
TWENTY YEARS OF DEMOCRACY: SOUTH AFRICAN SOCIAL ASSISTANCE PROGRAMME REVISITED

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ABSTRACT

The aim of this paper is to provide a reflective analysis, twenty years after democracy, of social assistance grants in accomplishing their primary objective of closing the poverty gap and inequality. Literature reviewed show that in the absence of any other safety net, access to social grants reduces destitution for many poor people and their households. However, various indicators confirm that even though poverty appears to have declined in the recent past, there are still millions of poor people who are exceedingly vulnerable and at risk. Unemployment levels have been fluctuating, but the trend has been upwards. Also, other researchers have argued that social grants are running the risk of being perceived as state hand-outs with over 16 million recipients benefiting. This paper therefore informs the policy makers of the expectations after 20 years of democracy and the reality 20 years after democracy.

Key words:

poverty, inequality, unemployment, social assistance grants

INTRODUCTION

This paper aims to review available literature on social grants, twenty years after democracy. The paper provides the extent of poverty and inequality in South Africa and reveals the unemployment trends. It then looks at the various types of social grants available in South Africa in terms of their impact, the value of the grants system and the possible unintended consequences. At the end of the paper a conclusion is provided whereby there is a discussion of the expectations after twenty years of democracy and the reality twenty years after democracy in terms of poverty and inequality reduction. Firstly, a theoretical framework which this paper is based on is laid out to help in understanding of poverty.

THEORETICAL FRAMEWORK

Poverty continues to receive global attention, particularly in all programmes that concerns development because it affects humankind in efforts towards development. The theoretical framework chosen for this paper focuses on two theories that have shaped the discourse on poverty and these are the individualistic and structural perspectives. The concluding part of the paper gives an analysis of the theories in relation to the social assistance grants beneficiaries in terms of poverty. This theory not only helps understand poverty among social grant beneficiaries but also may inform policy makers in the field of development since effective poverty reduction strategies are based on the theories of poverty.

Individualistic theory explains poverty as a result of the attributes that are inherent in the individual (Kamil, 2012). These include the character of the person and his or her personal abilities in life. This means in life people are poor because of their inability to compete with others in terms of resources. Therefore, they end up being caught up in poverty and its associated effects. Additionally, the individualistic theory views the cause of poverty as something that the individual is born with. As a result the person cannot do anything about the situation which means his or her life is determined by his current condition. Another angle of this theory views poverty to be as a result of acquired or developed personality traits such as the character and actions of people. It argues that some people are born with laziness and as a result of that, they are not willing to participate meaningfully in life and they depend on others for assistance in life. The decisions people make in life as well as their characters such as indolence always results in causing poverty. Such an individual is likely to be trapped by poverty and its associated effects.

Basically, the view is that poverty is an individual phenomenon and people are in poverty because they are lazy, uneducated, ignorant, or otherwise inferior in some manner.

Structural theory argues that poor people manifest certain patterns of behaviour which are not internally generated as a result of their unique values (Kamil, 2012). Their actions are influenced by external factors caused by their occupation of an unfavourable position in a restrictive social structure. This means that the poor people behave differently because they do not have the opportunity to realise dominant values through the socially sanctioned opportunities. The life courses and chances of people are usually determined by the social forces and circumstances that surround them. It is the failure of the structures in the society that causes poverty among people.

Furthermore, structural theory views poverty as resulting from capitalism where profit is the main motivation for production. A capitalist wage labour market produces poverty so that it can operate efficiently through exploitation (Trainer, 2010). Many poor people are usually not employed on a permanent basis and also the use of capital intensive methods of production such as the use of machines and technology causes dismissal and as a result the poor end up experiencing sporadic periods of unemployment and therefore, creating a pool of excess labour. This makes it possible for the capitalist to enjoy higher profits as there will be reduction of wages of the labourers at the expense of the poor.

In summation, the two theories were selected as they complement each other. By using the structural approach to explain poverty, it helps to address factors in the society that prolongs poverty by not changing the poor themselves but rather changing the situation of the poor by way of correcting the deterring social structures that prolongs poverty. This, therefore, helps in analysing deprivation by taking a broader view of the mechanisms and institutions in the society that lead to poverty rather than concentrating on the individual person as argued by the individualistic perspective.

POVERTY AND INEQUALITY IN SOUTH AFRICA

South Africa has no official definition of poverty, nor any official measurements of poverty. However, Statistics South Africa (2012) presented the poverty profile of South Africa using three poverty indicators, namely the poverty headcount, poverty gap and severity of poverty. The poverty head-count denotes the proportion of the population living below a poverty line, while the gap shows the mean distance of the poor from the poverty line.

The severity of poverty is an indicator that gives a description of extreme poverty by giving greater weight to those further from the poverty line. The rand values that were attached to each line were, Food Poverty Line (R305); Lower-bound poverty line (R416) and Upper-bound poverty line (R577). Table 1 below indicates the poverty indicators using the national poverty during the period September 2008 to August 2009. Approximately 26.3% of the population was living below the food poverty line; 38.9% below the lower bound poverty line and 52.3% below the upper bound poverty line.

Table 1: Poverty indicators using national poverty lines

Poverty line	Poverty headcount	Poverty gap	Severity of poverty
Food poverty line (R305) per capita per month	26.3	8.5	3.8
Lower-bound poverty line (R416) per capita per month	38.9	15.0	7.5
Upper-bound poverty line (R577) per capita per month	52.3	23.6	13.3

(Source: Statistics South Africa, 2012)

Twenty years since the attainment of democracy in 1994 in South Africa, various indicators presented confirm that race, gender and spatiality have not been sufficiently redressed. This shows something reminiscent of Apartheid South Africa. The black population is still worse off in all the measures of human poverty index. The Southern Africa Labour and Development Research Unit (SALDRU) (2010) reported that 47% of South Africans lived below the poverty line, 56% of blacks lived in poverty compared to 2% of whites, using arbitrary income poverty line of R502 per capita. In addition, women were in worse situations in terms of poverty than men. Also rural areas continued to have high poverty. It is, therefore, not necessarily wrong to argue that the legacy of Apartheid is still very much alive; truly it must have been deeply entrenched.

Though absolute, relative and income poverty have decreased in the 2000s, income inequality has actually increased (Sharma, 2012). Other development indicators like access to sanitation, electricity, gross enrolment rates and immunisation coverage have shown more optimistic trends. Oddly, the rise in

inequality has co-occurred with the rise in economic growth in South Africa. The South Africa's average gross domestic product (GDP) growth rate over the period 1993-2011 has been 3.26% whereas its Gini coefficient has increased from 0.66 in 1993 to 0.70 in 2008 (Woolard, Leibbrandt and McEwen, 2009). Economic growth has been highly uneven in its distribution, perpetuating inequality and exclusion. With an income Gini coefficient of around 0.70 in 2008 and a consumption Gini coefficient of 0.63 in 2009, South Africa therefore stands as one of the most unequal countries on the globe. According to Bastagali, Coady and Gupta (2012), the top decile of the population accounts for 58% of the country's income, while the bottom decile accounts for only 0.5% and the bottom half less than 8%.

Given the high levels of un- and under-employment, levels of poverty whilst alarmingly high, cannot be surprising. The depth of poverty in South Africa is further aggravated by the highly unequal distribution of resources, including the distribution of income. Furthermore, inequality in South Africa is along racial lines (Statistics SA, 2014). There is a significant difference between the population and income shares. According to the World Bank (2012), even though Africans accounted for 79% of the population in 2012, they took only 44% of income and 41% of total expenditure. On the other hand, the white population accounted for only 9.2% of the population but captured 40.3% of income and 40.9% of total expenditure. Also, the income distribution of the different groups of people is shown by the income decile composition for each race. Africans are spread evenly across the lower deciles, whereas the other racial groups are concentrated around the upper deciles. Nearly 60% of Asians/Indians and 25% of Coloured people are in the top two deciles while the corresponding share for the white population stands at over 80% (World Bank, 2012).

UNEMPLOYMENT TRENDS IN SOUTH AFRICA

In South Africa, the unemployment rate measures the number of people actively looking for a job as a percentage of the labour force. Statistics South Africa (2013a) has proven that since 2008, unemployment levels have been fluctuating, but the trend has been upwards. The lowest level of unemployment was observed in the fourth quarter of 2008 where 3.9 million people were unemployed. The highest level was recorded in the second quarter of year 2013 where unemployment was marked at 4.7 million.

The report released by Statistics South Africa (2013a) shows that unemployment rates are demarcated according to gender, educational qualifications, provinces and population groups. In terms of gender the number of

unemployed women increased by 118 000 while the number of unemployed men remained virtually unchanged (increased by 4 000). The survey further highlighted that the unemployment rate for women remained higher than the national average between the first quarter of 2008 and the second quarter of 2013. During the first quarter of 2008 the unemployment rate for women was 27.1% while the rate for men was 6.6% lower. It is indicated that by the second quarter of 2013 the gap had been reduced to 4.9%. Nevertheless, the largest difference in unemployment rates between the male and female counterparts was recorded in the second quarter of 2008 whereby it was 7.1% while the smallest difference was observed in the fourth quarter of 2009 where it was 3.6%.

In South Africa, the unemployment rate varies dramatically with educational qualifications. In general, it was revealed by Statistics South Africa (2013b) that people with higher levels of education had better job prospects. This difference was particularly marked between those that had attained upper secondary education and those who had not. It was noted that in the second quarter of 2013 people with less than grade 12 or matric had an unemployment rate of 30.3% which was an increase of 0.8% from year 2012. Those who had a highest level of qualification which was matric had an unemployment rate of 27.0% which was higher than the 2008 rate of 24.3%. People who had other tertiary qualifications other than a degree or higher had unemployment rate of 12.6% which was an increase of 0.4% as compared to the previous year. However, the unemployment rate for graduates was the lowest at 5.2% with male graduates having the lowest unemployment rate (4.4%) and female graduates (6.6%).

Nevertheless, as indicated by Statistics South Africa (2014), unemployment rate in South Africa decreased to 25.40% in the third quarter of 2014 from 25.50% in the second quarter of 2014. Between second quarter of 2014 and third quarter the official unemployment rate decreased in four of the nine provinces. The largest decrease was recorded in Northern Cape at 2.6 percentage points. In the same period, the official unemployment rate increased in North West, KwaZulu-Natal and Western Cape, while it remained unchanged in Gauteng and Limpopo. Free State Province recorded 34.6%, Eastern Cape had 29.5.8%, Mpumalanga (29.3%), Northern Cape (29.7%), North West (26.8%), Gauteng (24.6%), Western Cape (23.6%), KwaZulu-Natal (24.1%) and Limpopo (15.9%).

Additionally, regarding the distribution of unemployment rate across the different races, the report indicated that the unemployment rates increased among all population groups except for the white population group which

recorded a 1.1% decrease. The highest rate was recorded among the black/African who had 29.1% unemployment rate followed by the Coloured who recorded 25.1%, the Asians had 13.4% and the whites had 6.1%.

Statistics South Africa (2014) released the figures in terms of the not economically active population. The “not economically active population” is made up of the people who are out of the labour market or who in the age category 15 to 65 years who are not available for work. This category includes full-time scholars and students, full-time homemakers, those who are retired, and those who are unable or unwilling to work (Stats SA, 2014). The report says that in the third quarter of 2014, 41.4% of the not economically active population was made up of students, 18.1% were homemakers and 10.9% were due to illness and disability. Further 15.9% were discouraged work seekers, 8.2% were too old or young to work with 5.5% mentioning other reasons. The report went on to reveal that approximately 3.4 million (32.9%) of the 10.4 million of the youth aged between 15-24 years were not in employment, education or training which indicates the vulnerability of this group. In terms of gender, this group of people was distributed as 36.1% among women and 29.7% among men. The North West province had the highest rate of 38.7%, with Mpumalanga following (34.2%). Eastern Cape and KwaZulu-Natal had 33%. The lowest was recorded in Free State which had 30.3%.

SOCIAL ASSISTANCE GRANTS

In an effort to curb poverty and inequality, the social assistance programme in the form of social grants emerged as one of South Africa’s major strategies. Its coverage is extensive across the provinces and it consists primarily of social grants that are targeted to the disabled, older people and children who were born on or after 31 December 1996. South Africa underwent shifts from post-apartheid as indicated in the White Paper on Social Welfare (1997) to adopt a developmental social welfare approach, focusing on needy people who have been excluded from mainstream welfare and social security systems. The focus of welfare was on moving people out of poverty, and not only on the construction of social security for prevention, social compensation and income distribution, but on poverty alleviation too (Republic of South Africa, 1997). However, social grants have existed in South Africa since the 1920-30s and have always had a poverty focus (been means-tested). The welfare model inherited from the past was inequitable, discriminatory and relied on inappropriate and unsustainable methods of service delivery. As indicated by Patel (2005), it was ineffective in addressing mass poverty and in meeting the basic needs of the majority of the

population. Social policy was modelled on Western European institutional or 'welfare state' policies for whites and a residual system for black people (Patel, Hochfeld, Graham and Selipsky, 2008).

It is noteworthy that there are relevant constitutional obligations placed on the state with regard to social assistance. In Chapter Two of the Constitution there is the South Africa's Bill of Rights which contains not only first generation rights but socio-economic rights as well. Section 7(1) of Chapter Two asserts the democratic values of human dignity, equality and freedom, which are set out as rights in chapters 9, 10 and 11, respectively. However, the state does not only have a responsibility to respect and protect these rights; Section 7 (2) states that it is also obliged to actively promote and fulfil them.

The South African Constitution clearly placed the right to social assistance in Section 27(1) (c) and it states that, "Social security including if they are unable to support themselves and their dependents, appropriate social assistance". However, the provisions of Section 28 provide further obligations on the state. The full extent to which these rights might be justifiable depends on whether the state can claim any justification under the internal limitations clause of section 27 or the provision of section 36. It is vital to acknowledge that as much as there is a right to social assistance, this is also restricted in the sense that the government may only progressively realise this right as resources become available.

The coverage of social grants has increased remarkably in the recent years, with the number of recipients increasing from 2.4 million in April 1998 to approximately 16 million in 2014. According to the South African Social Security Agency (SASSA) (2012), it appears that increased coverage of the Child Support Grant has driven this increase, with a projected 66.6% of all grants paid in April 2012 being Child Support Grants. Other grants with high coverage are social old-age pensions (17.9%) and the disability grants (11.3%). However, although the Child Support Grant has the widest reach, it is not the largest grant available. Table 2 indicates the monthly monetary values of the grants from 2008-2014.

Table 2: Monthly monetary value of social grants from 2008-2014

Grant type	2008	2009	2010	2011	2012	2013	2014
Old age grant	R960	R1010	R1080	R1140	R1220	R1260	R1350
Disability grant	R960	R1010	R1080	R1140	R1200	R1260	R1350
War veterans	R980	R1030	R1050	R1140	R1220	R1260	R1370
Grant in aid	R230	R240	R250	R260	R280	R300	R310
Child support	R230	R240	R250	R260	R280	R300	R310
Foster care grant	R650	R680	R710	R740	R770	R800	R830
Care dependency	R960	R1010	R1080	R1140	R1200	R1260	R1350

(Source: SASSA, 2014)

Indeed, the level of social spending in terms of social grants in South Africa is extremely high as compared to other developing countries and even other Western European countries in the 1980s. It is only Denmark in which social spending as a proportion of GDP exceeds that of South Africa (Van der Berg, Siebrits and Lekezwa, 2010). Important to note is that the 1980s was the “height of the welfare state” in Western Europe, and so the fact that the level of social assistance spending was higher than that of 1980s Western Europe illustrates the extent of social assistance spending in South Africa in recent years. It is, therefore, clear that social grants in South Africa are sizeable and indeed impressive in comparison to both developed and developing countries. In addition, the beneficiaries of social grants are distributed among the nine provinces. Table 3 below therefore shows the total number of beneficiaries according to different provinces from 2009-2014.

Table 3: Total number of beneficiaries in different provinces and years

Region	Total number of beneficiaries				
	2009/10	2010/11	2011/2012	2012/2013	2014
EC	2,325,456	2,516,001	2, 585, 593	2,664 319	2, 690, 278
FC	752,694	844,052	890, 886	928 178	953, 116
GP	1,530,018	1,735,415	1, 825, 491	1, 948, 402	2, 267, 347
KZN	3,302,953	3,584,885	3, 710, 581	3, 830, 403	3, 853, 324
LIM	1,905,435	2,071,881	2, 162, 624	2, 141, 205	2, 282, 300
MPU	974,645	1,053,990	1, 090, 087	1, 353, 282	1, 367, 147
NW	1,020,906	367,613	387, 820	404 939	438, 522
NC	329,367	1,104,138	1, 120, 774	1, 175, 250	1, 154, 256
WC	884,630	1,065,135	1, 155, 483	1, 249, 727	1, 399, 563

(Source: SASSA, 2014)

As the table indicates, KwaZulu-Natal was having the majority of beneficiaries amounting to 3,761,662 beneficiaries (SASSA, 2014). In addition to the impressive coverage of South Africa's social assistance system, the impact of social grants on household formation implies that the impact of social grants extends further than simply to those who qualify to receive them (Armstrong and Burger, 2009).

Social grants for children

Children are considered one of the most vulnerable groups in society, and the South Africa government has widened social assistance grants for them. Three social grants are targeted at children in South Africa: the Child Support Grant (CSG), Foster Care Grant (FCG) and Care Dependency Grant. Since 2010 all children born after 1996 became eligible to receive the CSG until they turned eighteen. Even the means-test was relaxed in October 2008, as it was increased to ten times the value of the grant for single caregivers (and

double that for married caregivers) so that the means-test automatically keeps pace with inflation (Department of Social Development, 2009). Estimates based on survey data suggest that this change in the means-test should have brought an additional 1.5 million children into the net (Leibbrandt et al., 2009). Statistics indicate that by 30 September 2014 the number of children getting CSG amounted to 11,480,576 with a growth rate of 2.15 % (SASSA, 2014). Nevertheless, the increase in the number of CSG beneficiaries is not surprising as the age requirement has increased over time – from under 7 years to 21 years, with a proposed extension to 23 years.

There is a considerable body of evidence that exists regarding the impact of cash transfers on children's schooling (Department of International Development (DFID), 2011; Barrientos and Niño-Zarazúa, 2010; Behrman and Parker, 2010; Fiszbein and Schady, 2009). These studies show positive effects on enrolment and attendance with the magnitudes of these impacts typically varying by pre-programme enrolment rates. The study conducted by the Department of Social Development, SASSA and the United Nations Children's Fund (UNICEF) (2012), finds that the impact of the grant, which is means-tested but, unlike those in many developing countries, not conditional on participation in specific programmes, exceeds expectations. The study argues that the grant reduces poverty significantly. A research conducted by Patel et al (2012) showed that the CSG leads to girls and boys eating better and being healthier, thus improved nutrition. Those who receive the grant from birth have better marks and stay in school longer. According to Laryea-Adjei (2012), socially, the grant is a silent weapon against drugs, alcohol abuse and crime. It undermines the 'sugar daddy' phenomenon that leads teenagers to have transactional sex and being exposed to pregnancy or HIV.

A survey conducted by Case, Hosegood and Lund (2005) found that one third of all age-eligible children received the grant and these beneficiaries were from the poorest households. Furthermore, the findings point to a positive correlation between grant reception and school enrollment. Beneficiaries of the grants reported to have been enrolled in school in the following years as compared to poor children in the same boat who were not receiving the grant and were not enrolled.

However, there is an assumption that receiving the CSG results in dependency on the state. This is based on the idea that women become intentionally pregnant to receive a grant. Nevertheless, Ritcher (2009) offers evidence to refute this claim. Even in 2007 the Department of Social Development released results refuting any association between teenage fertility and receipt

of the CSG. The allegations, however, are rooted in assumption rather than factual evidence. According to Potts (2011) while it is indubitable that a percentage of mothers partake in misbehavior, the percentage of individuals partaking in such behaviour is proven insubstantial and has a negligent effect on the effectiveness of the CSG. According to News24 (2012), a study that was conducted by a consumer insights company known as Pondering Panda in 2012 revealed that 45% of the youth in South Africa think that teenagers fall pregnant to get government grants.

Alternatively, Case et al. (2005) found out that 3.7% of children receiving the grant had teenage mothers as compared to 8.7% of children receiving the CSG who did not have teenage mothers. The assumption therefore is rejected, weakening the possibility of CSG motivating teenagers to become pregnant. Case et al. (2005) also refute the idea of children being abandoned and mothers utilising the assistance to sustain their own livelihood rather than the child's. The survey further highlights the accuracy and success of the CSG in targeting the poorest households. Recent research findings also suggest that the CSG has a significant positive impact on the likelihood of black female recipients participating in the labour market, and an even larger effect on the probability of their obtaining employment (Eyal and Woolard, 2011). However, Mukundi (2009) revealed that the delivery of CSG has not been efficient in some parts of the country as a result of major administrative problems, poor levels of service delivery, lack of knowledge about grants, unilateral withdrawal of social grants, and corruption and fraud.

The Foster Child Grant (FCG) is paid to those who have gone through a court process to become registered as the foster parents of the child. The FCG is intended for children up to the age of 18 who are "in need of care" and who are not receiving such care from their biological parents (SASSA, 2012). This includes children who are abused as well as children in trouble with the law. The grant is not primarily intended to deal with poverty, and thus has no means test except if the child has independent income. It has also been used to provide support for children orphaned by HIV and AIDS; it is orphans who have lost both parents who are the most likely to be receiving the grant, providing that children remain in the care of foster parents (Leibbrandt, Woolard, Finn and Argent, 2010). Some have suggested that the administratively complex, time and resource intensive process of allocating the FCG is undesirable, particularly when weighted up against the relative ease (and lower administrative costs) of extending the unconditional CSG to larger numbers of poor and vulnerable children (Meintjes, Budlender, Giese and Johnson, 2003). In addition, it draws an unhelpful distinction, particularly

between orphans and other categories, of at-risk children (Neves, Sampson, Van Niekerk, Hlatshwayo and Du Toit, 2009).

The Foster Care Grant is the oldest child grant in South Africa. For decades it assisted the small numbers of children who had been placed in foster care by the courts, and the number remained below 40 000 for many years. For the reason that the grant is several times larger than the CSG, there is a clear incentive to care-givers to choose the FCG over the CSG if they have the opportunity to do so. Partially reflecting the effects of a deepening HIV and AIDS pandemic, since ten years ago, when HIV-related orphaning rates started rising rapidly, the use of the FCG changed. The number of FCG beneficiaries rose from 43 000 in 1997 to 300 000 in 2006 (Pauw and Mncube, 2007). As of 31 March 2014 approximately 512 055 children were receiving the FCG (SASSA, 2014).

The Care Dependency Grant is payable to the caregivers of minors suffering from severe mental or physical disability and in permanent home care, and is valued at R1350 a month (SASSA, 2014). Relative to the CSG, it is received by comparatively small numbers of beneficiaries. The grant is available for children from one to 18 years of age. Nevertheless, it has also seen a marked increase in take-up over recent years. This can be partly attributed to an increase in general awareness of the grant, but is also related to the HIV and AIDS pandemic as the grant is used, in some cases, to provide for children affected or infected by AIDS. Almost 120 632 children receive the Care Dependency Grant (SASSA, 2014).

Social grants for older persons

Older people in South Africa receive two grants namely the Old Age Pension (OAP) and the War Veteran's Grant (WVG). The state OAP is a non-contributory scheme financed from the national budget and general taxes to older people. It is a social grant paid to an aged person in terms of Section 10 of the Social Assistance Act, No 13 of 2004, (Republic of South Africa). According to SASSA (2014), the age of eligibility for the grant for Older Persons for both males and females is 60 years provided they meet the stipulated criteria. Most of the beneficiaries of OAP are found in rural regions whilst a relatively high number are also either married or widowed (SASSA, 2011). Old Age Pension has been central to post-apartheid efforts to universalise welfare (Van der Berg, 1997).

The Lesotho government introduced an Old Age Pension (OAP) in 2004 and people who are 70 years and above are eligible to receive the pension.

The pension according to the Leketekete (2013) amounted to M350 which is approximately R350. Also the Botswana OAP is received by 65 year olds and the amount gazetted by The Republic of Botswana Ministry of Local Government in 2015 was P220.00 which is approximately R265. At a value of R1350 per month, the South African OAP has, by developing country standards, comparatively generous eligibility thresholds and benefit levels (approximately double the per capita median income for Africans) (SASSA, 2013). The expenditure for 2009/10 on the OAP was R30 billion. Between 1997 and 2006, the number of Old Age Pension beneficiaries rose by an annual average of 2.7%, from a total of 1.7 to 2.1 million people, or about 5% of the total population. To date 2,969,933 people are benefiting from the OAP (SASSA, 2014).

The OAP has been confirmed by academics to have an important redistributive effect in the South African population (Amber, 2011; Tanga, 2008). According to Kabeer (2014) and Legido-Quigley (2003), the OAP is the most effective social programme in targeting and reaching economically vulnerable groups. The OAP has distributive effects on household members, particularly with regard to nutritional status, education and health care, significantly improving the lives and well-being of older people and children, which are the two highly vulnerable groups in South African rural communities (Tanga and Gutura, 2013).

Research findings into the impact of grants, especially on labour force participation rates within recipient households, are varied. Research suggests that pensions are likely to encourage the older unemployed to withdraw from the labour force (Sienaert, 2008). However, it has also been argued that, overall in households receiving the pension, members are more likely to find a job (probably because they have the financial resources to invest in high-risk job searches) and to experience positive health impacts (Samson, MacQuene and Van Niekerk, 2005). Furthermore, pensions have been found to increase school enrolments by firstly, assisting with covering school-related costs; and secondly, by reducing the opportunity cost of having children in school instead of contributing to the household income (Leibbrandt, Poswell, Naidoo and Welch, 2006).

Looking at the unemployment rate in South Africa which is very high; OAP beneficiaries are often the only contributors to income in households and support the whole family. Lombard and Kruger (2009) revealed that for every grandmother receiving OAP twenty people are being supported. Potts (2011) argues that this creates a network of dependency in which the entire households are dependent on the pension income of one individual and use

this assistance for sustenance rather than seeking employment and self-efficiency. She further outlines that while older people are a vulnerable population in need of assistance the OAP exacerbates the problems of older persons rather than providing supplementary income that can increase their well-being.

The War Veteran's Grant is designed for South African citizens who fought in the First or Second World War or the Korean War. This grant is not meant for people who fought in the Apartheid struggle. The Special Pensions Act makes provision for people who made significant sacrifices in fighting for a democratic South Africa. These people were unable to save for their old age or prevented from saving for their old age. The Act also specifies that their survivors may receive a pension or a lump sum in the event of the death of these individuals. The current amount of the War Veteran's Grant is R1 370 (SASSA, 2014). Furthermore, the recipient of the War Veterans Grant must not be maintained or cared for in a state institution and must not be in receipt of another social grant for himself/herself.

Social grants for the disabled

The Disability Grant (DG) is intended for adults who are severely incapacitated by mental or physical disability and therefore, unable to work. According to Van der Berg and Siebrits (2010), disbursement of the Disability Grant is determined based on a number of factors: applicants must meet age eligibility guidelines (18-59 for females, 18-64 for males); they must be within the threshold of the means income and asset tests; and they must provide proof of assets, financial statements, proof of marriage, and proof of unemployment. Eligibility is determined by medical criteria, working age (between 18 years and retirement age), and is subject to a means test. Grants are either temporary (six months) or permanent (subject to periodic review), and the grant of R1 350 in 2014 is received by approximately three percent of the South African population or 1.3 million people (SASSA, 2014). However, there is also the condition that the recipient forfeits that grant once they get better. This has led to many tuberculosis (TB) patients absconding from treatment centres for fear of losing their benefits. Lamani (2007) noted that the absconding of patients with extensively drug-resistant tuberculosis (XDR-TB) (a virulent and virtually untreatable form of TB) from hospitals is reportedly causing alarm in South Africa.

The number of recipients of the Disability Grant has grown steadily from 711 629 in 1996/97 to 1 310 761 in 2014 at an average annual growth of 4.8 per cent (SASSA, 2014). Given the high prevalence of HIV and AIDS in South

Africa and the high disease burden, it is to be expected that the number of Disability Grant recipients will grow. Furthermore, people who are HIV positive can qualify for a Disability Grant if their CD4 count is below 200. But people fear losing the grant if they get better, creating a perverse incentive for not getting better or going on to anti-retroviral (ARVs). Many infected individuals have to make the “dreadful decision” of choosing to take ARVs and getting better or losing the grant and eventually dying (Richter, 2009).

The Disability Grant is fundamentally criticised and questioned for a dependency culture that it is presumably proliferating. While the majority of beneficiaries are over 40 years of age, one-third of the recipients are under 40 (Mitra, 2010). This brings attention to the fact that in developed countries, the majority of disability-recipients are close to retirement age. This information indicates that individuals in South Africa begin receiving disability at a much younger age, and therefore have a greater opportunity to benefit and depend on the grant for long term income rather than joining the labour market, where their income will most likely be less than what the recipients receive through the Disability Grant (Potts, 2011).

According to Graham, Moodley, Ismail, Munsaka, Ross and Scheider (2014), on their report on poverty and disability, revealed that people with disabilities, who are more grant dependent (46 per cent of people with disabilities as opposed to 21 per cent of non-disabled people received one grant), fared better than their non-disabled counterparts with regards to income from grants. Also, they argued that the NIDS data suggests that there are more people with disabilities that might be eligible for the disability grant but who do not receive it. This might be due to them not meeting the criteria for temporary and permanent disability, or that they are unaware of the grant.

However, in terms of targeting the deserving population Mitra (2010) asserts that the Disability Grant is most concentrated in rural areas, multi-generational households and that the recipients were worse off on all accounts as compared to non-recipients. Even the employment rate was low at 17.3% as compared to 51.4% of non-recipients. The study also highlighted that the Disability Grant recipients were receiving other social grants and their living conditions were below standard in terms of electricity, water and sanitation. From all these indicators it can be concluded that the grant is reaching the targeted demographic and poorest households. However, Potts (2011) gives an analysis arguing that these indicators do not show that these individuals are necessarily the most deserving of benefits; their inferior economic and social position to Disability Grant non-recipients may be

strategic. Recipients may intentionally avoid employment and other opportunities with the intent to remain beneficiaries of the grant, which provides a higher income than they would most likely receive through employment.

Evidence from the General Household Survey conducted by Statistics South Africa (2008) supports the notion that Disability Grant leads to dependency. The profile of the recipients points to the fact that recipients are uneducated and illiterate. Therefore, the beneficiaries intentionally avoid joining the labour market in order for them to continue receiving the grant which apparently provides an income higher to that one that can be obtained by people lacking skills for obtaining decent-paying jobs. In light of this Potts (2011:85) goes on to conclude that, “the Disability Grant is exacerbating poverty by providing individuals with a hand out rather than a hand up and offering perverse incentives that encourage Disability Grant recipients to undeservingly benefit from the system”.

CONCLUSION

The South African government has implemented several programmes to alleviate poverty among its citizens. One of its major strategies being the social assistance grants which is being accessed by over 16 million beneficiaries (SASSA, 2014). This paper aimed at evaluating the social grants system by reviewing literature highlighting the role of the social assistance programme in achieving the goal of reducing poverty and inequality in South Africa. The expectation after 20 years of democracy was halving poverty between 2004 and 2014 (Altman, Hart and Jacobs, 2009).

Given the magnitude of this system and enduring tensions between its proponents and adversaries, this paper questions the validity of South Africa’s social assistance grants twenty years into democracy, if it is accomplishing its primary objectives to close the poverty gap and provide opportunities individuals would otherwise be without. From the literature reviewed, it cannot be determined what percentage of social grants funds are truly being utilised for the intended purpose. Also the available information does not provide sufficient evidence to prove that beneficiaries are poor due to the external forces such as economy, rather than poor by choice due to a dependency to cash transfers.

The individualistic theory argues that people are in poverty because they are lazy, uneducated, ignorant, or otherwise inferior in some manner. If this theory were true, it would follow that impoverished people are basically the same people every year. And if that were true, we could fight poverty by

helping that particular quarter of a million of the South African population to figure things out and climb out of poverty. Thus, a programme like social assistance grants to help this poor people would have gotten things together and end or dramatically reduce poverty.

On the other side, this theory views the cause of poverty as something that the individual is born with and cannot do anything about the situation. At the end, his or her life is being determined by his condition. Arguably, the theory fails to recognise the abilities of people who are born with disabilities to doing something that can push them out of their poverty situations. However, this could be argued in terms of disability grants beneficiaries when they are not willing to do something to improve their condition and they become comfortable with their conditions as they continue to receive the grant.

According to Waxman (1983), the individualistic theory of poverty explains and blames the individual for their poverty but it fails to recognise the fact that, these factors in themselves cannot lead to poverty but it serves to establish casual links that may in effect trigger and promote factors that can push the individual into poverty.

Taking a look at the structural theory it argues that, economic growth, labour market opportunities, and educational facilities provides a framework in which the standards of living and the social relations of people are always created and recreated (Emmanuel, 2012). Failures resulting from government policies and programmes can also result in poverty. In South Africa there is a lack of a proactive and deliberate strategy to link social grant beneficiaries to opportunities for economic activity. The social grants system is not well supported/ complemented by other policies. In the recent past, South Africa has been overwhelmed by continuous service delivery protests. The situation is further aggravated by inefficient bureaucratic procedures, inadequately trained staff, poor management, serious delays and backlog in government departments (Mukundi, 2009). One can argue that persistent high poverty and inequality levels is also because of poor services and lack of employment opportunities that make it difficult for grant beneficiaries to fully capitalise on their benefits. The question of service delivery improvement in all government sectors is therefore crucial for South Africa.

In a nutshell, the reality after twenty years of democracy is that social grants have certainly alleviated suffering. However, many households remain poor and South Africa remains one of the most unequal countries in the world (World Bank, 2012). Accordingly, a question that can be raised from this is; how can government solve the problem of the poor clustering around the

social grants? With the triplicate problems of orphanhood due to HIV and AIDS, poverty and unemployment perhaps there is no immediate solution. South Africa is no exception to the effects of globalisation, economic downturn and even climate change.

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