Article

Is there a rationale for conditional cash transfers for children in South Africa?

Francie Lund, Michael Noble, Helen Barnes and Gemma Wright
lundf@ukzn.ac.za/michael.noble@socres.ox.ac.uk/helen.barnes@socres.ox.ac.uk/gemma.wright@socres.ox.ac.uk

Abstract
The South African state awards unconditional means-tested cash transfers to the caregivers of some eight million poor children. Amidst increasing demands on the state for social assistance, and given the positive performance of conditional cash transfer programmes in Latin America, a salient policy question is: should the Child Support Grant (CSG) be made conditional on education or health related behaviour to enhance its effectiveness? The term 'conditionality' is used inconsistently in South Africa, and the article suggests separating out five categories or requirements for access to and continued receipt of social grants. We summarise the generally positive performance of conditional cash transfers in diverse Latin American programmes, showing in particular their marked effects on school attendance. The history, current reach and early impact of the CSG are then described. Using the five categories of administrative action, we describe how in the implementation of the unconditional CSG, a range of measures has been imposed which impose costs on applicants, and act to exclude poorer children and caregivers. Further, access to health and education appears to be a supply-side problem, rather than a problem of individual motivation. To be in line with South Africa's Constitution, better administration and provision is likely to be a more rational, just and efficient intervention than the imposition of conditionalities.

Introduction

Cash transfers are one part of a range of measures for addressing poverty. A regular amount of money is allocated directly to particular groups such as the elderly, the unemployed, or children. Cash transfers differ from in-kind interventions, such as the provision of food or food stamps, in that they give the recipient choice about how to spend the money.

The nature and extent of cash transfers (CTs) that a country provides can be viewed as a reflection of its welfare regime. Indeed, Esping-Andersen (1990) based his well known typology of welfare states on the extent to which a state, through its transfer schemes, de-commodifies labour. A country with residual means tested provision such as South Africa would typically fall into his 'liberal' classification. Liberal welfare regimes are characteristically associated with ideologies which see the causes of poverty rooted in individual pathologies rather than having structural causes. Such liberal regimes tend to place the responsibility for exiting poverty firmly on the individual (Handa and Davis 2006, Schubert and Slater 2006). Consequently the role of the state in poverty alleviation through CTs is seen as undesirable. Often such transfers, where made, will be buttressed with conditions to ensure that the poor 'take responsibility' for their own redemption from poverty. To some extent this is a crude over-simplification – there are some countries which would otherwise be thought of as social democratic regimes where conditionality is attached to state transfers (Kildal 2001). However, the defining feature of such social security systems is that their conditionalities tend to support the individual positively in, for example, a return to work, and they are characterised by significant state financial commitment (OECD 2003). In liberal regimes, in contrast, the focus is often on creating barriers to inclusion in the social assistance scheme with an explicit or covert agenda to reduce social security expenditure (Quinn and Magill 1994).

A simple taxonomy of CTs distinguishes between non-means-tested and means-tested benefits. Non-means-tested benefits can be contributory, such as unemployment insurance, where the worker, employer and the state make contributions, or they can be non-contributory (categorical), such as Child Benefit in the UK, payable to all children of specified ages. Means tested benefits are referred to as social assistance and may be either unconditional or conditional.

In an unconditional programme, once a person qualifies to enter the scheme, the amount is an entitlement for a fixed period. The current South African Child Support Grant (CSG) is an example of a means-tested *unconditional* social assistance transfer in respect of children. It was introduced in 1998 as one of a fairly extensive system of relatively unconditional benefits which go to children, people with disabilities and elderly people. The system of social assistance has continued to expand since 1994, even in the context of the overall neo-liberal macro-economic policy. In early 2006,

the three main grants reached well over one quarter of the total population of 44 million: 6.98 million children were beneficiaries of the CSG, 2.25 million the Old Age Grant, and 1.3 million the Disability Grant (Budlender and Woolard 2006).

Conditional cash transfers (CCTs) formally require some type of behavioural compliance on the part of recipients. CCTs relating to children have a lengthy pedigree (Farrington and Slater 2006). As early as 1987 some states in the USA had used the waivers afforded by the Omnibus Budget Reconciliation Act 1981 to introduce requirements for school attendance as a condition of receipt of Aid for Families with Dependant Children. These programmes, collectively referred to as 'Learnfare', were typically coercive rather than supportive and conformed to the liberal ideology referred to above (Quinn and Magill 1994).

CCTs have spread rapidly in the global south. They are being used both in poverty reduction strategies and in addressing the Millennium Development Goals (MDGs) and their main focus is children. They aim to address short-term poverty in the short term by providing poor households with cash income, through health-related and education-related behaviour. It is hoped that in the longer term the inter-generation transmission of poverty will be broken, by building children's 'human capital'. In the southern African region, the last five years have seen an active Africa-wide initiative, 'The Livingstone Call for Action', under the auspices of the African Union, that promotes investment in social spending with a focus on cash transfers, using evidence of success from programmes in Botswana, Lesotho, Swaziland and Zambia.

The idea of attaching conditionality to cash transfers is finding favour in some policy circles in South Africa. One effect of the political transition of 1994 was to make grants more accessible, especially to rural people, and this, together with HIV/AIDS, is leading to increased demands for social assistance, especially for the Disability and the Foster Child Grants.

In South Africa, conditionality is presently used to mean different things, and this clouds the debates. One of the purposes of this article is to differentiate between rules of eligibility, administrative requirements, and true conditionalities, and this is the subject of the following section.

In order to address the question as to what may be gained and lost by introducing conditionalities to the CSG, we then survey the impressive evidence from a number of child-focused CCT programmes in Latin America. We argue that regional experience with conditional grants generates critical

questions for the assessment of the CSG in South Africa. We then describe the policy reform that led to the introduction of the CSG in 1998, presenting the rationale for *not* attaching conditionalities into the policy and implementation at that time. This is followed by a summary of evidence about the performance of the CSG in its first ten years.

We then examine what happened in the process of CSG implementation, showing how there was some drift away from the policy intent towards conditionalities being imposed in various forms, some legal and some not. We consider the arguments for attaching conditionalities to nutrition, attendance at Early Childhood Development (ECD) facilities, and school performance. We suggest that these are primarily supply-side problems which would not be improved by introducing further conditionalities. Instead, the systemic problems should be tackled in line with the Administrative Justice Act and with *Batho Pele* ('People First') principles, such that more very poor children could be included, and such that the high costs to (very poor) caregivers of getting the grants could be reduced. This would be both a more just and a more efficient approach to policy reform.

Eligibility, administrative requirements and conditionality

With unconditional transfers, the Constitution or other legislation defines a right which becomes a material entitlement for a person with certain characteristics who meets certain qualifications. When conditionality is introduced, the applicant meeting certain requirements to get the benefit must in addition conduct him or herself in certain ways in order to continue receiving it. Some things which are not conditionalities, however, act to exclude some who are eligible, and there are sometimes blurred lines between conditionalities and other requirements.

Debates around conditionality would be easier to conduct if there were more agreement about different aspects of the procedure of getting access to grants. We have identified the following five categories which we suggest are distinguishable.

- First, there are the *characteristics of the person which are needed to qualify*, such as being of a certain age, or being disabled. These are not conditionalities.
- Second, there are *administrative requirements* such as possession of a birth certificate or proof of citizenship, and providing information about income and assets for the means test. These are not conditionalities, but do act as barriers to access.
- Third, there are *requirements in the regulations*, which confusingly are

called 'conditions', such as 'the child has to be accommodated, fed and clothed' and stipulating that the grant has to be spent on the child. These may be better called *normative injunctions*.

- Fourthly, there are *requirements that attempt to regulate conduct*, some of which are in the regulations, such as requiring that a child be immunised. Such requirements perhaps overlap with personal characteristics, the first category, but also resemble true conditionalities. They may best be interpreted as *once-off conditions of entitlement*.
- Fifth, there are *true conditionalities*, where the beneficiary has to keep on doing something, such as attending school and/or accessing health services, in order to access and then continue receiving the grant.

We will return to these five categories in considering the policy and implementation of the Child Support Grant. In the Latin American programmes that follow, we deal with true conditionalities.

Conditional cash transfer programmes in Latin America

Child-oriented CCT programmes are familiar in industrialised countries, and a range of CCT programmes has recently been introduced in Latin America. Two of the largest are Mexico's *Oportunidades* (formerly *Progresa*), a health, education and nutrition programme reaching five million households, and Brazil's *Bolsa Familia* ('family stipend'), which reaches eleven million households (Soares et al 2007). The *Bolsa Familia* is a merger of a number of formerly separate transfer programmes. This article deals particularly with evaluations of one of the earlier components, *Bolsa Escola*, which reached five million school children at the time of the merger (Soares et al 2006). Other countries with CCTs include Bolivia, Chile, Colombia, Costa Rica, Honduras and Jamaica (with the pilot programme in Nicaragua being phased out).

The programmes are diverse, each focusing to a greater or lesser degree on poverty alleviation, creating and maintaining human capital, and encouraging civic responsibility. CCTs require that beneficiaries change their behaviour in certain ways, and assume that money will enable the recipient to do so. In other words, they assume that it is a cash constraint that is keeping the recipient from going to health services or school; that health services and schools exist; that cash is the appropriate incentive to encourage attendance at facilities; and that improved health status and school attendance will impact on school achievement, and thereby improve life chances. In the health domain, in some countries nutritional supplements are given in addition to the cash transfers.

Different programmes have different characteristics, but typically, monthly or bi-monthly cash grants are given to the mothers of children of school-going age or younger in poor households. The transfer is conditional on health-related and education-related behaviours (although in *Bolsa Familias*, there is also a non-conditional grant for households in extreme poverty). In terms of health, usual requirements are that all family members must be taken to the health services a minimum number of times and mothers must attend health education classes. In terms of education, a child must attend school for a certain number of days, for example, 75 or 85 per cent of school days in a year. Some specifically give a larger transfer for girls, to address the fact that they have significantly lower enrolment and attendance figures than boys. In addition to the health and education requirements, some programmes encourage mothers to attend community meetings, or do some hours of 'community work', usually as a 'voluntary' activity.

Programmes vary significantly in terms of the ages of children that they target. Children under the age of five are often the focus of the health component of the CCTs: *Bolsa Escola* and now *Bolsa Familia* focuses on children from six to 15 years old, in grades 1 to 8; *Oportunidades* focuses on children up to the age of 18, including grades 3 to 9; and the *Programa Nacional de Becas Estudiantiles* ('national programme of student scholarships', commonly known as *Becas*) in Argentina is used as a means to encourage transition to and progression through senior school (Heinrich 2006). Programmes vary also in the extent to which they focus on child labour.

Eligibility for CCT programmes is determined by a wide range of assessments of poverty. The most stringent (and costly) is the verification of household income. The amount of the transfer itself is based on some criterion connected with the programme purpose. It can be set according to an assessment of a poverty level, sometimes by determining direct costs of programme participation, such as transport to get to health services, as well as by determining the opportunity costs of fulfilling the conditions for receiving the transfer.

An innovative aspect of many of these programmes is that, while they target children and families, the money is paid to the mother rather than to the father or the household head. Some programmes have as an explicit objective that this should lead to 'women empowerment'; in others, the payment to mothers is grounded more in the international evidence which shows that money will be spent 'better', in terms of children's health and

education, if it goes to women.

CCT programmes, and in particular *Progresa* from its inception, have been extensively and rigorously evaluated as part of programme design, with some evaluations involving randomised experimental and control studies (Rawlings and Rubio 2005), but most being quasi-experimental studies. The assessments are positive about most aspects of the programmes. In summary, they show that they can be well targeted, and work effectively as incentives for investing in human capital (syntheses can be found in de la Briere and Rawlings 2006, Rawlings 2004, Rawlings and Rubio 2005, Skoufias 2005).

In *Bolsa Escola* and *Programa de Erradicacao do Trabalho Infantil* (Programme to Eliminate Child Labour) in Brazil, in the Mexican *Progresa*, and the pilot for the *Red de Proteccion Social* (RPS) in Nicaragua, the CCTs had a dramatic effect on school enrolment and attendance, while *Becas* increased attendance, reduced repetition rates, and improved school performance (Heinrich 2006).

With regard to child labour, programmes have reduced the probability of children working, with a stronger effect for boys than for girls. In Nicaragua, the pilot *RPS* reduced the probability of children working in high-risk activities. There, although after-school activities were available to all school children, only the CCT programme children actually spent increased hours attending, suggesting that it was the incentives that led to the behaviour change (Rawlings 2004).

In terms of impact on health, again most of the evidence is positive. The Mexican, Brazilian and Nicaraguan programmes all resulted in an increase in nutrition monitoring, in immunisation rates, and in growth rates (Behrman and Hoddinot 2000, Maluccio and Flores 2005, Rawlings and Rubio 2005). Furthermore *Progresa* reduced illness in children (Gertler 2004), as well as sick leave days for adults. The nutritional supplement has been the least successful of the health components, with families diluting the supplement to make it stretch further, or sharing it with all household members, thus weakening the intended focus on the nutritional status of children under five (Rawlings and Rubio 2005).

Most early assessments judged the routing of the CCT via the mother to have contributed towards women's sense of self-esteem and self-confidence, as well as giving them control over (part of) the household purse. Evaluations of *Progresa* also pointed to the way in which the programmes have raised awareness of the importance of girls' education (Adato 2000, Adato, Coady et al 2000, Adato, de la Briere et al 2000).

A number of problematic areas would be expected in new programmes that have grown so rapidly. The first concerns gender relations. A quantitative and qualitative assessment of the effect of *Progresa* on women's status and intra-household relations found that the programme had indeed led to an increase in women's sense of their own empowerment. The programme placed extra demands on women's time, but the women found it worthwhile if the result was better chances of schooling for their children (Adato, de la Briere et al 2000); however, they expressed the wish that their husbands would attend the education classes as well. Molyneux (2006), on the other hand, offers a strong critique of *Progresa* as a maternalist programme, in that the programmes place additional demands on women's scarce time, and they are expected to juggle even further their multiple paid and unpaid work activities.

Second, the long-term effects of the CCT programmes in addressing poverty are not yet known, as they have been in existence for only a decade. It is not known whether and how the increased educational attendance will translate into improved chances of moving out of poverty.

Third, it is not yet clear whether it was the conditionality that made the difference, or whether just the cash itself with no behavioural strings attached would have achieved the same effects (Gertler 2004). A Brazilian study compared the targeting and poverty reduction effects of the unconditional benefit for elderly and disabled people with the conditional *Bolsa Escola* (Soares et al 2006). Both were well-targeted to the poor, and both had marked and similar effects on poverty reduction.

Finally, most conditional programmes assume that there is a demand-side problem that can be attended to by providing incentives to individuals. Increasingly, evaluations of the CCTs suggest this is a limitation, and that supply-side problems need to be addressed as an integral part of programmes (Rawlings and Rubio 2005). Nicaragua and Honduras, for example, have invested part of programme money into improving educational infrastructure (Caldes et al 2004), acknowledging that long term benefits are reliant on better schooling provision and better health services. The official acknowledgement of this as a potential problem can be seen in the recent introduction into the cash transfer policy discourse in Latin America of the idea of 'co-responsibility'.

Having reviewed the evidence from the conditional transfer programmes in Latin America, we turn to the CSG, a relatively new unconditional transfer in South Africa.

The South African Child Support Grant

State social assistance in South Africa started in 1928 with the introduction of Old Age Pensions for the white and coloured population, and then later the inclusion of all racial groups (Devereux 2007). It grew over the course of the last century to include support for people with disabilities, and for families, women and children. At its inception, and then under the apartheid regime, there was racial discrimination in every aspect of the system, in racially separate administrations, level of payments, income testing, and in timing and method of payment (Lund 1993). In anticipation of the transition to democracy, and the need to forge uniformity between the different welfare administrations with respect to welfare entitlements, the mid-to-late 1980s saw the gradual equalisation of benefits and administrative procedures across the differently classified racial groups. By September 1993, most of the inequalities had been removed from the main welfare grants for elderly and for disabled people (Republic of South Africa 1996).

Severe inequality remained in the State Maintenance Grant (SMG). A committee of enquiry was established in 1996 to investigate all forms of child and family support, and one major recommendation was to replace the SMG with a CSG (an account of the policy intervention, from which the following section draws, can be found in Lund 2008). The value of the CSG when introduced in April 1998 was R100 per month per beneficiary, in July 2006 the grant was valued at R190, and at R230 at the end of 2008.

The CSG was initially available to children from birth to their seventh birthday, and then extended in three phases to include children up to their fourteenth birthday. In making the award to the child's 'primary caregiver', the CSG broke with the former welfare convention, which was to channel child-oriented support only through biological parents or legally defined adoptive or foster parents. This was an attempt to deal with specific aspects of South African society which had emerged over the periods of colonialism and then apartheid: the absence of many parents, especially fathers who went to the towns, mines or white-owned farms to work; customary marriages and customary polygamy; fluid and mobile household structures; and high rates of caring by grandmothers and aunts. All of these characteristics were present before the advent of HIV/AIDS; they have become more pronounced since.

The committee recommending this cash transfer initially wanted a universal benefit for all children of a certain age, both as an appeal to solidarity under the new non-racial regime, and because, given widespread poverty, means

testing can be inefficient and costly. A compromise was reached on what was to have been a simple means test, based on the income of the primary caregiver and her/his spouse or partner, and with differentials for urban/rural location and for type of dwelling unit. Everyone who qualifies according to the means test is paid at the same rate.

A number of policy options other than an unconditional cash transfer were considered. Alternative programmes needed to have institutional capacity, the ability to deliver on a relatively large scale, and redress racial and spatial inequities in welfare provision. Support for Early Childhood Development (which in South Africa is defined to include children up to their tenth birthday) was one alternative but the sector was institutionally weak at that time. There was strong support for child nutrition, but experts argued that, given current government policy and capacity, a cash grant was likely to be more effective than in-kind nutrition supplements or food vouchers for children. General child welfare services in South Africa had been severely under-funded, and would come under increasing pressure with the spread of AIDS. However, they were seen as complementary rather than an alternative to CTs.

It was decided to concentrate on children in their earliest years. In South Africa, the majority of children are born into the health services, then have no contact with public institutions until they attend school. The CSG aimed to address vulnerability during this period, in the form of a monthly grant to very young children.

In designing the CSG, a number of measures were considered that would increase synergies with primary health care, improve on delivery systems, and lower costs to the poor, while recognising that taking up entitlement simply does bear some cost. A basic administrative requirement was that the primary caregiver applying for the benefit had to have an identity document (ID), and the child a birth certificate.

Health-related conditionalities were considered. One was for applicants to have a Road to Health card (which included growth monitoring and immunisation status). Another was to move from a complicated and costly annual review mechanism that was applied to other social grants, to a single visit to the health services when the child was between 24 and 30 months old, the period in which child health services are most eager to check immunisation and overall health status. Both these ideas were turned down by the health ministry at the time; the Road to Health card was re-introduced later as a requirement.

The performance of the Child Support Grant

How has the CSG performed in terms of reach, and addressing poverty?

Although the programme has been in existence for only a decade, there have nevertheless been some reliable early assessments.

Eligibility and take-up

Table 1 provides information about the proportion of children under 11 whose caregivers were eligible to receive the CSG in January 2005. This is calculated by dividing the number of children under 11 who have an eligible caregiver by the total number of children under 11. This can be seen as a measure of the prevalence of children living in low income families in an area.

Nationally, in January 2005, 7.39 million out of 10.96 million children under 11 were eligible to receive the CSG and there were 10.96 million children under 11 in total. This means that the caregivers of 67 per cent of children were potentially eligible to receive the CSG. Given the provincial differentiation in poverty levels, there was considerable variation in terms of the potential reach of the CSG at provincial level: 41 per cent of children under 11 in the Western Cape had caregivers who were estimated to be eligible for CSG, while 79 per cent of children under 11 in both Limpopo and the Eastern Cape had such eligible caregivers.

Table 1: Proportion of 0-10 year olds whose caregivers were eligible to receive the CSG (January 2005)

Province	Children aged 0-10 whose caregivers are eligible	Children aged 0-10	Eligibility rate (%)
Western Cape	386,300	950,800	40.6
Eastern Cape	1,390,300	1,759,500	79.0
Northern Cape	134,000	209,400	64.0
Free State	470,800	659,200	71.4
KwaZulu-Natal	1,782,200	2,400,600	74.2
North West	629,700	892,100	70.6
Gauteng	808,200	1,754,600	46.1
Mpumalanga	585,200	820,900	71.3
Limpopo	1,199,500	1,518,400	79.0
South Africa	7,386,100	10,965,600	**67.4**

Source: Noble et al 2005.

Take-up rates for January 2004 and January 2005 are compared in Table 2. The take-up rate for South Africa as a whole for the relevant age groups increased from 63 to 71 per cent between January 2004 and January 2005. In terms of take-up for children under nine, the increase was greater, changing from 63 to 73 per cent. This suggests that take-up was lower for the nine and ten year olds who only became eligible for the CSG in April 2004, and that this age group brought down the overall take-up rate for January 2005 (Noble et al 2005). For the relevant age groups, all provinces saw an increase in take-up rate over the year; the Eastern Cape and North West Province had the greatest increase at 13 percentage points, while KwaZulu-Natal had only a two percentage point increase. The take-up rates for children under nine also increased between January 2004 and January 2005.

Table 2: Take up of the CSG at provincial level

Province	**January 2004 take up rate 0-8 year olds (%)**	**January 2005 take up rate 0-8 year olds (%)**	**January 2005 take up rate 0-10 year olds (%)**
Western Cape	78.7	88.5	84.0
Eastern Cape	53.5	68.2	66.3
Northern Cape	58.9	63.4	62.7
Free State	57.5	66.4	64.5
KwaZulu-Natal	61.9	68.3	64.3
North West	59.1	73.7	72.0
Gauteng	75.4	84.4	83.3
Mpumalanga	67.2	74.6	73.7
Limpopo	67.8	74.1	73.9
South Africa	**63.5**	**72.9**	**70.7**

Source: Noble et al 2005.

Poverty alleviation and human capital development

All studies to date show good targeting for poverty, except that some fraction of the very poorest is excluded (Budlender and Woolard 2006, Barrientos and DeJong 2006, Case et al 2005).

The income thresholds for the means test have stayed the same since inception (Leatt 2004), meaning that only the even more poor are now included. Furthermore, there has been inconsistency with the way urban and rural areas are defined for the purposes of the means test, which excludes many who should be eligible (Budlender et al 2005, Goldblatt et al 2006, Hall

2005). In 2008, steps were taken to address these issues by raising the income threshold of the means test and eliminating the urban/rural distinction.

School attendance rates among young children are high across all racial groups, with attendance rates for six-, seven- and eight-year-olds at 83, 97 and 98 per cent respectively (Budlender and Woolard 2006). The Umkhanyakude study of 10,000 households in KwaZulu-Natal found that receipt of the CSG led to an eight per cent increase in school enrolment among six-year-olds, remarkable because households were also shown to be poor, and enrolment rates already high (Case et al 2005). The 2004 General Household Survey showed a small but positive link between the CSG and school attendance (Budlender and Woolard 2006).

No existing database contains both CSG and child labour data (Budlender and Woolard 2006). South Africa does not (yet) have a serious problem of child labour, and there is no evidence that school attendance is significantly affected by withdrawal of children in order to work.

Accessing the Child Support Grant – from eligibility to informal conditionality

Earlier we distinguished between five conceptual categories with regard to access to social benefits such as the CSG: personal characteristics of the applicant, administrative requirements, normative injunctions, once-off conditions of entitlement, and true conditionalities. We noted also that there is some confusion about how different people use the term 'conditionality': Goldblatt et al (2006) for example, refer to the requirement of an ID as a conditionality, whereas we think it is more properly categorised as an administrative requirement.

In order to get the CSG, one has to be of eligible age – a *personal characteristic*. In order to prove this, one has to fulfil an *administrative requirement*, for example present proof of identity (ID card) of both the child and the applying caregiver. The home affairs department which issues documents has had difficulties with delivery, and the repeat visits and long delays present significant costs in terms of time and money spent on the process, as well as in the grant income foregone (Waddell 2002). One also has to demonstrate that one's income is below a certain threshold, and undergo a means test on income and assets. In the field, the CSG means test has been unevenly applied (Budlender et al 2005, Children's Institute 2005, Goldblatt et al 2006), with applicants having to go through procedures which incur costs in time and money.

Other examples of administrative requirements are that applicants have also been asked for their marital status, marriage certificates and divorce decrees (Hall 2005) and particular districts or offices have imposed employment-related requirements, asking applicants for an affidavit saying they were unemployed (Hall 2005) or requiring the applicant to produce the 'brown card' from the labour department stating the applicant has registered as unemployed and job-seeking (Children's Institute 2005, Hall 2005). None of these are legally required and all serve as barriers to access.

The third category is the *normative injunctions* in the regulations. These cannot easily be monitored, and can allow for abuse of powers as they are not sufficiently rule-based. Some appear to be reasonable: the child must continue to be in the care of the person receiving the grant; the state must be allowed reasonable access to the child and the house that the child is residing in; the grant has to be spent on the child; and the grant is subject to periodic review. However, a specific requirement, that the child must have accommodation and be properly fed and clothed, is not reasonable given that the level of the grant is not linked to any objectively determined estimate of the costs of accommodation, clothing and food. The level of the CSG was initially linked only to nutritional cost, and the value of the grant has eroded over time. Providing shelter, food and clothing for children is a reasonable thing to expect caregivers to do, but this grant at its present value cannot enable it all to happen.

Fourthly, there are *requirements created that attempt to regulate conduct*, some of which are in the regulations, for example immunisation, and some of which are *ultra vires*, for example providing proof of having sought private maintenance from the child's father (Goldblatt 2005, Goldblatt and Yose 2004a, 2004b, Hall 2005). The onerous requirement of providing proof of having sought private maintenance did not appear in the 1999 regulations, yet as late as 2005, still appeared as part of procedures in a number of offices. The possession of the Road to Health Card appeared as a requirement in the 1998 regulations, and then did not reappear in the amended 1999 regulations. The 2002 regulations stated that '(the caregiver) shall ensure that the child concerned receives immunisation and other health services where such services are available, without charge' (Clause 20(d)). In the 2004 regulations (not yet implemented), the words 'where such services are available, without charge' have been removed (Clause 28(4)), a worrying development.

Fifth and finally, there is the category of *true conditionalities*, where the beneficiary has to keep on doing something, such as attending school and/

or accessing health services. Lack of compliance leads to partial or full loss of the benefit. No such conditionalities legally exist in South Africa at the present time.

In the administration of the CSG, however, some conditions have been imposed that are outside of law but are formally encoded in official documents, while some are outside of the law and the result of officials' discretion. School-related conditionalities were not considered in the design of the CSG because it was planned that it should be as unconditional as possible, and because it was targeted at pre-school children, or to overlap only with the very first years of school. Had it been intended for older children, school-related conditionalities would not have made sense because of the high rates of primary school enrolment of both boys and girls in South Africa. The age extension of the CSG has led to some offices now imposing school-linked requirements which are de facto conditionalities. Sometimes a letter from the school is required to confirm school enrolment or school attendance (Children's Institute 2005, Hall 2005) or the police must certify school enrolment (Hall 2005).

To summarize this section, the CSG has reached a large number of children in a relatively short period of time. Analyses show that it has been reaching rural areas, is well targeted for poverty, and appears to increase the length of time children are in school. It was designed as an unconditional benefit, with the exception of minimal qualifications to enable efficient administration, and one or two relatively minor requirements needed to create synergies with other departments, or minimise corruption. Over time, a range of additional requirements have been added, some of which amount to de facto conditionalities that are not always legal. In the transitional space in South Africa, bureaucrats have imposed their own rules. There are many examples of officials exercising discretion in favour of individual clients, or challenging punitive aspects of the regulations themselves. On the whole, however, administrative discretion appears to be subverting the aim of the broader social policy by imposing additional costs on the poor. In addition, spatial settlement patterns imposed by apartheid and lack of administrative capacity and inefficiency impose costs on those seeking access.

What rationale for conditionality in the CSG?

In this section we use experience from the Latin American schemes, applied to South Africa, to consider the merits of attaching conditionality to the CSG.

The Latin American CCT programmes have had positive effects on school

enrolment and attendance. The South African CSG was initially aimed at children up to the age of seven. The age extension to 14 years has led to some informal conditionalities being imposed, even though school attendance rates are good (though they may become less so with HIV/AIDS). Given the parlous quality of education for poor South Africans in both urban and rural areas, it is not necessarily getting children to school that matters in breaking long-term poverty: it is about resources and facilities, or management, or teaching practice at schools (see Chisholm 2006:202-3). It is a supply-side problem, similar to that pointed out in Bourguignon et al (2002) for Brazil, and by Britto (2004) for the CCT programmes in general. Poor teaching and lack of leadership in under-resourced schools are common, and there are low returns to education for a number of years. Enrolment and attendance are necessary prerequisites when trying to escape poverty, but they are not sufficient.

One argument used for extending the age limit of the CSG was because of school costs. CSG children are meant to be exempt from school fees (though this does not always happen in practice), but other expenses are for school uniforms, contributions to school cleaning equipment and school building funds. If the CSG were made conditional on school attendance, it would require a massive increase in the amount of the grant, to compensate for expenses that should be paid by the education department.

Attempts to create conditions such as family participation in livelihood activities raise many problems. Some Latin American schemes have the empowerment of women as an explicit programme goal, assumed to be achieved by giving women the income, and through their attendance at group activities. Women have primary responsibility for signing up, and then for ensuring that children attend school and family members go to the health services. In South Africa, the woman beneficiary is likewise primarily the conduit for the CSG and she assumes responsibility for the time-consuming application process. Women are faced with patriarchal forms of authority at every turn. Proof of residence (a requirement in some areas) has to come from the tribal authority (Goldblatt and Yose 2004a); affidavits of various kinds have to be secured at police stations, which are very masculine domains; applying for paternal maintenance is through a judicial procedure which is known to make women vulnerable. During screening procedures, monitors observed officials giving moralising lectures which were 'patronising and inappropriate' (Goldblatt and Yose 2004a:10). To expect further participation in voluntary community work, as initially appeared in the

regulations, would be to disadvantage poorer women even further. Expectations that caregivers should attend health workshops would likewise impose additional costs on poor women, as suggested by Molyneux (2006).

A senior welfare official suggested that conditionality might be considered in relation to nutrition, ECD, and free primary health care (especially immunisation) (Plaatjies 2006:10). With regard to nutrition, there is a need for a national programme of support for nutrition for children in their earliest years. Children of school-going age have access to the unevenly implemented National School Nutrition Programme, which reached about half of all primary school learners over the years 1994/5 to 2003/4 (Kallmann 2005:11). South Africa's children need nutritional support most critically between birth and two years of age, but at this stage, there is no programme with which CSG children could be linked.

Linking the CSG to attendance at an ECD facility will not address the fact that the lack of ECD participation is a supply-side problem, with only one in six children able to access them as there are too few facilities or they are too expensive (Department of Education 2001). Third, in terms of primary health care, there is free access for young children, though the service is uneven. It would seem reasonable to expect that in a society at South Africa's level of development, immunisation should simply be a free and accessible service for all citizens, without linkages to other programmes.

This review of the evidence suggests that introducing behavioural inducements to poor people in South Africa to ensure the best educational and health outcomes for their children should not be the main focus of attention for policy makers. Such conditionalities would be inconsistent with the (essentially) social democratic social policy regime set out in the Constitution. The causes of poverty and unemployment are unambiguously stated as having a structural rather than personal aetiology – that is, they form part of the apartheid legacy. Chapter 2 of the Constitution comprises a Bill of Rights which sets out an unparalleled series of socio-economic rights in respect of social security, health, education and housing. These rights speak to a set of inclusive social policies with a significant role for the state consistent with a social democratic welfare regime rather than residual minimalist welfare provision which typifies the liberal welfare regime. Conditional social security, based on assumptions that poor parents are in some way culpable if their children fail to attend school or attend clinics is inconsistent with the structural explanations for poverty which are implicit in the Constitution.

The post-apartheid South African government has done much to try and address and redress the racism and repressive aspects of the old apartheid state. It has introduced the *Batho Pele* ('People First') set of principles into administration to ensure fairer and more transparent service to the public, and an Administrative Justice Act (AJA), yet procedures in the implementation of the CSG contradict both. The AJA requires that 'organs of state may not act capriciously and arbitrarily' and 'Decisions must be rationally related to the purpose for which the power was given' (Currie and Klaaren 2001:16-18), but it is clear that there is a great deal of administrative discretion. The requirement that CSG applicants have to first apply for private maintenance has no rational relationship whatsoever to the CSG; the widespread habit of officials telling applicants to 'come back within three weeks' to hear about their application status bears no relation to whether that is an appropriate time to return. Principle 8 of *Batho Pele* stipulates that 'Public services should be provided economically and efficiently in order to give citizens the best value for money' (Republic of South Africa 1997), but poor people incur unreasonable costs in seeking and maintaining access to the system.

It is widely acknowledged that there is a large gap between policy and implementation in post-apartheid South Africa, and this is no surprise given the ambitious hopes that there were for fundamental social, economic and political reforms. The CSG has rolled out very rapidly. By stealth, however, some of the policy intent is being subverted by administrative action. Patterns of take-up suggest that the means test is an unnecessary and ineffective measure, and it should be lifted altogether or be replaced by a far simpler measure, as suggested by Goldblatt et al (2006). Indeed, a universal categorical grant for children would sit with greater ease in what on paper appears to be a social democratic policy agenda.

References

Adato, M (2000) *The impact of PROGRESA on community social relationships, Final Report.* Washington D.C.: International Food Policy Research Institute.

Adato, M, D Coady and M Ruel (2000) *An operations evaluation of PROGRESA from the perspective of beneficiaries, promotoras, school directors, and health staff, Final Report.* Washington, D.C.: International Food Policy Research Institute.

Adato, M, B De La Briere, D Mindek and A Quisumbing (2000) *The impact of* Progresa *on women's status and intra-household relations, Final Report.* Washington, D.C.: International Food Policy Research Institute.

Barrientos, A and J Dejong (2006) 'Reducing child poverty with cash transfers: a sure thing?', *Development Policy Review* 24(5): 537-552.

Behrman, J and J Hoddinott (2000) *An evaluation of the impact of Progresa on pre-school child height.* Discussion Paper Brief No. 104.Washington D.C.: International Food Policy Research Institute.

Bourguignon, F, F Ferreira and P Leite (2002) *Ex-ante evaluation of conditional cash transfer programs: the case of Bolsa Escola*. Policy Research Working Paper, 2916. Washington D.C.: World Bank.

Britto, TF (2004) *Conditional cash transfers: why have they become so prominent in recent poverty reduction strategies in Latin America.* Working Paper Series, No. 390, The Hague: Institute of Social Studies.

Budlender, D and I Woolard (2006) *The impact of the South African Child Support and old age grants on childrens' schooling and work.* International Programme on the Elimination of Child Labour, Geneva: International Labour Office.

Budlender, D, S Rosa and K Hall (2005) *At all costs? Applying the means test for the Child Support Grant.* Cape Town: Children's Institute and Centre for Actuarial Research, University of Cape Town.

Caldes, N, D Coady and J Maluccio (2004) *The cost of poverty alleviation transfer programs: a comparative analysis of three programs in Latin America*. Discussion Paper 174, Washington D.C.: International Food Policy Research Institute.

Case, A, V Hosegood and F Lund (2005) 'The reach and impact of the Child Support Grant in South Africa: evidence from KwaZulu-Natal', *Development Southern Africa* 22(4): 467-482.

Children's Institute (2005) 'Observations: Eastern Cape means test costing research.' Cape Town: Children's Institute, University of Cape Town.

Chisholm, L (2006) 'The state of South Africa's schools', in J Daniel, R Southall and J Lutchman (eds) 2005, *State of the Nation: South Africa 2004-2005.* Cape Town: HSRC Press.

Currie, I and J Klaaren (2001) *The Promotion of Administrative Justice Act Benchbook.* Cape Town and Johannesburg: Siber Ink in association with the Research Unit for Law and Administration, University of the Witwatersrand.

De La Briere, B and L Rawlings (2006) *Examining conditional cash transfer programs: a role for increased social exclusion?* Social Protection Discussion Paper No. 0603, Washington D.C.: World Bank.

Department of Education (2001) *Nationwide Audit of ECD Provisioning in South Africa.* Pretoria: Department of Education.

Devereux, S (2007) 'Social pensions in Southern Africa in the twentieth century', *Journal of Southern African Studies* 33(3).

Esping-Andersen, G (1990) *The Three Worlds of Welfare Capitalism*. Cambridge: Polity Press.

Farrington, J and R Slater (2006) 'Introduction: cash transfers: panacea for poverty reduction or money down the drain?', *Development Policy Review* 24(5).

Gertler, P (2004) 'Do conditional cash transfers improve child health? Evidence from *Progresa's* control randomised experiment', *American Economic Review* 94(2).

Goldblatt, B (2005) 'Gender and social assistance in the first decade of democracy: a case study of South Africa's Child Support Grant', *Politikon* 32(2).

Goldblatt, B and C Yose (2004a) 'Research findings: gender and the Child Support Grant – Gauteng.' Unpublished paper, Johannesburg: Centre for Applied Legal Studies, University of the Witwatersrand.

_____ (2004b) 'Research findings: gender and the Child Support Grant – North West Province.' Unpublished paper. Johannesburg: Centre for Applied Legal Studies, University of the Witwatersrand.

Goldblatt ,G, S Rosa and K Hall (2006) *Implementation of the Child Support Grant: a study of four provinces and recommendations for improved service delivery*. Johannesburg: Centre for Applied Legal Studies, University of the Witwatersrand, and Cape Town: Children's Institute, University of Cape Town.

Hall, K (2005) 'Costing the means test for the CSG: field report from the Western Cape.' Unpublished report. Cape Town: Children's Institute, University of Cape Town.

Handa, S and B Davis (2006) 'The experience of conditional cash transfers in Latin America and the Caribbean', *Development Policy Review* 24(5).

Heinrich, C (2006) 'Demand and supply-side determinants of CCT program effectiveness.' Unpublished working paper, Madison: University of Madison-Wisconsin.

Kallmann, K (2005) 'Food for thought: a review of the National School Nutrition Progamme', in A Leatt and S Rosa (eds) *Targeting Poverty Alleviation to make Children's Rights Real*. Cape Town: Children's Institute, University of Cape Town. [CD-ROM].

Kildal, N (2001) *Workfare tendencies in Scandinavian welfare policies*. Geneva: International Labour Office.

Leatt, A (2004) *Granting assistance: an analysis of the Child Support Grant and its extension to seven and eight year olds*. Children's Institute Working Paper,

Cape Town: University of Cape Town.

Lund, F J (1993) 'State social benefits in South Africa', *International Social Security Review* 46(3).

_____ (2008) *Changing Social Policy: the Child Support Grant in South Africa*. Cape Town: HSRC Press.

Maluccio, JA and R Flores (2005) *Impact evaluation of a conditional cash transfer program, The Nicaraguan Red de Proteccion Social*, Research Report No. 141. Washington D.C.: International Food Policy Research Institute.

Molyneux, M (2006) 'Mothers at the service of the New Poverty Agenda: the PROGRESA/ Oportunidades programme in Mexico', in S Razavi and S Hassim (eds) *Gender and Social Policy in a Global Context: uncovering the gendered structure of 'the social'*. Basingstoke: Palgrave Macmillan.

Noble, M, G Wright, H Barnes, P Ntshongwana, R Butierrez-Romero and D Avenell (2005) 'The Child Support Grant: a sub-provincial analysis of eligibility and take up in January 2005.' Unpublished paper, Pretoria: National Department of Social Development, South Africa.

Organisation for Economic Cooperation and Development (OECD), (2003) *OECD Employment Outlook 2003 – towards more and better jobs.* Paris: OECD.

Plaatjies D (2006) *Conditional cash transfers in South Africa.* Presentation at Third International Conference on Conditional Cash Transfers, Istanbul, Turkey, June 26-30. Sourced on 16 August at http://info.worldbank.org/etools/ICCT06/DOCS/English/Day1/Plaatjies

Quinn, LM and R Magill (1994) 'Politics versus research in social policy', *Social Service Review* 68(4).

Rawlings, L (2004) *A new approach to social assistance: Latin America's experience with conditional cash transfer programs.* Social Protection Discussion Paper, No. 0416. Washington D.C.: World Bank.

Rawlings, L and GM Rubio (2005) 'Evaluating the impact of conditional cash transfer programs', *World Bank Research Observer* 20(1).

Republic of South Africa (1996) *Report of the Lund Committee on Child and Family Support.* Pretoria: Government Printer.

Republic of South Africa (1997) *Government Gazette No 18340.* October 1.

Schubert, B and R Slater (2006) 'Social cash transfers in low-income African countries: conditional or unconditional?', *Development Policy Review* 24(5).

Skoufias, E (2005) *PROGRESA and its impacts on the welfare of rural households in Mexico.* Research Report No. 139. Washington D.C.: International Food Policy Research Institute.

Soares FV, S Soares, M Medeiros and RG Osorio (2006) *Cash transfer programmes in Brazil: impacts on poverty and inequality*. International Poverty Centre Working Paper, No. 21, Brasilia: International Poverty Centre, United Nations Development Programme.

Soares, FV, RP Ribas and RG Osorio (2007) *Evaluating the impact of Brazil's Bolsa Familias cash transfer programme in comparative perspective*. IPC Evaluation Note, No. 1. Brasilia: International Poverty Centre, United Nations Development Programme.

Waddell, J (2002) 'A comparative analysis of social welfare grant administration in South Africa.' Unpublished mimeo, May, Oxford: Department of Social Policy and Social Work, Oxford University.