race groups. Other race groups were not part of the study. Residence was categorised into urban and rural. According to Statistics South Africa (1998), an urban area is a settlement that has been legally proclaimed as being urban. Other areas are not regarded as urban, even if they are densely populated. Non-urban areas fall outside of legally proclaimed urban areas, and include commercial farms, small settlements and rural villages. Four categories of education were created: none (for those who had never gone to school); primary education (for those who have class one (grade R) to standard five (grade 7)); secondary (for those with standard 6 (grade 8) up to standard ten (grade 12)) and anything above standard ten was categorised as tertiary. Employment status was categorised into employed and unemployed. The employed included those in formal employment, casual employment and self employment. The unemployed included housewives, unemployed people, students, retired people and disabled people. Access to water was categorised into piped water and natural sources. Natural sources included rain tanks, dams, rivers, etc. Sanitation was simply categorised into access and no access, and the same principle was applied to the access to electricity. The variable on income includes the income of the care-giver and spouse where applicable. The variable on the percentage of household income spent on food was categorised into <50 percent, 51–100 percent and >101 percent. The CSG is means tested, and in order to identify under-coverage and leakages in the targeting of the grant, the income criteria for the means test was utilised to create a variable called eligible for CSG. This was done by first identifying the following:

Rural eligible: A care-giver who resides in a rural area with an income of R1 100 or less per month. Rural non-eligible: A care-giver who resides in a rural area with an income of more than R1 100 per month.

Urban eligible: A care-giver who resides in an urban area in a formal house with an income of R800 or less per month. A care-giver residing in an urban area in an informal house with an income of R1 100 or less per month.

Urban non-eligible: A care-giver who resides in an urban area in a formal house with an income which exceeds R800 per month. A care-giver who resides in an urban area in an informal house with an income of more than R1100 per month.

The variable eligible for CSG is a combination of those deemed deserving from the rural and urban areas whilst non-eligible for CSG is a combination of those deemed non-deserving from both the urban and rural areas.

3.5 Dependent variable

Since the study focuses on the CSG, the dependent variable is “targeted”, a variable based on three categories of care-givers with reference to receiving the CSG. The three categories of the dependant variable are as follows:

- Targeted refers to those care-givers who are eligible and receiving the CSG.
- Omitted refers to care-givers who are eligible but not receiving the CSG.
- Leaked refer to care-givers who are non-eligible but receiving the CSG.

Care-givers who are not eligible and not receiving are not considered in the latter part of the study.

The following questions were used to confirm “receiving” of the CSG:

Date grant received

Months waited before receiving

Month first received CSG

Year received

Amount of grant received

Recipient still receiving CSG

If the care-giver answered any of the above questions in the affirmative, then they were regarded as receiving the grant. Those who stated that they had not applied for the grant, or had applied but not yet received the grant were regarded as not receiving the grant.

3.6 Data analysis

The quantitative data was analysed using SPSS (Statistical Package for Social Science). Descriptive analysis was used to identify the characteristics of both the care-givers receiving the CSG and those who are not receiving the grant. This research also examined whether the CSG was reaching its target group based on the means test criteria. This was done using cross-tabs and regression. The type of regression that was used was multinomial regression. This form of regression is used when the dependent variable has three or more categories and the independent variables are continuous variables, categorical variables or both

Multinomial regression models were fitted to assess the relative importance of variables influencing the targeting of the CSG. Since the dependent variable has three categories ($Y=1$ leaked and $Y=2$ for omitted, against $Y=3$ for targeted), the generalised logit is therefore $Y=1$ versus $Y=3$ and for $Y=2$ versus $Y=3$. The logit for the comparison of $Y=1$ versus $Y=2$ can be obtained as the difference between the other two logits (Retherford and Choe, 1993).

The general form of the equations is given as follows:

$$g_1(x) = \ln \left[\frac{pr(Y=1 | x)}{pr(Y=3 | x)} \right] = \beta_{10} + \beta_{11}x_1 + \beta_{12}x_2 + \dots + \beta_{1p}x_p$$

$$g_2(x) = \ln \left[\frac{pr(Y=2 | x)}{pr(Y=3 | x)} \right] = \beta_{20} + \beta_{21}x_1 + \beta_{22}x_2 + \dots + \beta_{2p}x_p$$

$$\lfloor pr(Y=3 \mid x) \rfloor$$

where $\beta_{10}, \beta_{11}, \beta_{12} \dots \beta_{1p}$ are regression coefficients and $x_1, x_2 \dots x_p$ are categorical predictor variables. Estimating the generalised logit models together allows more accurate estimation of the standard errors of the parameters.

The qualitative data which was obtained from focus group discussions were taped recorded with the permission of the participants. In addition detailed notes were taken during the interviews. The tapes were transcribed from Zulu into English. All transcripts were read, coded and organised according to particular themes. Recurrent themes that emerged were identified. The transcripts were used to augment findings from the KIDS survey, a quantitative study. The focus group discussions provided qualitative data that unearthed certain concepts that could not be explored further nor operationalised in the survey. In this respect, triangulation, which combines more than one research approach, will be applied in order to gain an understanding of the phenomena under study (Henning, 2004).

3.7 Conclusion

The research will adopt the triangulation approach, a combination of both qualitative and quantitative research methods. Triangulation is considered as one of the best ways to enhance validity and reliability (Babbie and Mouton, 2001). The methodical approach as described above best articulate the objectives of this research.

CHAPTER 4

RESULTS AND DISCUSSIONS

4.1 Introduction

Care-givers both receiving and not receiving the grant in 2004 (KIDS 2004), were linked to their demographic and socio-economic characteristics in 1998 (KIDS 1998). The demographic and socio-economic profile of the care-givers in 1998 was utilised as indicators and proxy indicators of poverty status. This approach allowed the researcher to examine the differentials in the characteristics of both the receiving and non-receiving receipts and to identify leakages and under-coverage in the targeting of the CSG in 2004.

This chapter first presents results on the demographic and socio-economic characteristics of care-givers who receive the CSG compared to those who do not receive the Grant. Cross-tabulations and statistical significance are used to describe variations in both the characteristics of care-givers receiving and those not receiving the CSG. Care-givers are then categorised into eligible and non-eligible for the CSG, based on the means test income threshold. In order to understand variations in the targeting of the CSG, a multinomial regression model is applied. The results presented are then discussed in juxtaposition with the qualitative data that was gathered from the focus group discussions (FGD) in KwaZulu-Natal.

Poverty is multi-dimensional. As pointed out by Woolard (2002), it can be linked with hunger, unemployment, exploitation and lack of access to clean water, sanitation, healthcare or schools. The following sociological and demographic variables pertaining to the care-giver have been found to be useful in identifying or explaining poverty: sex of care-giver, race of care-giver, age of care-giver, residence of care-giver, employment status of care-giver, income, percentage of household income spent on food, and access to basic service (Lund, 2008). Hence these variables are interrogated in order to determine if the CSG is targeting the poor care-givers, and in so doing the poor children.

4.2 Results and Discussions

4.2.1 Sex of care-givers

Besides women often being singly responsible for child care they are generally more vulnerable to poverty and deprivation (May et al., 2000). This is especially true of female-headed households in rural areas. In view of the above it is anticipated that a large number of female care-givers should be recipients of the grant.

An analysis of the sex of the care-giver revealed that the majority of the care-givers in the study sample are females. Female care-givers made up 92 percent of the study sample whilst 8 percent were males. Among the care-givers receiving the CSG, 94 percent are females and 6 percent are males. This result suggests that females are more likely to be care-givers than males and therefore also more likely to access the grant. A chi square test revealed that this result is significant. This finding corroborates findings by Leatt (2004) who found that women were more likely to receive the CSG than men.

Table 4.1: Sex of care-giver (n = 895)

Sex	Non-recipient of CSG	Recipient of CSG	Total
Male	45 (9%)	24 (6%)	69 (8%)
Female	432 (91%)	394 (94%)	826 (92%)

**p0.025*

These results are confirmed by the qualitative data. The care-givers in the focus groups agreed that the majority of people who access the CSG were poor women. The women indicated that they are able to provide for their children's basic needs and that the grant has

empowered them. Respondents felt that women are better able to make decisions in their homes, particularly when it comes to caring for the children, making sure that they go to school and get the necessary medical attention when they are unwell. The women emphasised the fact that with the grant they are now able to take care of their children without help from the children's fathers, especially where the fathers are not around and taking them to court is a long and difficult process. An unintended yet positive consequence of the grant is the fact that the grant crowds out private support, reducing the private cost of getting parental support, which is generally borne by women.

"We no longer take the fathers of these children to court every day, because we will be given the money and raise our children."

(Woman, Durban FGD)

"We make decisions in our homes for our children to go to school now we have the money."

(Woman, Ulundi FGD)

"The father of my children is not here, he left looking for a job, he came home sometimes, now it is a very long time he did not return – he started a new family in Egoli. I cannot wait for him, my children need food. I apply for the grant. It was difficult, but I receive for three children. Now I send my children to school."

(Woman, Ladysmith FGD)

"The money is little, but the government is good to do this for us. I use the money to buy food and clothing for my child. I have just one child I pay for the crèche. I live with my uncle, it is known when it is pay day, you buy food for the people at home too, you get respect cos you bring something to the home."

(Woman, Port Shepstone FGD)

“I get this money – yes it is very little but it helps a lot. Before the grant my child will get sick, me the mother don’t know what to do, you try some muthi with herbs, your child is not getting better, it is painful to see your child suffering. With the grant you have money to travel to the clinic and get the right muthi from the Sister.”

(Woman, Ulundi FGD)

Although the grant has empowered the women, a new form of strife has emerged from the CSG whereby men claim a share of this money. Since the money is termed “*imali yeqolo*” (money for the waist, denoting the pain women endure during pregnancy), men have also invented a term called “*imali yamadolo*”, (meaning money for the knees). The men claim that because they also used their knees in the process of lovemaking to create the baby, hence they are entitled to a share of that money that is received for the child.

“Yes imali yeqolo is known all over. Men feel that they should receive a share of money even when they are not looking after the children. They say if there is no man there’s no baby. And there’s pressure on the knee to make that baby. They don’t care for our children; we cannot allow them a share.

(Woman, Ulundi FGD)

4.2.2 Race of care-givers

Living standards are also closely related with race in South Africa (May et al., 2000). Although poverty is not confined to any one racial group, it is concentrated among Africans (Woolard, 2002). In determining the targeting of the CSG, the understanding is that a large number of care-givers should be Africans.

An analysis of the variable on population revealed that Africans made up 93 percent of the study sample, the remaining 7 percent were Indians. Care-givers receiving the CSG consisted of 1 percent Indians and 99 percent Africans. This result suggests that Africans are more likely to access the grant compared to Indians. This is most likely due to past policies that have marginalised Africans, leaving the majority of them in poverty and the generally higher income of Indians in the study sample. A chi square test revealed that this result is significant.

Table 4.2: Race of care-giver (n = 895)

Race	Non-recipient of CSG	Recipient of CSG	Total
Indian	55 (12%)	5 (1%)	60 (7%)
African	422 (88%)	413 (99%)	835 (93%)

**p0.000*

The race of the care-givers in focus group discussion was reflective of the study sample, with the majority being Africans. The care-givers alluded to the fact that the Africans are the poorest people in the country and therefore are most in need of the grant.

“African people are poor, most of us here only go to junior school, we do not have jobs, no money and no good homes. This is not so bad for other people. Our children do suffer.”

(Woman, Ladysmith FGD)

“I am a domestic worker. I work for the madam for only two times in a week. Madam says she cannot give me job for more than two times in week, she cannot afford and because of the Dept of Labour. My friend is also having the same problem. Taxi fares cost R15.00 a day. How can we live decently? Africans are poor people and we need the grant. Government must increase the grant so we can look after our children properly when we don’t have good jobs. Otherwise our children will grow being poor like us.

(Woman, Durban FGD)

4.2.3 Age of care-givers

Although recent evidence suggests that teenage pregnancy is declining, it is still prevalent (Makiwane et al., 2006). Child-headed households although still a small proportion, are evident across South Africa (Richter and Desmond, 2008). This situation is indicative of the quality of life of these young people who should be accessing the CSG. With regard to the elderly, they can also be prone to poverty in the absence of any form of social security (Case and Deaton, 1998). In most instances the Old Age Pension that is received by the elderly is used to support three generations in one household (Ardington and Lund, 1995). Be this as it may, with the advent of the HIV and AIDS pandemic, grandparents are taking on the role of care-giving on a much larger scale than before (Helpage International, 2007). At the same time community caring is taking on new proportions as more and more children are abandoned or are becoming orphans (Richter and Rama, 2006) In this case it is anticipated that care-givers from the different age categories will be receiving the Child Support Grant.

An analysis of this variable revealed that the majority of the care-givers are in the age category of 25–44 (53 percent), followed by 45–59 (23 percent), 60 plus (17 percent) and lastly 24 and less (7 percent). With regards to receiving the CSG, 58 percent of care-givers within the age category of 25–44 are receiving the grant, followed by the age category 45–59 (22 percent). In the age category of 24 and less, 7 percent of the care-givers are receiving the grant compared to 13 percent of those in the age category of 60 plus. This result suggests that care-givers in the age category of 25–44 are more likely to access the grant compared to all other age groups. A chi square test revealed that this result is significant. This finding is contrary to the common held belief that teenagers are having babies just to access the CSG.

Table 4.3: Age of care-giver (n = 895)

Age	Non-recipient of CSG	Recipient of CSG	Total
>60	94 (20%)	54 (13%)	148 (17%)
46–59	109 (23%)	92 (22%)	201 (23%)
25–45	233 (48%)	243 (58%)	476 (53%)
<24	41 (9%)	29 (7%)	70 (7%)

**p0.014*

The majority of the care-givers in the FGDs were in age category 26–40. However the age category of 40 and above appeared to be more prominent in the Ulundi and Ladysmith areas. Most of the care-givers were accessing the grant for their own children. There were also those who were accessing the grant for their grandchildren, and their siblings' children.

A few of the care-givers in the focus group discussion in Port Shepstone supported the idea that young mothers are having children so that they could collect the grant and beautify themselves.

*“We see some of them at the shops buying airtime, doing their hair.
They are proud to tell others that they can do these things because
they have money, they collect the grant.”*

(Woman, Port Shepstone FGD)

The above view was supported in articles published in the *Cape Argus*, 29 September 2008 and the *Daily Sun*, 30 September 2008 (Nkuna, 2008). The articles blamed the grant for increased teenage pregnancy, viewing the grant as a perverse incentive.

Contradictory to the above, the view that was expressed by the majority of the care-givers was that the problem of teenage pregnancy is not a new phenomenon at all. It has been a problem for decades and it is surprising that some people are linking it to the CSG.

"It is not true, school girls have always been getting pregnant, even before this support system came into place."

(Woman, Durban FGD)

"Why would I have a child for the money, I cannot buy an outfit, the money is not enough to buy the top, what about the skirt and the shoes? Babies' food is not cheap."

(Woman, Ladysmith FGD)

The women from the FGD discussions expressed disappointment that the CSG, which is doing a lot of good, was being blamed for teenage pregnancies. The older women agreed that as long as they could remember teenage pregnancy was always a problem and it is increasing. They blamed this on the disintegrating cultural systems that are almost non-existent nowadays. Although the young care-givers did not indicate what exactly contributes to teenage pregnancy, they did find it ridiculous that one would think that such a small amount would encourage a young woman to have a child. The young care-givers felt that the money is not enough to buy the babies food and clothing and definitely does not cater for their own needs since the cost of living is so high.

The views of most of the women corroborate findings from several studies in South Africa. The 1998 South Africa Demographic and Health Survey (SADHS) revealed that more than thirty percent of young women in South Africa will have a pregnancy before the age of 20

(Swartz, 2002. A recent study by Makiwane et al. (2006) has confirmed that there is no relationship between teenage fertility and the receiving of the CSG for a number of reasons. Firstly the increase in teenage pregnancy predates the introduction of the CSG; secondly teenagers who have been grant recipients only made up three percent of the total number of recipients, whilst teenagers accounted for fifteen percent of the fertility increase during the period of investigation. If young mothers were bearing children in order to benefit from the grant, one would expect a higher proportion of teenagers to take advantage of the grant. By contrast, the study by Makiwane et al. (2006) showed that women 35 years and older were more likely to be direct beneficiaries of the CSG. Makiwane et al. (2006) also confirmed that the increase in teenage pregnancy occurred across the board which included sectors of society that did not qualify for the CSG.

With the advent of HIV and AIDS, many children are being orphaned, resulting in them either heading their own households or being at the mercy of the community or family members to take them in. What is evident from the focus group discussions is that the care-givers who take the vulnerable children into their homes are usually not young. In most instances they are family members such as aunts or grannies. There are also instances where the community members take the children into their care.

"I am collecting money for three of my children and two of my sister's children. My sister has passed away. I am trying to get the foster care grant for the two girls."

(Woman, Durban FGD)

"We bury people every week, the children there's no one to look after them, in Mhlabatini we take them into our homes. I collect the grant for four children – no they not my own children. I want to help, but I can only help with the grant. I live on the pension grant; it is not enough to help these children. It was a lot of problem to get this grant, but the social worker from the Mhlabathini Welfare Office, she helps me till I get the grant for all four children. She is good woman." (Woman, Ulundi FGD)

“I am collecting the grant for my daughter’s two young children. The children have been with me from very little. My daughter came home with them one day – she was very sick, not long she passed away. Yes I have other grandchildren living with me but I only collect for this two because they are young.”

(Woman, Ladysmith FGD)

“It’s my grandchildren, I am their Gogo, I am waiting to collect the grant for the children, the mother is not here – no she is sick.”

(Woman, Ulundi FGD)

The reality of the situation supports the view that the availability and accessibility of the grant provides a mechanism for already impoverished families to take children into their care.

4.2.4 Residence of care-givers

In South Africa, poverty tends to have a spatial dimension. Most of the poor (especially women and children) live in rural areas, which are characterised by high levels of unemployment, lack of access to basic services and female headed households. The poverty share of rural areas is 70 percent whilst the poverty rate is about 70 percent (May et al., 2000; Leibbrandt et al., 2005).

In assessing the targeting of the CSG it is anticipated that a large number of recipients will be from the rural areas where most of the poor reside.

An analysis of the residence of care-givers revealed that a large percentage (74 percent) of care-givers reside in rural areas whilst the other 26 percent reside in urban areas.

In terms of receiving the Child Support Grant, the grant is received by 19 percent of the care-givers from urban areas and 81 percent from those in rural areas. This clearly reveals that the majority of grant recipients are from the rural areas. The result suggests that care-

givers from the rural areas are more likely to receive the grant in comparison to those in the urban area. A chi square test revealed that this result is significant. This finding corroborates with findings by Leatt (2004) who found that care-givers in the rural areas were more likely to receive the CSG compared to those in the urban areas.

Table 4.4: Residential location of care-giver (n = 895)

Residence	Non-recipient of CSG	Recipient of CSG	Total
Urban	148 (31%)	80 (19%)	228 (26%)
Rural	329 (69%)	338 (81%)	667 (74%)

**p0.000*

The focus group discussions included care-givers from both the urban and rural areas. The care-givers from Ulundi and Ladysmith were from the rural areas, whilst the care-givers from Port Shepstone and Durban were from the urban areas. The care-givers themselves expressed that poverty was all over, but the hardships experienced by people in the rural areas were far greater than those experienced in urban areas.

There are no jobs for us here; my older children leave us here to go find jobs. We have to collect water and wood, we plant our vegetables, see to the children – no clinic here, we walk. to collect the children's money we walk to this pay point. You can see, today its hot, we stand in the queue till we collect the money. We need the money."

(Woman, Ulundi FGD)

“Life is hard for us here. We plant our food and try to sell some. We all plant the same vegetables. It is not easy to sell the vegetables. We depend on this money when we can get it. So we don’t know if we will get money to buy seeds and to see to our other needs. The grant we are getting every month, it helps for the children and for other things. We know we will come and collect the money. It is little but it helps us a lot.”

(Woman, Ladysmith FGD)

Some of the care-givers from the urban areas highlighted the difficulties that they experienced in the urban areas. Many complained of the high cost of living, inadequate housing and the crime.

“I have three children, two receive the grant. Food is expensive, school and transport is very expensive. I have a part time job. It pays little and I have to work long hours. When it is late, I am afraid of being attacked by criminals. I worry about my children too.”

(Woman, Durban FGD)

4.2.5 Educational levels of care-givers

There is a close connection between poverty and lack of education since educational attainment indicates a strong correlation with standard of living (Woolard, 2002). In measuring this variable it is assumed that most care-givers receiving the CSG will be those with no education or only primary education.

Table 4.5: Educational levels of care-giver (n = 895)

Education Levels	Non-recipient of CSG	Recipient of CSG	Total
Tertiary	31 (7%)	4 (1%)	35 (4%)
Secondary	183 207 (38%)	154 (37%)	337 (38%)
Primary	207 (43%)	154 (48%)	408 (45%)
None	56 (12%)	59 (14%)	115 (13%)

**p0.000*

An analysis of the educational levels of care-givers revealed that the majority of the care-givers have primary education (45 percent); this is followed by those with secondary education (38 percent), and those with no education (13 percent). A few care-givers (4 percent) have tertiary education.

Among those who have primary education, just less than half of the care-givers (48 percent) are receiving the grant. This is followed by those with secondary education (37 percent), no education (14 percent) and lastly tertiary education (1 percent). A chi square test revealed that this result is significant. This finding corroborates with findings by Case et al. (2003) that care-givers with none or primary education are more likely to be grant recipients. However what is evident from the findings is that a notable percentage of care-givers with

secondary education are accessing. This situation could be attributed to the high levels of unemployment and therefore the need for the grant. The higher level of education of this category of care-givers places them in a better position in terms of understanding the CSG application system.

The majority of the care-givers' in the FGDs had no education, although a significant number did have primary education, with a very few having secondary education. There were none with tertiary education. This is indicative of the care-giver s' and their children's standard of living, hence the need for the child support grant.

"We have no education and no job. There is no job here, we grow the food. The young children go to school – no it's far. Yes on rainy days they stay at home and when they sick. My children come home from school, they work hard. They get water and help me to plant. The children work hard like us."

(Woman, FGD Ulundi)

"African people are poor, most of us here only go to junior school, we do not have jobs, no money and no good homes. This is not so bad for other people. Our children do suffer."

(Woman, Ladysmith FGD)

"I completed standard eight, I was working in a clothing factory – I was retrenched with no benefits. No I was not a registered worker. Being a single parent I depended on my job to look after my children, Now I depend on this grant. I rent an outbuilding – one room and a kitchen. The grant is little but it helps to provide some of the basics for my children. I received the grant after six months of applying."

(Woman, Durban FGD)

What is evident from the focus group discussions is that care-givers with no education and those with primary education depend on the grant as a source of income, since their educational status does not necessarily permit formal employment. Their living conditions

and those of their children are characterised by the mere basics, which the grant helps to maintain. At that same time what is also becoming evident due to economic conditions and the high levels of unemployment, care-givers with some secondary education are also accessing the CSG. The CSG is also helping to provide for the basic needs of their children, who would otherwise fall deeper into poverty. Care-givers with increased years of education are also likely to access the grant more easily because of their ability to have more information on accessing the grant and are also more likely to deal with all the bureaucracy that comes with applying for the grant.

4.2.6 Employment status

Poverty is closely correlated to “high unemployment rates regardless of how it is measured” (Lund, 1996: 2). In terms of targeting the CSG, it is anticipated that the care-givers receiving the grant are most likely to be unemployed.

An analysis of the employment status of the care-givers revealed that 71 percent of the care-givers are unemployed whilst 29 percent of them are employed. With regards to the care-givers receiving the CSG, 77 percent of them are unemployed whilst 23 percent of employed care-givers are receiving the grant. This result reveals that the unemployed are more likely to access the grant compared to the employed. A chi square test revealed that this result is significant.

Table 4.6: Employment status of care-giver (n = 895)

Employment Status	Non recipient of CSG	Recipient of CSG	Total
Employed	168 (35%)	95 (23%)	263 (29%)
Unemployed	309 (64%)	323 (77%)	632 (71%)

p.0.000

In all of the FGDs, the care-givers indicated that they were unemployed. Although the older care-givers confirmed the receiving of an old age pension, for the majority of them the CSG was their only source of income.

“My husband is unemployed, I am unemployed this is the only money we receive in our home – yes two children, the other children cannot collect they are not the right age to collect.”

(Woman, FGD Port Shepstone)

“I have been unemployed for the past six years. Yes I take care of my children. I cannot find a job, this is my last solution, its embarrassing. If only I could find a job.”

(Man, FGD Durban)

“There are no jobs for us here; my older children leave us here to go find jobs.”

(Woman, Ulundi FGD)

The care-givers from the focus groups identified unemployment as one of their biggest challenges and expressed that the grant is in almost all instances their only source of income to care for their children. Male care-givers expressed that they feel ashamed to collect the grant, since in society the norm is that the male is the breadwinner. However the reality is that unemployment levels are high and men are being affected and are losing their jobs. The children need their basics and the grant is the only way of providing for the children even if this means putting aside how they really feel.

4.2.7 Income

Poor households are characterised by a lack of wage income because of unemployment and low paid jobs. Although the experience of poverty goes beyond material aspects, “money metric measures such as income provide the best objective proxy for poverty status” (Baulch, 1996 cited in Woolard 2002: 2). The CSG is subject to a means test, with specific income thresholds based on residential location. Measuring this variable will give insight into which care-givers are entitled and which are not, once again determining the targeting of the grant.

An analysis of the income variable revealed that 82 percent of the care-givers do not earn any income. This is followed by 8 percent of them who receive an income of between R1 and R800, and 3 percent who earn an income of R1 101–R2 000. Only 2.6 percent of the care-givers earn an income above R4 000. A small percentage (3 percent) of care-givers’ incomes varied between R2 000 and R4000. The analysis further revealed that a large percentage (86 percent) of care-givers who are receiving the CSG do not earn an income, whilst 7 percent of the grant recipients earn between R1 and R800. This is followed by 2 percent of grant recipients who earn an income of between R1 101 and R2 000; 1 percent who earn an income of between R801 and R1 101 and 1 percent earned between R2000 and R3000. Lastly 2 percent of the grant recipients earned R3000 and above. A chi square test revealed that this result is significant. This result reveals that those care-givers who do not earn any income are more likely to be grant recipients than those who earn high incomes.

Table 4.7: Income of care-giver (n = 895)

Income	Non-recipient of CSG	Recipient of CSG	Total
R4 000+	16 (3%)	3 (0.007%)	19 (2%)
R3 001– R4 000	9 (2%)	3 (0,007%)	12 (1%)
R2 001– R3 000	15 (3%)	4 (1%)	19 (2%)
R1 101– R2 000	14 (3%)	9 (2%)	23 (3%)
R801– R1 100	9 (2%)	4 (1%)	13 (2%)
R1–R800	36 (8%)	32 (7%)	68 (8%)
None	378 (79%)	418 (86%)	741 (82%)

**p0.006*

The findings from the quantitative data are in line with the FGD. Care-givers confirmed that in most instances the CSG was the only source of income in their homes. A large number of care-givers from the Ulundi and Ladysmith areas confirmed that the CSG and the Old Age Pension were the only income that they received to run their households and take care of their children.

*“Yes theres many people at home but theres no income.
They don’t have jobs. I collect the grant for two children.
This is the money we use for the children and for the house.
(Woman, FGD Port Shepstone)*

*“I collect old age pension for myself and I collect the child grant for two of
my grand children. No I don’t get any other income. I use the money for the
children and to buy food for everyone at home. Yes there’s other people living
at home.”
(Woman, FGD Ladysmith)*

4.2.8 Percentage of caregiver’s household income spent on food

Like income, expenditure also provides an objective proxy for poverty status. Poor households are noted for spending more of their income on food than on any other expenditure (Lipton, 2003). By measuring this variable one hopes to determine if the CSG is being received by such households.

An analysis of this variable revealed that 65 percent of households of caregivers’ spend 50 percent and less of their income on food. This is followed by 25 percent who spend between 50 percent and 100 percent of the household income on food. Only 10 percent spend more than a 100 percent of the household income on food. With regards to the households with care-givers receiving the CSG, 10 percent of them spend more than 100 percent of their household income on food; 27 percent of them spend between 51 percent and 100 percent on food. Lastly 63% of the grant recipients spend less than 50 percent of household income on food. A chi square test revealed that this result is significant.

Table 4.8: Percentage of Household income spent on food (n = 895)

	Non-recipient of CSG	Recipient of CSG	Total
0%–50%	318 (11%)	265 (10%)	583 (65%)
51%–100%	109 (23%)	111 (27%)	220 (25%)
>100%	50 (66%)	42 (63%)	92 (10%)

*p*0.438

The care-givers in FGDs indicated that the money that they receive is utilised mainly for food for the children. Some of the care-givers mentioned that they used the money to pay for transport to school, medical services and clothing for the children. Some of the caregivers indicated that it was easy to overspend the household income, especially when it so little and when there are so many mouths to feed. In these instances they depended on their social networks with family and friends, borrowing and returning at a later date. The overspending of income is in line with the findings from the qualitative data. One care-giver indicated that as much as the money is little, she budgets herself and saves R10 a month (with the local social club) for each of the two children for whom she is receiving the grant.

“It’s food we buy, mostly food for the children and the people at home.

The money is not enough for food, we help each other in the community, we borrow and return next time we get the money”

(Woman, Ulundi FGD)

"We buy food, but also pay for transport for children to go to school, sometimes clothing."

(Woman, Ladysmith FGD)

"I buy food and clothing for the children. My children do well in school. I save R10.00 for each of my boys for their future education."

(Woman, Durban FGD)

It is clear from the above that providing food for the children is the key concern of the care-givers. Whilst some of the care-givers utilise the grant for education and health, the bulk of the money is spent on food. It is also interesting to note that despite the small amount of money, this one particular care-giver is able to provide food for her children and save a small portion of it for their future.

4.2.9 Access to basic services

The lack of access to clean water, electricity and sanitation is closely related to poverty. The lack of these basic services has a direct impact on quality of life and may lead to "time poverty" (May et al. 2000; May and Norton, 1997). Once again in terms of targeting of the CSG, it is expected that care-givers who do not have access to basic services, should be accessing the grant.

Piped water is available to 50 percent of the care-givers, whilst the other 50 percent depend on natural sources for water. With regards to care-givers receiving the CSG, 56 percent of them depend on natural sources for their water supply and 44 percent of them have piped water. Care-givers without access to water are more likely to be grant recipients than those who have access to water. A chi square test revealed that this result is significant.

Table 4.9: Access to water (n = 895)

Access to Water	Non-recipient of CSG	Recipient of CSG	Total
Piped water	259 (54%)	186 (44%)	445 (60%)
Natural sources	218 (46%)	232 (56%)	450 (40%)

p0.004

Electricity supply is available to 60 percent of the care-givers, whilst 40 percent of them do not have electrical supply. With regards to care-givers receiving the CSG, 56 percent of the recipients do not have an electric supply, whilst 44 percent of them do have an electric supply. Care-givers without electricity are more likely to be grant recipients than those with electricity. A chi square test revealed that this result is significant.

Table 4.10: Access to electricity (n = 895)

Electricity	Non-recipient of CSG	Recipient of CSG	Total
Access	299 (63%)	233 (56%)	532 (59%)
No access	178 (37%)	185 (44%)	363 (41%)

p0.041

An analysis of the variable on access to water revealed that 84 percent of the care-givers have access to sanitation whilst 16 percent of them do not have access to any form of sanitation. With regards to the care-givers receiving the CSG, 18 percent of them do not have any access to any form of sanitation. However 82 percent of the recipients do have access to sanitation. A chi square test revealed that this result is significant.

Table 4.11: Access to sanitation (n = 895)

Sanitation	Non-recipient of CSG	Recipient of CSG	Total
Yes	412 (86%)	342 (82%)	754 (84%)
No	65 (14%)	76 (18%)	141 (16%)

*p*0.066

Besides care-givers residing in informal settlement in the urban area, most of the care-givers from the Durban and Port Shepstone areas expressed their appreciation at having not just electricity and piped water, but also having proper sanitation, those in the rural areas expressed their concern at not having the basic infrastructure, adding to their burden of poverty. A view expressed by one care-giver is that the basic infrastructure may never happen in their area.

“It’s a long time that we don’t have water in our homes and place to cook the food, the women and young children collect the water and wood from far. The Councillor says it’s going to come but not now there is a lot of digging to do. No we do not have toilets, we don’t know if it will come.”

(Woman, Ulundi FGD)

The overall finding on access to basic services reveals that a large percentage of care-givers who are receiving the CSG do not have access to electricity or piped water.

4.3 Eligible for the CSG

The variable eligible for the CSG is based on the income threshold for both urban and rural areas as per means test criteria in 2004. The measuring of this variable allowed the researcher to identify both leakages and under-coverage in the targeting of the CSG. The variable called eligible for CSG was formulated based on the identification of the following:

Rural eligible: A care-giver who resides in a rural area with an income of R1 100 or less per month.

Rural non-eligible: A care-giver who resides in a rural area with an income of more than R1 100 per month.

Urban eligible:

- A care-giver who resides in an urban area in a **formal house** with an income of R800 or less per month.
- A care-giver residing in an urban area in an **informal house** with an income of R1 100 or less per month.

Urban non-eligible:

- A care-giver who resides in an urban area in a formal house with an income which exceeds R800 per month.
- A care-giver who resides in an urban area in an informal house with an income of more than R1 100 per month.

The variable eligible for CSG is combination of the eligible from the rural and urban areas whilst non-eligible for CSG is a combination of the non-eligible from both the urban and rural areas.

Table 4.12: Care-givers eligible for the CSG (n = 895)

	Non-recipient of CSG	Recipient of CSG	Total
Non-eligible	57 (63%)	21 (27%)	78 (9%)
Eligible	420 (51%)	397 (49%)	817 (91%)

Table 4.13 presents findings on care-givers who are grant recipients and those who are not. An analysis of this variable revealed that 91 percent of the care-givers in the study sample are eligible to receive the grant whilst a small percentage of them (9 percent) fall into the category of non-eligible. Among the non-eligible, 27 percent of care-givers are receiving the grant. Further analysis has revealed that among the eligible, 49 percent of care-givers who are receiving the CSG do qualify to receive the grant, however 51 percent of care-givers who are not receiving the grant, qualify to be recipients. This result is clearly indicative of under-coverage and leakages that are generally associated with targeting. .

In order to get a deeper insight into the targeting of the CSG, care-givers who are eligible and receiving (targeted); care-givers who are eligible and not receiving the CSG (omitted/under-coverage) and care-givers who are not eligible and receiving (leakage) the CSG were explored. The study sample was then reduced from 895 to 838. Fifty-seven care-givers were eliminated since they were non-grant recipients and not eligible for the CSG. The tables below present the care-givers who are targeted, those omitted and those who are leaked into the system according to their demographic and socio-economic profile:

Figure 1: CSG beneficiaries according to targeting

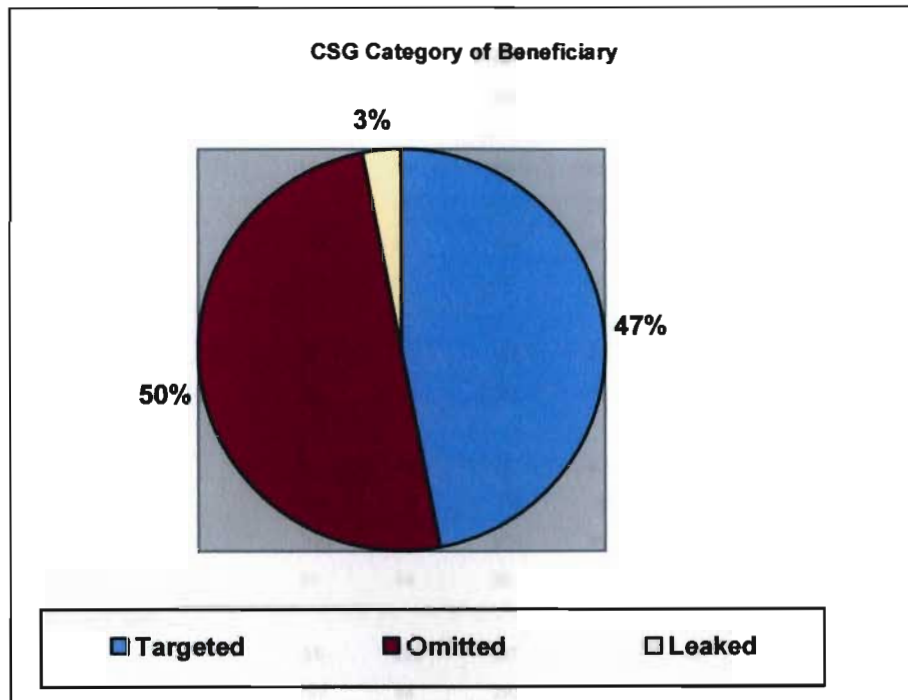


Table 4.13: Eligibility vs targeted, omitted and leaked

Characteristic	Targeted	%	Omitted	%	Leaked	%	n	p
Sex								<i>p0.135</i>
Male	24	6	37	9	0	0	61	
Female	373	94	383	91	21	100	777	
Population group								<i>p0.000</i>
Indians	5	1	40	10	0	0	45	
Africans	392	99	380	90	21	100	793	
Age								<i>p0.000</i>
60<	53	34	93	22	1	5	147	
45-59	81	20	92	22	11	52	184	
25-44	234	60	194	46	9	43	437	
<24	29	7	41	10	0	0	70	
Residence								<i>p0.000</i>
Urban	71	18	117	28	9	43	197	
Rural	326	82	303	72	12	57	641	
Education level								<i>p0.017</i>
Tertiary	3	1	17	4	1	4	21	
Secondary	149	38	176	42	5	24	330	
Primary	188	47	171	40	13	62	372	
None	57	14	56	13	2	10	115	
Employment status								<i>p0.001</i>
Employed	85	212	127	30	10	48	222	
Unemployed	312	88	293	70	11	52	616	
Income								<i>p0.000</i>
R4 000<	0	0	0	0	3	14	3	
R3 001-R4 000	0	0	0	0	3	14	3	
R2 001-R3 000	0	0	0	0	4	19	4	
R1 101-R2 000	0	0	0	0	9	43	9	
R801-R1 100	2	1	6	1	2	20	10	
R1-R800	32	8	36	9	0	0	68	
None	363	91	378	90	0	0	741	
% of income spent on food								<i>p0.934</i>
>50	251	10	271	11	14	10	536	
51-10	106	27	102	24	5	24	213	
100<	40	63	47	65	2	66	89	
Access to water								<i>p0.086</i>
Piped water	174	44	214	51	12	57	400	
Natural sources	223	56	206	49	9	43	438	
Source of electricity								<i>p0.538</i>
Electricity	221	56	249	59	12	57	482	
None	176	44	171	41	9	43	356	
Access to sanitation								<i>p0.363</i>
Yes	324	82	358	85	18	85	700	
No	73	18	62	15	3	15	138	

Based on the demographic and socio-economic profile of care-givers who are targeted for the CSG in Table 4.13, one can deduce that the CSG is targeted at the right calibre of beneficiaries. The targeted (94 percent) are largely African females, mostly in the 25–45 age category. The majority of the targeted care-givers are from the rural areas (82 percent). A large percentage of the targeted caregivers do not have access to water and electricity. Whilst many of the targeted care-givers have no education, the majority of them have primary education, followed by secondary education. A large percentage of the targeted (82 percent) are unemployed.

An analysis of the demographic and socio-economic profile of the care-givers who have been leaked reveal that the caregivers are African females, in the age groups of 25–45 and 46–59. The majority of them have secondary education and earn an income of R800–R2 000 per month and in a few instances more than R2 000 per month. The leaked caregivers are found both in urban and rural areas.

The omitted include a large percentage of female (91 percent) and small percentage of males (9 percent). The omitted care-givers consist of both African (90 percent) and Indian (10 percent). The omitted include 70 percent unemployed and 30 percent employed care-givers. A large percentage of the omitted are from rural areas (82 percent) whilst 28 percent are from urban areas.

The findings reveal that whilst the CSG is reaching the right calibre of beneficiaries, not all of the intended beneficiaries are being targeted. Although small and not significant, there is evidence of leakage.

The finding from the quantitative data is in line with the focus group discussions. Care-givers expressed concern that there were a few care-givers such as nurses who were employed and earning a good income but were receiving the CSG.

“We see them ourselves, nurses in uniform they are here in the queue with us to collect the money. They have good jobs, why do they have to collect this money.”

(Women, Port Shepstone, FGD)

Whilst the leakage maybe happening on a small scale, the major concern of the care-givers was that there were poor care-givers who need the grant but are not receiving it because of the lack of documentation and lack of money for travelling to and from government offices and the means testing that makes it extremely difficult for them to qualify. The problem of lack of documentation seems to be prevalent in the rural areas where the care-givers are expected to visit the nearest towns to get identity documents and birth certificates. Care-givers identified finance as a major constraint to getting documentation, and to register the children, since the applications for both the documentation and the CSG requires several visits before it is confirmed. Sometime the care-givers borrow from neighbours hoping that they would pay back when the money is processed. This at times causes a strain with the neighbours as the money takes a long time to be processed.

“Yes they know about the money but it is the procedure to follow. Some do not have IDs. Some have children without birth certificates and they also do not have IDs, and they do not have money for transport – it took me a long time to receive the money for my children”

(Woman, Ulundi FGD)

“My sister needs the money, she has no job, yes she has a child to collect the money for but no she cannot, she does not have a ID and there’s no birth certificate for the child. The welfare office says no she cannot collect the money Home Affairs is not helping.”

(Woman, Ladysmith FGD)

“Today you come to the office, they say they need proof that you are not working. You come back another day with the proof, then they tells you they need a bank statement, it is backwards and forwards, why can’t they tell you once? People get tired and most of the time don’t have the money to go backwards and forwards.”

(Woman, Durban FGD)

“I am receiving the grant now, but it took a long time. Since the clerk wanted proof I cannot get maintenance from the father of my children. My last was the affidavit from the police. Yes that helped. But they never tell you when the money is there for you to collect. You go again to find out.”

(Woman, Port Shepstone FGD)

In addition to the above care-givers expressed a concern that they are labelled for receiving the CSG. This is evident from the Zulu term coined in reference to the CSG, “*imali yeqolo*”, meaning “money of the waist”. In the Zulu culture, “*imali yeqolo*” originally would refer to the money paid by a man for impregnating a woman on behalf of a deceased husband. The term has risen from the fact that men are concerned that the CSG was taking the responsibility of being breadwinners away from them. Most women found the labelling insulting.

One elderly woman from an FGD in Ulundi stated:

“They ridicule us when they call the money we are getting imali yeqolo, because they are supposing that the fathers are not there and hence the government is taking care of us”

(Woman, Ulundi FGD)

With the high levels of unemployment and the growing number of mothers dying from HIV and AIDS (Leatt, 2004), more and more men are taking on the role of care-giving hence are also in need of the grant to provide for their children’s basic needs. Unfortunately this has been accompanied by stigmatisation.

“There may be more of us who need this money to care for our children, but we are ashamed because we are supposed to be bringing the money home to care for our families. We are just looked down upon.”

(Man, Durban FGD)

“Look at this queue, we are just three men in this long queue of women, maybe more men are still to come, but I doubt. We do not feel like we belong here, but we have children to take care of. I am unemployed and my mother helps take care of my children. This money is for food so that she can feed them.”

(Man, Durban FGD)

The above finding corroborates with the study conducted by Leatt et al. (2005) where the lack of documentation, financial constraints and being ashamed to apply for the CSG has been identified as barriers to getting the CSG, resulting in under-coverage. The means test itself has been viewed to be major deterrent to accessing the grant.

“I bring proof I am not working no you must go back and bring proof your husband is not working, and there is no money in the bank It makes you tired – we are desperate for the grant to feed our children and send them to school”

(Woman, Port Shepstone FGD)

“The Social worker says we must have proof you are not working. Then you have to go to the police and then back to DSD, the money comes, but it takes a long time getting proof and you have hungry children.”

(Woman, Durban FGD)

Whilst the means test is supposed to be keeping the non-poor from accessing the grant, its stringent measures force the poor to confess and confirm their poverty in writing. The time that it takes trying to prevent leakage of benefits to the non-poor prolongs the availability of the poverty relief to those who really need it.

Although there are some welfare officials that are following the regulated protocol of adherence for accessing the CSG, there are many officials that do not. Care-givers complained that there were inconsistencies in implementing the application criteria. Care-

givers felt that they were at the mercy of the social worker or clerk who processed the application.

“The clerk at the welfare office looks at me and tells me to my face you don’t look like you need this grant – why I look clean and tidy? She has already made up her mind and then makes everything so difficult for me to get the grant.

(Woman, 50, Ladysmith FGD)

“I come to the welfare office in Durban with my daughter to apply for the grant. The Social Worker asks me why my child is not at school. I tell her that she is sick and I can not leave at home alone. She tells me to take my child to the doctor and come back with a doctor’s note to apply for the grant. I go from Durban back home I borrow money for taxi and then go to St Mary’s hospital the next day. The Doctor does not understand why I need a letter he says there is no need for letter. I travel again to the welfare office. The social worker was not there. Another social worker sees to me and tells me I do not need the doctor’s letter. I ask why the social worker do that to me she says it is for the sake of the child – to get better. She helped me and was sorry that I had not been given the right information. I got the grant after three months. But maybe it was going to be longer or not at all with the first social worker.”

(Woman, Durban FGD)

Staff members that are not fully informed on the CSG application process can cause unnecessary delays in processing applications for the grant, adding to the burden of the vulnerable.

Multinomial regression models were fitted to assess the relative importance of variables influencing the targeting of the CSG. Since the dependent variable has three categories ($Y=1$ leaked and $Y=2$ for omitted, against $Y=3$ for targeted), the generalised logit is therefore $Y=1$ versus $Y=3$ and for $Y=2$ versus $Y=3$. The logit for the comparison of $Y=1$ versus $Y=2$ can be obtained as the difference between the other two logits (Retherford and Choe, 1993).

The general form of the equations is given as follows:

$$g_1(x) = \ln \left[\frac{pr(Y=1 | x)}{pr(Y=3 | x)} \right] = \beta_{10} + \beta_{11}x_1 + \beta_{12}x_2 + \dots + \beta_{1p}x_p$$

$$g_2(x) = \ln \left[\frac{pr(Y=2 | x)}{pr(Y=3 | x)} \right] = \beta_{20} + \beta_{21}x_1 + \beta_{22}x_2 + \dots + \beta_{2p}x_p$$

where $\beta_{10}, \beta_{11}, \beta_{12} \dots \beta_{1p}$ are regression coefficients and $x_1, x_2 \dots x_p$ are categorical predictor variables. Estimating the generalised logit models together allows more accurate estimation of the standard errors of the parameters.

The results from the descriptive analysis show that the leaked population were very few and can not be included in this analysis. This therefore leaves the analysis between the omitted and targeted (the eligible group). The comparison between the omitted and targeted shows that there were only three variables significant in explaining the variation between the two groups. These variables were race, employment status and age group. The other variables, gender of care-giver, residence, highest education level, income, percentage of household income spent on food, electricity supply, access to water and access to sanitation were not significant in explaining variation between the omitted and targeted. The Cox and Snell R Square for the model was 9.4 percent and the Nagelkerke R Square for the model was 12.6 percent. This means that the model explained variation between the omitted and the targeted by 9.4 percent to 12.6 percent. Roughly 90.6 to 87.4 percent of the variation could not be explained by the model.

Table 4.14: Multinomial regression model for the targeted versus the omitted care-givers

Characteristic		Omitted 95% C.I.	
Gender			
Male		0.84	(0.48-1.49)
Female	(Ref)	1.00	
Population group**			
Indian		0.12**	(0.05-0.34)
African	(ref)	1.00	
Residence			
Urban		0.73	(0.47-1.13)
Rural	(ref)	1.00	
Employment status**			
Employed		0.56**	(0.39-0.82)
Unemployed	(ref)	1.00	
Age group**			
60+		0.79	(0.42-1.46)
45-59		1.47	(0.81-2.66)
25-44		2.20**	(1.29-3.78)
<24	(ref)	1.00	
Highest education level			
Tertiary		0.22*	(0.05-0.91)
Secondary		0.75	(0.47-1.19)
Primary		0.86	(0.51-1.45)
None	(ref)	1.00	
Income			
R801-R1 100		0.38	(0.07-2.00)
R1-R800		1.17	(0.66-2.05)
None	(ref)	1.00	
Percentage of income spent on food			
101+		0.68	(0.42-1.12)
51-100		0.97	(0.67-1.41)
<50	(ref)	1.00	
Electricity supply			
Yes		1.05	(0.74-1.49)
No	(ref)	1.00	
Access to water			
Piped water		0.95	(0.66-1.37)
Natural source	(ref)	1.00	
Access to sanitation			
Yes		1.01	(0.64-1.59)
No	(ref)	1.00	

** significant at 0.00

* significant at 0.05

This could be due to unobservable factors such as psycho-social attitudes that could be responsible for much of the variation, as shown by the FGDs. However, although the model explains about 9.4 percent to 12.6 percent of the variation among the omitted and targeted care-givers Hosmer and Lemeshow Test shows a Chi Square of 4.971 and significance of 0.761, indicating a good fit of the model. The findings from the multinomial regression show that Indians are more likely to be omitted for the CSG by 88 percent as compared to the African race group.

The results also show that the employed are more likely to be omitted (by 44 percent) compared to the unemployed. This again proves that the means test applied for qualifying for the CSG could be excessively stringent, or that those who are employed and eligible for the CSG may not have the time to go through the stringent process of applying for the CSG. There are poor people who often fail the means test because their income is marginally higher than the income threshold. This was clearly evident in the study conducted by Rosa et al. (2005) where it was found that farm labourers in certain instances were denied access to the CSG due to their earning a minimum wage of R850. The same study found that some farmers do not want their workers to apply for the CSG. The farmers regard the minimum wage as being sufficient income and they don't want their workers to take time off from work to apply for the grant and or go to the pay-point every month (Rosa et al. 2005: 29).

Age has been found to be another variable with variations between the omitted and the targeted. Those care-givers in the age category 25–44 are less likely to be omitted compared to the age category of <24. This is also an interesting finding as it dispels the myth of teenagers falling pregnant just to access the grant. In view of the age of the care-givers, it is most likely that the care-givers are the biological mothers.

Finally those with tertiary education are more likely to be omitted from accessing grant compared to caregivers with no education, primary education and secondary education. This could be due to the high income levels of care-givers with tertiary education.

Conclusion

What is evident from the above is that in 2004 whilst the CSG was reaching the poor, the majority of the poor care-givers who were eligible for the CSG were being omitted from gaining access to the poverty alleviation mechanism. This finding is confirmed by the findings from the Labour Force Survey for 2004, where it was found that 49 percent of eligible children from poor household did not receive the CSG (Samson et al., 2006). As a targeted intervention, the errors generally associated with targeting are present. In an attempt to minimise leakage which has been achieved in this case, the strict criteria have resulted in under-coverage. The burden of providing documentary proof to ensure on-the-spot targeting may mean that eligible care-givers are excluded. The means test has been criticised for low take-up of social assistance and research has found that the various elements of the means test are not generally enforced, understood or relevant (Goldblatt et al., 2006). It is time-consuming both for the applicant and the official who processes the application for the CSG. The grant, which is used mainly to purchase food, goes a long way in also providing for other children in a household who do not qualify in terms of the age category targeting.

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

The findings of the study on the targeting of the Child Support grant have confirmed that the Child Support Grant is received by mostly poor care-givers. Leakage of the grant to non-eligible care-givers can be described as negligible. Whilst this may be a larger percentage of eligible care-givers are omitted due to the targeting process and procedures. This chapter will present a brief summary on the findings of the study before concluding and putting forward recommendations.

Patterns of poverty and inequality were and are largely determined by race. During the apartheid era the development of human capital amongst Africans in urban areas and later in the homelands, both in terms of health, and education were deliberately under invested by the state” (Frye, 2006). As a result Africans received low quality education, were subjected to unskilled jobs with low wages and had poor access to basic services in the homelands. This legacy of apartheid has left the majority of Africans with a poor quality of life. In racial terms the grant is reaching its intended beneficiaries. Although Africans are being targeted, a substantial number of African care-givers who are eligible for the CSG are being omitted.

As pointed out earlier, care-giving is generally the responsibility of females. The grant which was initially conceptualised to target female care-givers since they are more likely to invest in children’s health and education, is indeed reaching more females than males. What is of concern is the large number of both female and male care-givers who are eligible for the CSG but are omitted. Whilst the results show that there is no significant variation between male and female care-givers in accessing the CSG, it is likely that the large percentage of omitted male care-givers could possibly be attributed to the fear of stigmatisation. Men have been socialised to be bread winners and this belief still holds in today’s society. Therefore men are finding it embarrassing to receive this support on behalf of their children. In light of the high levels of unemployment for both men and women, and changes in the development arena that promote men as partners in reproductive health and child rearing, male care-givers are bound to increase in numbers and more males are likely to access the grant. More research is needed to untangle this phenomenon, especially in

terms of targeting the CSG. Stigmatisation is not only limited to men; female care-givers also experience stigmatisation when they are scorned at for depending on the state to care for their children instead of the father of the children. Stigmatisation can be demoralising and such labelling can be an obstacle in the take-up of welfare entitlements.

Whilst the targeting of grants in rural areas can be commended for its spatial reach, a major concern is the percentage of omission. One explanation for the omissions in the rural areas can be attributed to lack of birth certificates for children and ID documents for the care-givers, including the inconsistency in applying the process by government officials.

A study conducted by Goldblatt et al. (2006) confirmed that there are still a significant group of children who are not in possession of the requisite birth certificates. The same study found that 44 percent of eligible children under 14 were not receiving the grant because they could not access the necessary documentation (Goldblatt et al., 2006). The application process for these vital documents comes at a cost, especially in the rural areas. It involves travelling not just once but several times to Home Affairs, which in most cases is not within easy access and therefore has financial implications. This does not end here. Care-givers still have to make several visits to the welfare offices before the CSG application is finalised. Omitted care-givers residing in urban areas are mostly likely to be residing in informal settlements and working in informal employment. Although the care-givers in urban areas may have easier access to apply for the vital documents and the CSG itself, they could also become frustrated with the application process and the amount of money that has to be laid out and the inconsistencies in the CSG application process.

The levels of unemployment are central markers of levels of poverty in South Africa. In the absence of wage income, the poor depend on remittances and state transfers more than the non-poor (May et al., 2000). The grant is reaching the unemployed but not all of the poor. A considerable percentage of the unemployed are omitted, and this is also the case for the eligible employed. The eligible employed are being omitted because they do not have the time to go through the demanding CSG application. The stringent means test no doubt also contributes to the omission. The means test requires official proof of income and employment status of the applicant and spouse where applicable. Care-givers may miss the

income threshold by a marginal amount and on those grounds they do not qualify for the grant. Since the inception of the CSG in 1998, the means test was for the first time reviewed in August 2008. The outcome of this was a change in the income threshold to R2 400 per month for a single care-giver (or a maximum of R4 400 per month for the joint income care-giver and married spouse irrespective of residential location (Children Count – Abantwana Babalulekile, 2009). Whilst the review has been welcomed, the means test still does not take into account the number of children in a household. Budlender et al. (2005) found that the means test part of an application required close to eight hours in order completing all the requirements. One would agree with Budlender et al. that the time spent on just the means test is unwarranted especially with regards to verify of proof that is largely moot.

Due to poor access to basic services such as running water, sanitation and fuel, women and girls in the rural areas spend much of their time collecting water and wood for fuel. Access to basic services such as water, electricity and sanitation, as already pointed out, has a direct impact on the quality of life. Access to clean water and sanitation has the “most obvious and direct consumption benefits in reducing mortality and poor health and increasing the productive capacity of the poor (May et al., 2000). The grant can be commended for reaching the poor who do not have access to or lack quality basic services of water, electricity and sanitation. However once again there are a large percentage of care-givers who do not have access to basic services that are omitted.

The CSG was especially designed and implemented to address child poverty. The grant provides care-givers of poor children the means of attaining the basics necessities for their children’s growth and well-being. The CSG has “bolstered early childhood nutrition as signalled by child-height for age” (Aguero et al. 2007:20). The grant, which is targeted via the two mechanisms of means testing and age category, has been found to be one of the South African government’s largest poverty alleviation programmes. This study examined the targeting of the CSG as a poverty alleviation strategy of the government. According to the findings of this study, the CSG is reaching the poor when viewed against the proxy indicators of poverty, that is: gender, race, age, residence, employment, education, income and access to basic services.

Whilst the grant is reaching the right calibre of people, not all of the intended beneficiaries had been reached by 2004. Typical of most targeted programmes, this study has found that whilst there is small percentage of leakage of benefits to the non-eligible (type II, error of target) of grave concern is the under-coverage or omission of those who do qualify to be grant recipients (type I, error of targeting). The study has found that some of the barriers to accessing the grant are the means testing criteria, stigmatisation, delays in processing CSG applications due to the non-availability of documents such as ID documents and birth certificates of children and their care-givers, inconsistencies in applying the CSG application criteria by government officials and the compounded financial burden brought on through the whole application process.

The irony of this situation is that the majority of children in KwaZulu-Natal are living in poverty, universal access to all children would be more appropriate than a targeted intervention. After-all this would be in line with the constitution of the country, as all person under eighteen years of age are categorized as children.³ The state has an obligation to provide social assistance to all children. Whilst targeting may be the only option government has in terms of financial constraints, it would need to reconsider its targeting mechanism especially with regards to the means testing and all documentation that are required. It is well know that there are number of children, poor children that do not possess birth certificates. A number of care-givers are not in possession of ID documents. In the absence of these documents, the poverty alleviation support in this case the CSG cannot be accessed. Other alternative to birth certificates and ID documents needs to be explored so that the poor do not need to suffer further. The time taken to make a CSG application and the processing of the same, no doubt places a large administrative burden on government with unnecessary financial implications. The funds spent on administration means that fewer resources are available to the poor children. The means test is only applied at the time of the application; there are no systems in place for review after the application is completed. In Rosa et al. (2005: 25), Barr outlines three main reasons for the errors of exclusion in social grants systems: ignorance or misinformation, inconvenience and stigma. This is clearly evident in the findings of this study. Both the application criteria and the procedures for

³ Cabinet approved the extension of the CSG to 18 years olds. Implementation as of 1 January 2010.
www.sabinetlaw.co.za

accessing the CSG have not been clearly delineated, it has been found to be open to subjective interpretation by the welfare officers. In the absence of such openness and proper monitoring systems, fraud and corruption are bound to set in, resulting in eligible beneficiaries being excluded from accessing their entitlement.

RECOMMENDATIONS

In light of the above and taking the context of KwaZulu-Natal into account, this study supports and recommends the strategies identified by Haarmann (1998: 100) for achieving efficiency in targeting so that the Child Support Grant reaches all poor children.

Targeting of the CSG must be fair and inclusive of all children who are in need. Income is generally very difficult to prove, more so when it is from an informal source. The current employment methods tend to be unconventional, such as seasonal work, short-term contracts, or year-long contracts, etc. In these environments, it is difficult to prove one's income. The requirement of providing proof of income can be a deterrent to someone who is genuinely in need of the grant. The same applies to the many documents that are required for the successful application of the grant. In such circumstances an affidavit should suffice. The public needs to be informed of the availability and requirements to qualify for the CSG through every available forum, be it through the media, institutions such as Idasa, local community forums, including the traditional authorities in the rural areas. This will promote awareness and it will equip the eligible with the necessary knowledge on the application process of the CSG.

The application process itself must be clear and be easily understood by the applicant. This will prevent the unnecessary delays and unwarranted costs associated with travel to and from the welfare offices. Application forms should be made available in the local language. All requirements pertaining to the grant, in particular the means test should not be open to subjective interpretation. Officials overseeing or involved in the application process of the CSG should be trained in the process so that there is consistency in the understanding and the implementation of the criteria.

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