

The role of a community fund as a means of enhancing the new child support grant system in South Africa: Analysing the policy context and process and the case for an involvement of civil society in developmental social welfare

Submitted in partial fulfilment of the requirements for the degree of
Masters in Development Studies at the Institute for Social Development,
University of the Western Cape

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date: 29.04.1998

Acknowledgements

I would like to use this opportunity to thank especially both supervisors Prof. Pieter le Roux and Dr. Russel Botman for their extraordinary support throughout this research and for their inspiring friendship.

Thanks to the women and men who participated in the interviews and who gave me valuable insights. Their participation supplied the most important perspective for this research, which has everything to do with the improvement of the living conditions of the poor and vulnerable.

Thanks to the Lund working group. The opportunity of working in and with this group made this research a very practical experience and enabled me to add important aspects of the policy process to this research.

Thanks to Gerhard for his tireless effort during the seemingly endless hours of correcting my English grammar.

Thanks to all my friends for their special ways of much needed encouragement, motivation and distraction during the writing of this thesis.

Last, but not least: Thanks to Dirk for his wonderful love and friendship - and the patience during the countless computer breakdowns.

Abbreviations

ANC	African National Congress
CBO	Community Based Organisation
CGE	Commission for Gender Equality
COSATU	Congress of South African Trade Unions
CSB	Child Support Benefit
CSG	Child Support Grant
CSS	Central Statistical Services
DG	Disability Grant
DRC	Dutch Reformed Church
EFSA	Ecumenical Foundation of Southern Africa
FFC	Financial and Fiscal Commission
GEAR	Growth Employment and Redistribution
HH	Household
HSL	Household Subsistence Level
IDASA	Institute for Democracy in South Africa
IFP	Inkatha Freedom Party
ILO	International Labour Organisation
IMF	International Monetary Fund
MINMEC	Welfare MINMEC: the committee of the Minister of Welfare and the Provincial Members of the Executive Council
NEC	National Executive Council

NGO	Non Governmental Organisation
NP	National Party
PCG	Primary Care Giver
POSC	Purchase of service contracting
PSLSD	Project for Statistics on Living Standards and Development
RDP	Reconstruction and Development Programme
SABC	South African Broadcasting Service
SACBC	Southern African Catholic Bishops Conference
SACC	South African Council of Churches
SACP	South African Communist Party
SAHRC	South African Human Rights Commission
SALDRU	Southern African Labour and Development Research Unit
SANGOCO	South African NGO Coalition
SMG	State Maintenance Grant
SOAP	State Old Age Pension
SRF	Social Recovery Fund
UCT	University of Cape Town
UPE	University of Port Elisabeth
UWC	University of the Western Cape

Abstract

This research introduces the concept of a community fund as an enhancement of the new Child Support Grant System.

The thesis starts by analysing the welfare policy context in South Africa, namely the White Paper and its concept of "developmental social welfare" as developed by James Midgley. This analysis singles out the framework against which a new child support policy has to be evaluated. Five key features are identified: 1.) Integration of economic and social development 2.) Provision of an acceptable minimum standard for all needy children 3.) People-centred, democratic approach towards the participation of the people concerned 4.) Intervention in favour of redistribution and striving towards social justice 5.) Fostering partnership between Government and other role-players.

The thesis discusses the proposal of the Lund Committee and the subsequent decision by Cabinet on the new policy in detail. It highlights the critique civil society put forward on the policy proposal in terms of the contents and analyses the policy process. On this basis, it becomes obvious that very little of the framework laid in the White Paper has been integrated into the new Child Support Grant policy. The link to economic development, the adaptation of a people-centred approach and the institutional combination of different strategies by various role-players through the partnership between the state and civil society have not been realised.

Due to the seriousness of the divergence of the CSG policy from the policy guidelines the thesis advocates that the policy should be revised and brought in line with the promises made in the White Paper. In an effort to retain the positive aspects of the new policy, but also to address the above mentioned shortcomings, a community fund is suggested: In addition to the CSGs, a government fund providing seed-money for community projects run by NGOs should be established. Such a concept, it is argued, is in line with developmental social welfare. It would combine social and economic development, be people-centred, redistributive, it encourages empowerment and would include different role-players and different strategies. Existing structures within NGOs are utilised and they are encouraged to draw in outside funding from business and overseas donors.

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Introduction

Stating the problem and the approach of this research

Towards the end of 1995 the Committee of the Minister of Welfare and the Provincial Members of the Executive Council (the Welfare MINMEC) established the Committee on Child and Family Support¹ to investigate the State Maintenance Grant system. This system had to be restructured: Although the racial² aspects of the old system were formally removed during the transitional phase, it was in practice only accessible to so-called 'white', 'indian' and 'coloured' families, and an extension to all those who were eligible would not be feasible financially. The Lund Committee finished its job in August 1996 and made recommendations to the Department of Welfare and Population Development³. The main recommendation was the introduction of a 'flat-rate Child Support Benefit'⁴. The level of benefit (between R70 -

1 Hereafter referred to as 'Lund Committee', named after the chairperson Francie Lund.

2 The author regard racial naming as in itself racist and hence it should in principle be avoided. However in a study of this nature I felt compelled to use this terminology in order to be able to describe the different social realities created by the apartheid regime. Ironically one thus has to use racist terminology to analyse the injustice still present in today's South Africa.

3 Hereafter referred to as the Department of Welfare or only the Department.

4 It must be noted that the original term 'Child Support Benefit' was - due to the advice of legal experts of the Department of Welfare who wrote the legislation in August 1997 - changed into 'Child Support Grant'. The reason being that the term 'benefit' actually refers to a payment

R125 per month were suggested) and the age cohorts (0-4, 0-6, or 0-9) was said to depend on the budget constraints. The report of the Lund Committee suggested that between 7% and 39% of the children in South Africa should be supported. In March 1997, Cabinet, on the basis of these recommendations, decided on a new policy which aimed to support 30% of the children⁵ from 0-6 with R75 per month. A budget of R2,7 billion was allocated for this programme.

The new policy as well as the way in which it was decided upon evoked a wave of criticism from organisations and individuals of civil society. Due to the criticisms raised, the Parliamentary Portfolio Committee on Welfare held public hearings on this issue in April 1997. Up to August 1997, (which is used as a necessary cut-off date for the sake of this research), civil society has continuously criticised various aspects of the new policy.

The research concentrates on two interrelated problems which arise from the situation described above. Firstly, it analyses the new Child Support Benefit in the light of the newly accepted welfare policy of 'developmental social welfare'. Secondly, it

out of a contributory scheme, the term 'grant' refers to a payment received without having contributed, as is the case with the new child support payment. The author uses the terms interchangeable as the term 'benefit' was used generally until August 1997, the cut-off date of this research.

⁵ This percentage changed after the Census 1996 results had been released in June 1997. see also p. 131

looks at the involvement and role of civil society, both in the policy process, and in possible co-operation with the state regarding the support of children.

The general question linking these two problems can be formulated as follows:

What must a new child and family support system look like if it is based on the concept of developmental social welfare and involves civil society to support children and families in the new South Africa?

On the basis of the analysis of this question the research will introduce the concept of a community fund as an enhancement to the new Child Support Benefit. It argues that a community fund, which promotes and relies on the active involvement of organisations of civil society, is in line with the concept of developmental social welfare. The role churches might play in the realisation of such a concept in the South African situation is specifically considered.⁶

⁶ The research analyses the practical role civil society played in the process and how it could support Government through the integration of organisations in the implementation of the policy. The research cannot enter into a discussion of the different concepts of civil society. But in order to decide on an idea of what civil society is and in order to include the actors of the policy process, the author adopted a wide definition of civil society as given by Pillay who, by drawing on Gramsci, includes the *...vast array of voluntary associations that make up everyday life, from business associations to trade unions, stokvels, and religious groups, in dialectical unity with all other spheres* (Pillay, 1996:341).

Structure of the research

The Department of Welfare founded its new welfare policy, as is explained in the White Paper for Social Welfare, on the concept of developmental social welfare as developed by James Midgley. The first chapter outlines the background, the vision and aims of the White Paper which was approved in the beginning of 1997 and moves on to explain the theoretical model underlying the concept of developmental social welfare. This discussion sets the basis for the evaluation of the Lund report in Chapter 5 and of the proposed community fund in Chapter 6.

The second chapter considers the work of the Lund Committee on Child and Family Support which was appointed to examine the State Maintenance Grant (SMG) system and commissioned to recommend a new social security system for children. The Cabinet's decision based on the recommendations of the Lund Committee is summarised.

The third chapter gives a detailed account of the points of criticism raised by organisations of civil society against both the new policy and the process by which it was developed and approved.

Chapter four then concentrates on the events of the policy process from November 1995 to August 1997. It firstly gives a summary of the events based on a table in Appendix 2 which lists the events in chronological order and tries to cover them comprehensively. Secondly, it analyses the role of the four main actors in the policy process, namely Government, organisations and individuals of civil society, the Parliamentary Portfolio Committee, and the media.

On the basis of the previous chapters, chapter five analyses, and consequently criticises, the new policy on the basis of the concept of developmental social welfare. Moreover, it has a look at the shortcomings of cash-transfers by analysing the take-up rate of State Old Age Pensions and the situation of present recipients of the State Maintenance Grants. On this basis, the chapter identifies aspects which are needed to enhance the current Child Support Grant to be more developmental.

The sixth chapter introduces the concept of a community fund as an enhancement to the present policy. The concept of the community fund is based on the belief that a partnership between organisations of civil society and the state is needed to address the problem of child poverty effectively. It aims to finance projects for children and in the course of this process encourages the engagement and empowerment of communities. It is argued that this concept meets the requirements of developmental social welfare as outlined by Midgley.

Moreover, it points out to the potential role of the churches in such a community fund. Given the presence of churches in most of South Africa's communities, the advantages of a co-operation between them and the state is highlighted. Furthermore, the positions of representatives of various churches in South Africa to the concept of a community fund will be summarised.

Finally, the conclusion sums up the findings and looks at the probability of a community fund given the political realities.

Methodology

The study will apply qualitative and quantitative methods to the research problems described above:

Quantitative methods will be used for analysing the data of the Project for Statistics on Living Standards and Development (PSLSD) collected by the Southern Africa Labour and Development Research Unit at the University of Cape Town in co-operation with the World Bank in October 1994.⁷ The data will be used to provide information on the financial implications of the old Maintenance Grant system and of alternative systems. In this respect the author refers to the work done by Dirk Haarmann for his thesis.

Two sets of qualitative interviews were conducted. Firstly, the author together with Dirk Haarmann conducted 20 in-depth interviews with farm-workers on fruit-farms near Ceres in May 1996. Twelve of the interviewees were women receiving the SMG and the other 8 were couples who had been interviewed by SALDRU in 1993. We applied semi-structured interviews and asked questions about the interviewees' living conditions like the employment status or chances, the household structure, the health situation, the financial situation etc. The research is of descriptive nature as it aims to give an insight into the 'situation on a grass roots level'. Secondly, we also conducted 9 in-depth interviews with people from various churches in South Africa, who are engaged in development and welfare work, between November 1996 and January 1997. The aim of these interviews was to collect ideas and opinions from people

⁷ Hereafter referred to as SALDRU data.

within the church about the concept of a community fund and how they see the role and capacity of the church to become involved in such a concept. More generally, the concept was also used as an example of the relationship between church and state in South Africa.

The author and Dirk Haarmann were commissioned to do research for the Lund Committee, mainly on the financial implications of an extension of the present State Maintenance Grant System. This thesis is also informed by this research and by the Itala think tank which was organised by the Lund Committee as an discussion forum in May 1996.

The author took an active part in the Lund Working Group⁸ and the discussions and events from within this group are therefore dealt with from the point of view of a participant observer.

A study of relevant literature on developmental social welfare, with a special focus on the work of James Midgley, runs through this research. Chapters three and four are predominantly based on an analysis of the submissions to the Parliamentary Portfolio Committee on Welfare in April 1997 and on related articles in various newspapers.

⁸ This group which consisted of various NGOs and researchers had regular meetings from November 1996 to July 1997 to discuss the Lund report and the subsequent policy. For more information about the Lund Working Group see 4.1.2.)

Motivation

With the support of the present Minister of Welfare and Population Development, Geraldine Fraser-Moleketi, the author was asked to do research for the Department and then got involved in research for the Lund Committee. On the job, it became clear that besides the recommendations made by the committee itself no viable alternative was discussed. The author, together with Dirk Haarmann, compiled a report⁹ for the Lund Committee where the concept of a community fund was already shortly outlined. This paper wants to explore this idea in terms of its practicality and its contribution towards a more viable and developmental social welfare.

During the research for this thesis the author got actively involved in the Lund Working Group and also worked together with the Parliamentary Portfolio Committee on Welfare. Together with Dirk Haarmann, the author made a submission to the Committee at the public hearings on the issue of the Child Support Benefit.

Having done research for the Lund Committee, organisations of civil society and the Parliamentary Portfolio Committee, as well as having closely observed the process from November 1995 to August 1997 and having publicly commented on the policy, the author wants to put the concept of a community fund into the context of this process. The process was, as is discussed more thoroughly in chapter 4, a unique process, as progressive organisations and individuals of civil society got actively involved in it and criticised the new policy. They did so with the support of the Parliamentary Portfolio Committee, which is driven by ANC parliamentarians. The author

⁹ Haarmann, C and Haarmann, D. 1996

feels that it is important to describe and record this process and the points of criticism made. Moreover, on the basis of this, the author wants to analyse the role of the different actors in the process and to show how changes in the original proposal occurred. The author regards this analysis as essential for the suggested concept of a community fund, as it traces the behaviour of the different actors and in particular the relationship between state and civil society.

Chapter 1: The context of Welfare policy in South Africa: Developmental social welfare

The first chapter elaborates on the White Paper for Social Welfare and its declared policy of developmental social welfare. Firstly, the context, development and basic positions of the White Paper are outlined. Secondly, a more thorough explanation of the concept of developmental social welfare according to J. Midgley is given. Thirdly, the author has a critical look at the White Paper to see to what extent the concept as defined by Midgley has in fact been incorporated into the White Paper. Lastly, on the basis of these previous sections, the most important aspects of the White Paper and Midgley's concept in regard to a new child support policy are highlighted. This sets the framework for the evaluation of the Lund report in Chapter 5 and of the proposed community fund in Chapter 6.

1.1.) The White Paper for Social Welfare

Since the first democratic elections in South Africa in April 1994, the different ministries have faced the task to totally overhaul and transform the former policies of the apartheid government. The Department of Welfare and Population Development started that process in 1995, in terms of the formulation of broad policy directions, with the discussion document: 'Towards a new social welfare policy and strategy in South Africa'. This document was drawn up in consultation with role-players from

civil society in general and welfare organisations in particular. In the beginning of 1996 it developed into the Draft White Paper and then into the 'White Paper' which was accepted by Parliament in 1997.

It is noteworthy that the Department was headed by three different Ministers during this process. The first two were members of the National Party, the present Minister Geraldine Fraser-Moleketi, (ANC) who had been deputy Minister since 1994, came into office after the National Party had pulled out of the Government of National Unity in 1996.

1.1.1.) Structure of the White Paper

The White Paper starts by outlining the welfare context in South Africa. It is then divided into two parts: The first one dealing with the *policy framework* and the second one with the *delivery system*. The policy framework includes the national strategy, institutional arrangements, human resource development, legislation, finance and budgeting. The part on the delivery systems firstly looks at the social security system and secondly at how to enhance social integration. The latter is done by discussing the following issues: Family and life cycle, women, people with disabilities, and special needs and problems.

The different sections of the White Paper always first give a **situation analysis** and then, secondly, the **approach** and thirdly, the **strategy**.

This research focuses on the national strategy as this constitutes the basis of the overall policy. Further attention will then be paid to the section on social security with a special focus on social assistance and the section on family and children as these two are of importance for the analysis of the Lund report.

1.1.2.) National welfare strategy

After giving an overview of the welfare **context** and the general **policy** approach in the first chapter of the White paper, the national strategy starts with the '**vision**' and '**mission**' of the Department. It then **defines** social welfare and social development. On the basis of this, the '**national goals**', the guiding '**principles**' and an '**agenda for action**' is formulated.

Welfare in South Africa is seen as an inequitable, inappropriate and ineffective system that was developed under the apartheid government:

Racial, gender, sectoral and geographical disparities have created significant distortions in the delivery system. (White Paper, 1997:11)

The Department explicitly states that a developmental approach towards social welfare as emerging from the World Summit for Social Development 1995 and as defined by J. Midgley (White Paper, 1997:93) is taken as the basis of its new policy. This is seen as an appropriate strategy to overcome the legacy of the past and to develop the new '**vision**':

A welfare system which facilitates the development of human capacity and self-reliance within a caring and enabling socio-economic environment.

(White Paper, 1997:15)

Strong emphasis is put on the partnership of government and civil society, which is reiterated in the '**mission**' of the White Paper:

To serve and build a self-reliant partnership with all stakeholders through an integrated social welfare system which maximises its existing potential, and which is equitable, sustainable, accessible, people-centred and developmental.

(White Paper, 1997:15)

The White Paper **defines** social welfare and social development as:

Social welfare refers to an integrated and comprehensive system of social services, facilities, programmes and social security to promote social development, social justice and the social functioning of people.

Social welfare will bring about sustainable improvements (...)

Social welfare is intrinsically linked to other social services (...)

The welfare of the population will not automatically be enhanced by economic growth. Economic development has to be accompanied by the equitable allocation and distribution of resources if it is to support social development. Social development and economic development are therefore interdependent and mutually reinforcing. (White Paper, 1997:15)

The Department sets the following **goals** for the strategy proposed:

- the provision of appropriate developmental social welfare services to all South Africans, especially those living in poverty, those who are vulnerable and those who have special needs
- the promotion of a partnership between government and other role players
- the promotion of social development intrasectorally, i.e. within the Welfare Department and other Departments, as well as non-governmental stakeholders
- to give effect to the international conventions of the United Nations which have been ratified by the government and are pertinent to developmental social welfare
- the realisation of the relevant objectives of the constitution of South Africa and the Reconstruction and Development Programme (RDP) (White Paper, 1997:15).

The Department commits itself to the following **principles** by which policy and programmes shall be guided: (White Paper, 1997:16-17)

- Securing basic welfare rights
- Equity
- Non-discrimination
- Democracy
- Human rights
- Sustainability
- Quality services
- Transparency and accountability

- Accessibility
- Appropriateness
- Ubuntu¹⁰

The **agenda for action** entails, amongst other aspects, a war on poverty: The Department is committed to provide social protection in situations of crises, to reduce malnutrition, to develop special development strategies, to overcome rural poverty and to build up capacity to overcome structural poverty. The 'agenda' further points out that there is a national collective responsibility to promote social development and that the involvement of civil society must be strengthened to redress the imbalance of the past together. Another part of the 'agenda' is about community development. Community development is defined as

the process in which the efforts of the people themselves are united with those of the government authorities to improve the economic, social and cultural conditions of their communities. It involves two processes: the participation of the people themselves in efforts to improve their living conditions with as much reliance as possible on their own initiatives; and the provision of technical and other services in ways which encourage initiative, self-help and mutual help and make these more effective. (White Paper, 1997:93)

¹⁰ *Ubuntu means that people are people through other people. (White paper, 1997:17)* According to this principle the White paper wants to foster caring for each other's well-being and a spirit of mutual support.

Community development is described as an integral part of the developmental social welfare approach which is intended to meet needs at a local level (White Paper, 1997:17-24).

1.1.3.) Social Security

The White Paper defines social security as

...a wide variety of public and private measures that provide cash or in-kind benefits or both ... (White Paper, 1997:48)

These measures are said to come into place if firstly a person is - for various reasons - unable to avoid poverty or secondly children have to be maintained (White Paper, 1997:48).

It is outlined that the social security system in South Africa consists of four elements:

- Private savings - people voluntarily save for unexpected events
- Social insurance - joint contributions by employers and employees
(and in some cases also government - covering accidents at work)
- Social assistance - non contributory benefits provided by the state
- Social relief - short-term measures in crises

The **situation analysis** highlights that the social welfare budget uses 88% of its total for social assistance and that there are 2.848.344 beneficiaries. It is said that the level of the benefits is generally very low in relation to the cost of living.

Looking at the function of social assistance in alleviating poverty, it is underlined that surveys show the importance of social assistance in providing food and general security (White Paper, 1997:48-49).

The adopted **approach** outlines that

Every South African should have a minimum income, sufficient to meet basic subsistence needs, and should not have to live below minimum acceptable standards. (White Paper, 1997:51)

It is further pointed out that social security is seen as essential for healthy economic development and as actively contributing to the development process. It can furthermore play a stabilising role, alleviate poverty and redistribute resources (White Paper, 1997:51).

The underlying principles of the reconstruction of the social security system are named as the right to administrative justice, transparency, and uniformity across provinces.

The White Paper in its **strategy** declares as its short and medium-term objectives to improve the administration and to develop an information system for cost effectiveness. The training of personnel should get priority. So should the development of new models like public work programmes for beneficiaries of social security in connection with the RDP, interdepartmental delivery and community care. The long-term objective for social security is an integrated and comprehensive social security system.

1.1.4.) Programmes for families and children

It is outlined in the **situation analysis** that the well-being of children depends on the ability of families to function effectively, a major reason for the families not being able to do so is seen in the increasing economic stress. Pre-school children from 0-6 are identified as particularly vulnerable and 60% of these children are said to live in impoverished circumstances. (White Paper, 1997:60)

In respect of child and family benefits it is acknowledged that great racial inequity exists and particularly black women have been disadvantaged. The greatest demand on the social security budget is expected from this group, seeing that the State Maintenance Grant only uses 15% of the social assistance budget on them and that as many as 2.8 million women would qualify under the present legislation (White Paper, 1997:49).

In the **approach** towards the promotion of welfare for families and children in the White Paper a commitment is made by the government to give

...the highest priority to the promotion of family life, and to the survival, protection and development of all South Africa's children. (White Paper, 1997:60)

The adopted **strategy** includes that families should receive comprehensive protection and support from the State and civil society. Allocation of resources to poor families and children should be given first priority. Children from birth to nine years are identified as having special needs,

which will be met to foster their physical, mental, emotional, moral and social development. (White Paper, 1997:62)

The strategy for social security for families and children is characterised by the
...commitment to the broad preservation of the family as a unit in which children are raised to healthy adulthood, including the promotion of policies to fully integrate women into the economy. (White Paper, 1997:53)

It is said that an immediate and urgent step in this direction will be to start a process of reaching national consensus about the issue of family support (White Paper, 1997:53).

1.2.) Developmental social welfare: Midgley's concept and theory

The concept of developmental social welfare came up in the 1980s and since then has been used from different political viewpoints and with different meanings. It is therefore important to note that the White Paper for Social Welfare claims to be based on the theoretical approach of James Midgley. In what follows, Midgley's approach is analysed. The first section 1.2.1. presents the background and main pillars of the concept as described by Midgley in his book: 'Social development, the developmental perspective in Social Welfare' 1995. Sections 1.2.2. and 1.2.3. elaborate on the role of social security and community involvement in developmental social welfare. Section 1.2.2. is based on an article by Midgley from 1993 and his book: 'Challenges to Social Security' from 1996. In 1986, Midgley discussed the concept of community

participation in his publication: 'Community participation, social development and the state'. 1.2.3 is mainly based on this book. The last section (1.2.4.) summarises Midgley's institutional perspective on the developmental approach as explained in his 1995 book.

1.2.1.) Background and characteristics

The developmental approach towards social welfare is consolidated by the notion of social development, which according to Midgley (1995:25) can be defined as

... a process of planned social change designed to promote the well-being of the population as a whole in conjunction with a dynamic process of economic development.

The social development approach differs from the residual and institutional approaches towards the social well-being of people. Its distinctive feature is the

...attempt(s) to link social and economic development efforts. ...(and it) explicitly seeks to integrate social and economic processes, viewing both elements as integral facets of a dynamic process of development. (Midgley, 1995:23)

The residual approach¹¹ does not - despite some practical exceptions - approach economic issues. It sees the family and the private market as the principal means for meeting the needs. State social welfare only supports needy individuals if these support structures should break down and support is only given on a temporary basis

11 social philanthropic and social work

(Patel, 1992:18). The institutional conception, the social administration approach, is connected to the economy by seeing

...welfare services as normal, 'first line' function of modern industrial society.

(Wilensky & Lebeaux, 1965:138))

It thus acknowledges the limitations of the market to meet needs and the social cost involved (Patel, 1992:19). But social services are dependent on state revenue and therefore economic and social policy spheres are not regarded as equal, but the relationship is characterised by dependence and subsidiarity. Unlike the social development approach, the social administration approach does not link economic and social policy in an effective manner.

The developmental approach is both, a more comprehensive and universalistic one. It does not only seek to help the needy individual, but has a broader perspective by looking at wider social processes and structures. By doing so it also aims to move away from a static posture towards an active process of change in society as a whole.

The approach is in particular concerned with 'distorted development' (Midgley, 1995:4). This term describes the situation in which economic development is taking place, but poverty and inequality are not being reduced.

The coexistence of economic development and social deprivation (...) is a classic example of distorted development. (Midgley, 1995:4)

The social development goal therefore is to make sure that economic development is used for 'just' social progress.

Midgley (1995:26f) identifies eight characteristics of the social development approach - of which the focus on economic development (I.) is the most distinctive one:

- I. It is linked to **economic development**.
- II. It has an **interdisciplinary perspective**.
- III. It entails the notion of **process** which is characterised by the idea of growth and change.
- IV. It sees process as **progressive** resulting in a steady improvement of social conditions.
- V. It believes in **intervention**.
- VI. It is supported by **strategies** which are based on different **beliefs** and **ideologies**.
- VII. It is **inclusive**.
- VIII. Its goal is the promotion of **social welfare**.

The eight points in detail contain the following ideas:

I. Economic development

Midgley argues that the model of developmental social welfare

...insists that social development cannot take place without economic development, and economic development is meaningless unless it is accompanied by improvements in social welfare for the whole population. (Midgley, 1996:3)

Social policy must be designed in such a way that it contributes to development and furthermore it will be

required to demonstrate economic efficiency if it is to protect social budgets and welfare programmes. The electoral successes of the radical rights over the last fifteen years make this imperative. (Glennister & Midgley 1991, in Midgley, 1996:2)

He names three measures to ensure that social and economic interventions are harmonised (Midgley, 1996:3):

- a.) Social and economic agencies have to collaborate and integrate their efforts through co-ordination and planning.
- b.) Policies must be adapted to ensure that economic development has a positive impact on the well-being of the whole population. Examples for such policies are job creation programmes and self-employment strategies that foster people's participation in the economy. The basic needs of citizens must be met through redistributive social service programmes.
- c.) Social programmes should generate rates of return on social expenditure, hence have a direct impact on economic development. Mobilisation of human capital and opportunities for productive employment are examples of such programmes (Midgley, 1996:3).

On a local level, community based programmes are important for the development of economic and social infrastructure. Local enterprises generate income and contribute to the well-being of the people.

II. Interdisciplinary perspective

When analysing social problems and development, an interdisciplinary perspective is adopted. The approach in particular takes account of the political economy approach. The two disciplines, social development and political economy, work in the same

framework and deal with similar issues. They both analyse the economy and the relationship to welfare, poverty, wealth etc. (Midgley, 1995:34-46).

III. The process

The process is characterised by a concept of dynamic, positive change.

Midgley divides the process into three aspects:

- a) a pre-existing social situation that social development seeks to change
- b) the process itself
- c) the end state in which the social development goals are accomplished

(Midgley, 1995:26).

Looking at these three aspects one has to be aware that parts of the different aspects are still controversially debated within the circle of social development scholars as well as being challenged from academics outside the field:

- a) The analysis of the pre-existing situation has created discussion on the nature of, the cause of, and the need to change the condition of underdevelopment (Midgley, 1995:71). For example, the discussion about the nature of the existing situation relies on the definition of underdevelopment: Is underdevelopment characterised by backwardness and traditionalism as some sociologists have defined it, or is it rather an ongoing process of retrogression as dependency scholars would see it? Midgley (1995:74) highlights the fact that the concept of 'distorted development' (a condition of economic growth without improvement of

the social conditions¹²) is more accurate empirically and can be used in both, developing and developed countries.

- b) Aspects of the process itself are also debated. Different ideological conceptions form in parts contrasting opinions on the preconditions and the directions of the process, as well as on the question of interventions (see also 5. Intervention). Do certain preconditions have to be met in order for the process to be successful? E.g. Is it necessary to control population growth, before any improvement of social conditions can be achieved? Or as Marxist scholars claim: Is a revolution that destroys the existing system necessary for 'meaningful social change'. Midgley stresses the point that more analysis is needed to identify the ideological roots of social development strategies in order to gain deeper insights into the question of the process (Midgley, 1996:79) (see also point 4.).
- c) The discussion about the goals of social development focuses on the question of whether the desired 'end-state' has in fact to be defined. Often it is taken for granted that intervention based on the social development approach will bring about positive change. Many writers claim though that this is not self-evident and goals must be defined. Given the influence utopian writers have on the approach, there is also dispute over the attainability of the goals (Midgley, 1995:93) (for more detail see point 8.).

12 see p. 18

IV. The process is progressive

The developmental approach takes an optimistic stand and regards process as *progressive* which leads to the betterment of the existing situation. Criticism against it like from the Frankfurt School and dependency theory points to the negative consequences of capitalism in today's societies and argues against the belief that the industrialised nations made progress in the social and political spheres. While Midgley emphasises that 'a return to the notion of social improvement is urgently needed' (Midgley, 1995:26), he admits that the criticism must seriously be addressed (Midgley, 1995:83).

V. Intervention

The developmental approach believes in interventions and planning. The view of a naturally improving society is rejected. Midgley (1986:158) states that

if the critical problems of mass poverty and deprivation in the Third World are to be dealt with, concerted action by the state will be needed.

However, Midgley sees the need to justify and clarify the notion and content of intervention (Midgley, 1995:86) and criticism like that from the free marketeers, who claim that government interventions are detrimental to the economy, needs to be addressed.

VI. Strategies

The approach is backed up by *strategies* which are based on beliefs or ideologies¹³ which function to combine ...*social interventions and economic development efforts*. (Midgley, 1995:27) Midgley gives three different agents of development strategies: Individuals, communities and governments. Due to their different potential, there are different strategies for the different agents: While strategies of individuals are based on an enterprise approach, communities can follow community development or alternatively a community action approach (see 1.2.3.). Governments on the other hand can adopt a basic needs strategy or a sustainable development approach (Midgley, 1995:102-138).

Midgley emphasises that while the theoretical background of the developmental approach is important,

social development is primarily a practical affair involving tangible programmes, policies and strategies for achieving specific goals. (Midgley, 1995:102)

¹³ A thorough discussion on the different ideologies, although they are very important as the different strategies are based on them, cannot be undertaken here. As shown, there are considerable differences in the normative base of social development approaches. (see point 3. the process and for more detail see: Midgley, 1996:67-101.) Midgley tries to combine these different strategies in his institutional perspective. see 1.2.4.) The institutional perspective.

VII. Inclusiveness

The approach takes a macro-perspective by including communities, regions and societies. It looks at the population as a whole and while there is a focus on the support of needy people, it does so within the context of achieving welfare for all.

VIII. Goals

Utopian thinkers have influenced the discussion on the goals of the social development process. Whereas radical utopians believe that a complete reconstruction of society has to take place and societal perfection will be the end-state, more moderate thinkers believe in the steady improvement of society with an 'improved' society as the 'end-state'. Midgley points out that while the former vision is often criticised because a 'state of perfection' is not possible, the latter leads to the

unsatisfactory situation in which goals of social development are not properly defined. (Midgley, 1995:94)

Although present approaches of social development do often not have a precise definition for the 'end-state', they have specific conceptions of the desired improvements. Looking at these conceptions, one can distinguish between those promoting material goals and those promoting ideational ones.

Midgley admits that his definition of social welfare¹⁴ is 'primarily materialist'. However, he describes the separation of materialist and 'ideational' views as artificial and argues for a synopsis of the two (Midgley, 1995:95-96).

1.2.2.) Developmental social security

Midgley also gives suggestions on how social security can be integrated into the developmental approach towards social welfare.

Midgley follows the definition of social security of the International Labour Organisation which reads:

Social security is the protection which society provides for its members through a series of public measures against the economic and social distress that otherwise would be caused by the stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury, invalidity and death; the provision for medical care; and the provision for subsidies for families with children. (ILO, 1984:2-3 quoted in Midgley, 1996:3)

Midgley further indicates that the ILO distinguishes between four different funding possibilities of social security (Midgley, 1996:3)

¹⁴ ...The term 'welfare' is used in this book in its broadest meaning to connote a condition of social well-being which occurs when social problems are satisfactorily managed, social needs are met and social opportunities are created. (Midgley, 1995:27 and 14)

- a) Social insurance: occupationally based approach which is funded by workers and employers
- b) social assistance: benefits from general revenue for people eligible according to a means-test
- c) employers mandate: employers are responsible for benefits to employees who encounter specific contingencies
- d) social allowances schemes: benefits from general revenues to all who encounter specific contingencies without applying a means-test.

In regard to poverty, Midgley (1993:136) identifies the preventive, ameliorating and developmental functions of these four funding approaches: The social insurance and the employers mandate have a preventative function by maintaining income when various contingencies interrupt or terminate the regular earnings. Social assistance and social allowances have ameliorating functions by providing an increase in income to specific groups such as families with children or elderly.

The developmental function is expressed through the use of social security resources for both economic and human capital mobilization. (Midgley, 1993:136)

Midgley (1993:136-137) points to three problems social security systems in developing countries face. The first one is coverage. Besides the fact that social insurance and employer mandate are limited to urban-industrial and white-collar labour force, social assistance often concentrates on urban poverty and the rural population is not reached. The second problem is poor administration. Inefficiency and delivery problems have a negative impact on the function of the system. Thirdly, Midgley uncov-

ers that many social security programmes in developing countries were copied from industrialised nations. This has led to the inappropriateness of the programmes as they do not serve the needs of the special situation of the country.

Midgley (1984: 195-210 and Midgley & Kaseke, 1996:116-120) suggests four strategies to solve these problems and to ensure that social security is developmental and functions as poverty alleviation:

1. Introduction of special rural social security programmes
2. Creation and strengthening of social security co-operatives
3. Utilisation of indigenous social security institutions
4. Modification of conventional social assistance schemes to extend coverage to the poor

For this research, the practical suggestions in regard to 4. are crucial. Midgley recommends that social assistance benefits should be paid on a regular basis to needy people in order to subsidise the income for poor households (Midgley, 1996:119). Another way would be to use part of social security funds for investment, like community development projects or small enterprise promotion.

Using social security reserves for investment purposes embodies the developmental function described earlier. (Midgley, 1993:139)

1.2.3.) Community involvement

Midgley favours the concept of community participation in contrast to the concept of community development.

But unlike the old community development approach, the new concept of community participation involves an aggressive critique of existing power structures and social conditions and requires a far more direct role of ordinary people in deciding matters affecting their welfare. By involving the poor in decision-making and the implementation of programmes, it is believed that social conditions can be radically improved. (Midgley, 1986:145)

However, Midgley (1995:121) advocates a careful analysis of community participation in the social development approach. While many scholars reject state involvement, he points out that the role of the state must be recognised and integrated. The advantages and disadvantages of both the state and the NGO sector must be looked at. It is argued that while the former may lead to 'neutralisation of authentic participation' because of bureaucratic inefficiency and poor administration, the latter is said to be flawed as well, as the NGO sector suffers for example from malcoordination and duplication of services, from lack of continuity or financial restraints (Midgley, 1986:155-156). However, Midgley also points out that on the other hand

it has been argued already that participatory programmes, whether sponsored by the state or the voluntary sector, have brought tangible benefits to local people in many parts of the world. (Midgley, 1986:158)

He therefore suggests that the limits of the approach must be recognised and accommodated. Realistic and appropriate strategies that enhance state and community involvement in social development should be developed as *there are many examples of*

*the successful creation of government*¹⁵ and community partnership... (Midgley, 1995:162). He identifies two ways of enhancing state-society relationships in a **participatory approach** towards development that will have state resources used more effectively: Communities can either learn how to pressurise politicians and bureaucrats in order to obtain public resources and make their own decision instead of having them imposed from above (confrontation approach). Or communities and government agree on a consensus approach¹⁶ which entails that government consults and integrates communities into their decision making process (Midgley, 1986:159).

1.2.4.) The institutional perspective

Midgley advocates an 'institutional perspective' as the overall strategy to promote social development. He acknowledges the ideological differences¹⁷ - and the different strategies resulting thereof - within the framework of the social development approach. This institutional perspective aims at combining them and creating a multi-strategy approach. A combination of different strategies, he believes, is the best way to achieve the goals of social development.

This perspective is informed by the theories of institutionalism and corporatism. The former one supports tolerance and recognition of different positions and ideologies which leads to valuable combinations. The latter believes the best way to achieve the

15 for more detail see on the role of the state: 1.2.4.) The institutional perspective

16 see 1.2.4.) The institutional perspective, last paragraph

17 see 1.2.1.) Background and characteristics, point 6.) Strategies

goals lies in negotiations between different role-players in society, mainly government, labour and business (Midgley, 1995:140-148).

On the basis of this, Midgley sees the need for an organisational system to be developed which combines the different strategies and levels for promoting social development like governments, NGOs, regional and local structures, communities and individuals. The government would play a leading role by bringing together and coordinating the different levels as well as harmonising the different strategies and efforts, especially by looking at the conjunction of economic and social development policies. The measures outlined in 1.2.1. under **economic development** are guidelines for such a harmonisation. Midgley argues that such a combination is more promising than relying on one strategy exclusively.

He further underlines that governments should seek to extend their structure more effectively to regional and local levels instead of remaining far away from the people by planning only centrally on a national level. NGOs and other local organisations working with the communities and fostering participation must be involved (Midgley, 1995:152).

Midgley (1995:152) highlights that

to ensure the effective implementation of an institutional perspective, social development efforts must not be dictated by politicians, bureaucrats or planners, but involve all constituents.

1.3.) The White Paper and Midgley's approach to developmental social welfare

Having discussed Midgley's approach, one can clearly identify aspects of it in the White Paper:

I. Economic development

The White Paper emphasises that economic development and social development are interdependent and mutually reinforcing. They are said to support each other and one will not be successful without the other one (White Paper, 1996:7; see p. 11).

II. Interdisciplinary perspective

The White Paper analyses the situation in South Africa and the context of the new policy from an interdisciplinary perspective. The situation analyses of the different sections are based on an evaluation of the political and economic situation of South Africa and its impact on the people.

V.18 Intervention

Hand in hand with the first point - the link between economic and social development - goes the notion of intervention. The White Paper states that economic growth will not automatically lead to the improvement of the well-being of the population as a whole, interventions are necessary

18 Points 3.) and 4.) of the developmental approach as described in 1.2.) are not explicitly dealt with in the White Paper, but the underlying principle of the new policy is the urgency of social improvement and the positive notion of progress and change.

VI. Strategies

The White Paper applies all three types of strategies for promoting social development: It has programmes for individuals linked to economic empowerment, for example public work programmes for beneficiaries of social assistance. It puts emphasis on community based programmes and development. The responsibility for the well-being of the population is articulated and, together with civil society, Government is seen as one of the major role-players in bringing about change for the population (White Paper, 1996:9).

VII. Inclusiveness

The new policy takes an inclusive approach towards welfare, promoting for example a comprehensive social security system for South Africa, advocating community development and looking at the population as a whole.

VIII. Goals

The White Paper defines the goals in both ways: materialist and ideational. Basic needs are defined as:

People need to be well fed, properly clothed and adequately housed. They also need satisfying human relationships and access to economic, educational, recreational and spiritual opportunities, all of which are important for physical, mental and spiritual growth and well-being. (White Paper, 1996:i)

Social Security

The White Paper has similar funding approaches towards social security to the ones identified by the ILO. The role of social assistance in poverty alleviation is highlighted. A great part of the strategy is dedicated to the improvement of the administration and of the delivery system. The long-term goal of creating a comprehensive social security system while taking into consideration that not all people will have formal employment, acknowledges the present limits in coverage.

Community involvement

Community development is seen as an integral part of the development process. The concept used includes both, the participation of the people on a local level and the involvement of the state.

Institutional perspective

The White Paper puts emphasis on a partnership with civil society and role-players on different levels and intersectorally. It does not only rely on one strategy, but adopted a multi-strategy approach, integrating the different levels and groups involved in social development.

Conclusion

Seeing that the White Paper incorporated important aspects of the theoretical model of Midgley, one can say that a foundation has been laid for a developmental social welfare policy in South Africa.

However, one has to be aware that the policy stated is very broad and open. It declares intentions and gives guidelines and principles for programmes. One of the shortcomings in the partnership between the state and civil society is that the paper mainly focuses on service delivery and social programmes and not on the harmonisation of social and economic policies as Midgley's institutional perspective requires. The development of the partnership with civil society, in particular in terms of policy formulation, is therefore an important factor for the success of the new policy.

It hence has to be shown how the approach accepted is translated into concrete policy and new programmes and how it is integrated into the specific situation in South Africa. The recommendations of the Lund committee and the policy that was adopted subsequently present a test case. They have to be evaluated against this theoretical background of developmental social welfare and of the policy of the White Paper. The next section stresses the most important points which have to be looked at when analysing child support policy.

1.4.) The framework for a developmental social welfare policy on child support

The previous sections provided a thorough discussion on the policy framework in the White Paper for Social Welfare and especially highlighted the underlying concept of developmental social welfare as elaborated by Midgley. This section now summarises the important aspects considering particularly a new child support policy. This analysis constitutes the framework for an evaluation of the Lund report and the new

child support policy in South Africa (see Chapter 5). The proposed community fund also has to be tested against this framework (see Chapter 6).

The framework

A new child support policy, which is developmental and in line with the new policy as entrenched in the White Paper, has to meet the following requirements:

1. Integration of economic and social development

a) Taking account of the mutual interdependence of social spending and economic development

A new policy has to be based on the understanding that economic and social development are interdependent and that the one cannot occur without the other (see p. 26 & 35). While it has to be acknowledged that there are limits to Government spending and that the policy has to be financially sustainable, the underlying perspective is that social spending is necessary in order to underpin economic growth.

The policy must seek to co-operate with other agencies engaged in social and economic development, like rural development planning etc., and must integrate the different strategies and programmes (see p. 36 & White Paper, 1997:19).

One focus should be on the possibility of generating rates of return on the spending. The development and mobilisation of human

capital might serve as an example, as it would have a positive influence on economic and social development (see p. 36).

b) Ensuring economic efficiency, transparency and accountability

A new policy must be transparent and accountable. The criteria for eligibility as well as the process of applying must be easily understandable and clear for the potential beneficiaries (see p. 27).

Moreover, it has to ensure economic efficiency. This should be achieved by striving towards administrative simplicity and speed. The possibilities to build on existing resources within and outside Government should be explored in order to avoid duplications and to maximise existing potential (see p. 26 & 36).

2. Seeking to attain the provision of an acceptable minimum standard of support for all needy children in South Africa

The policy must be designed in ways which ensure the child's healthy upbringing, should protect it and encourage its development. (see p. 31)

The long-term vision of the policy has to be the achievement of comprehensive coverage (see p. 26 & 30). Moreover, it has to be ensured that social problems are satisfactorily managed, social needs are met and social opportunities created. (Midgley, 1995) The short-term strat-

egy must be guided by a needs assessment and by the identified target of 60% of the children who live, according to the White Paper, in impoverished circumstances (see p. 31). In order to fulfil the long-term goal, the policy has to adopt a strategy of progressive realisation of the support as it is entrenched in the constitution.¹⁹

The level of support must be determined by an acceptable minimum standard (see p. 30).

3. A people-centred, democratic approach towards the participation of the people concerned

The policy has to have a people-centred and democratic approach that actively involves the people and the communities concerned. Government must encourage and facilitate such an involvement and participation by providing technical and other services. The process must lead to an improvement of the living conditions with as much reliance as possible on people's own initiative (see p. 28).

A strong emphasis should be laid on bringing people together on a community level. The process must be based on the understanding that effective community development depends on the direct involvement of people in decision-making processes. (see p. 28 & 45).

¹⁹ see the Constitution of South Africa [s 27 (2)]

This process then constitutes an important element which will contribute towards the development of human capacity, self-reliance and empowerment (see p. 26).

4. Intervention in favour of redistribution and striving towards social justice

The policy has to address the racial, gender, sectoral and geographical disparities prevailing in the South African society and in the current welfare system (see p. 25). This imperative calls for strong redistributive intervention and the policy must clearly take a firm stand on the issue of intervention and planning (see p. 39).

The policy has to implement Government's commitment that *...poor families and children should be given first priority in the allocation of resources,...*(White Paper, 1997:61).

5. Fostering partnership between Government and other role-players

The policy must be based on a multi-faced approach which integrates different role-players - Government, business, labour, NGOs, religious groups, communities and individuals - and their different strategies on an institutional basis (see p. 46), so that it can address social develop-

ment from different angles. By doing so, it takes account of the White Paper's strategy that *...no single model or programme is appropriate to meet the varied early childhood development needs of families and a range of options will be made available...* (White Paper, 1997:63) To achieve that it has to foster a partnership between Government and the different role-players (see p. 26).

While Government must take the prime responsibility for financing the policy, other sources of financing the programme and strategies for fund raising should be explored to draw in more resources from other sectors for the support of children (see White Paper, 1997:42-47).

It is these five points which constitute the framework within which a new child support policy has to be formulated if it wants to be in line with the new accepted concept of developmental social welfare.

Chapter 2: A new child support system: The Lund Committee and the decision of Cabinet on a new policy

This chapter is going to summarise the policy for the new child support benefit (CSB) system and the process in which it was developed. Considering that this programme was proposed and accepted under the new developmental social welfare policy, it represents a test case of how the new policy of the Department of Welfare is put into practice. The chapter aims at giving an understanding of the new Child Support Benefit system in order to be able to assess the concerns which were raised by organisations and individuals of civil society, as will be described in chapter three. Chapter four is going to describe the process of raising the critique and the response of Government / the Department to it. Moreover, the programme itself will be analysed in chapter five on the basis of the concept of developmental social welfare as explained in the first chapter.

This chapter starts with information on the Lund Committee on Child and Family Support which was commissioned to develop an equitable social security programme for children. The second section gives a short overview of the report of the Committee. The financial projections for equity under the present system and the approach adopted to develop a new policy for child and family support are discussed in more detail. Having identified this declared foundation of the Committee's work, the rec-

ommendations for a new programme and the subsequent decision of Cabinet on a new national policy for child support are summarised.

2.1.) The Lund Committee

2.1.1.) The point of departure

The Committee of the Minister of Welfare and the Provincial Members of the Executive Council (the Welfare MINMEC) established the Lund Committee on Child and Family Support at the end of 1995 to investigate a possible change in the State Maintenance Grant (SMG) system. Although the racial discrimination of the old system was, during the transitional phase, formally removed, the SMG was in practice mainly accessible to so-called 'white', 'indian' and 'coloured' families.²⁰ Under the present system the grant consists of a maximum parent allowance of R430 and a child allowance of R135 per child under 19 years for up to two children, paid monthly. A single parent who does not receive private maintenance and whose income is below a certain minimum, qualifies for the grant. According to the Department 203,262 children and 146,430 parents currently receive the grant. It is estimated that up to 2,8 million women would also qualify for the grant under the present legislation (White Paper, 1997:49). The White Paper (1997:49) states that the 'greatest demand for the social assistance budget will be felt' by this group.

²⁰ It is at the moment not possible to verify this as one cannot determine how many 'african' people applied for the grant in the last years as the present administration has huge backlogs and statistics on applications are not available.

Seeing the great discrepancy between the actual number of recipients (349,692) and the number of eligible parents (more than 2,8 million), the Welfare MINMEC were concerned about the future affordability of the SMG and therefore established the Lund Committee for looking into the problem (Lund report, 1996: Executive Summary 1).

Besides this financial aspect, the committee was commissioned to investigate the private maintenance system, the underlying model of family life (i.e. nuclear family versus various forms of family life in South Africa), the concept of developmental social welfare as proposed by the Department, the international commitments to the rights of women and children, the macro-economic framework of the government and the resulting budget constraints of welfare (Lund report, 1996:Executive Summary 1). The terms of reference of the Committee were:

1. *To undertake a critical appraisal of the existing system of state support, in all Departments, to children and families.*
2. *To investigate the possibility of increasing parental financial support through the private maintenance system.*
3. *To explore alternative policy options in relation to social security for children and families as well as other anti-poverty, economic empowerment and capacity-building strategies.*
4. *To develop approaches for effective targeting of programmes for children and families.*
5. *To present a report giving findings and recommendations. (Lund report, 1996:20)*

The Welfare MINMEC identified three persons directly for the Committee and five organisations which should nominate representatives. In addition, the Committee co-opted members and the Department sent representatives. All in all the Committee consisted of 11 members.

The Committee had six months to accomplish its work. Due to the time constraint, it states that

the Committee worked as a technical Committee as it could not engage in a consultative process within six months. (Lund report, 1996:Executive Summary 2)

The Committee convened in February 1996 and completed its report in August 1996.

2.1.2.) The report - an overview

The report starts with an analysis of the current situation of poverty and the role of social security in South Africa, focusing in both cases especially on women and children. In addition, the costs for equity under the present system are outlined. On this basis, the report claims to give its approach towards formulating a new policy for child support in South Africa in the second chapter (see 2.1.3 and 2.1.4).

Chapters three and four of the Lund report discuss policy issues and options in child and family support. This section considers targeting mechanisms for and incentives of various programmes. It outlines different policies for children in general and looks at the existing programmes in South Africa in particular, like free health care, nutri-

tion interventions, early childhood development programmes, programmes for unemployed women with children from 0-5 (flagship programmes) etc.

Chapter five contains a detailed research of the problems with the current private maintenance system and makes suggestions for its reform. The suggestions were submitted to the Department of Justice and the South African Law Commission.

This is followed by a chapter on 'the provision and financing of welfare and social security, with special reference to child and family policy and provision'. It highlights the legacy of apartheid policy in the welfare sector which manifested itself in fragmented structures and resulted in unreliable information about the sector. It further outlines the spending on social security for families and children in the different provinces.

The last section, containing chapters seven and eight, entails the recommendations of the committee on the new Child Support Benefit. It further discusses the implications for the Department of Welfare and advocates collaboration with the Department of Health, Justice, Home Affairs and Education.

2.1.3.) The financial projections for equity under the present system

The Lund report states that it would cost between R5 billion and R20 billion to reach equity under the current system (Lund, 1996:12). The difference in the amounts is explained by the differences in the underlying assumptions of the financial modelling:

- The lowest amount is reached by taking the take-up rate of the grants in the Northern Cape (mostly 'coloured' population: 82.3% 'coloured' and 17.7% 'african') and applying it to the other provinces²¹.
- The amount of R20 billion is obtained by working with demographic data and calculating how many people in South Africa are in fact eligible and could therefore receive the grant.²²

The Lund report does not further elaborate on the different assumptions or give an indication which one is more likely or realistic.

2.1.4.) The approach

The committee identifies ten points which make up the approach to guide its work. This approach of the Committee for the development of the new policy is said to reflect the discussion in the first two chapters on the current context of welfare policy and said to integrate the terms of reference of the Committee (Lund report, 1996:24-26):

- I. *Social security needs to be understood and designed as a system in its own right, and also as one of a number of options for poverty alleviation.*

²¹ See: Submission of the Financial and Fiscal Commission on the Lund recommendations, 1997:6

²² These calculation were done by the author and Dirk Haarmann for the Lund Committee in 1996. For more detail see: 3.2.) The financial aspects and Haarmann & Haarmann, 1997.

The Committee points to the 'inter- connectedness' of the different parts of the social security system and that it is one option among others for poverty alleviation.

II. The approach must be inter-sectoral.

The Committee stresses the need for synergies as the welfare sector cannot take 'so much' responsibility for the 'casualties of the past regime.'

III. A focus on the child, rather than on the nuclear family, in the face of changing family forms may be the best way to achieve the goal of family preservation.

Since the nuclear two-generation family form is not common 'any-more', the committee concludes that the best way of achieving the preservation of family life would be to support children regardless of the family form they are living in.

IV. Social spending underpins economic growth.

The Committee underlines that it is aware of fiscal restraints, but it regards social spending in responsible limits as a chance to promote successful economic growth.

V. The government is working with real fiscal constraints.

The Committee points to the limited resources available and it takes it as a point of departure that *any recommendations which required*

radically larger amounts of money would in fact make the State Maintenance Grants, and indeed the broader state social security budget, even more vulnerable than it is already. (Lund report, 1996:25)

VI. Social security is politically sensitive.

The Committee identifies the present system, and attempts at changing it, as politically 'volatile'.

VII. Administrative simplicity is centrally important in the design of social security systems.

The Committee emphasises the need for simple administration in order to achieve workability and to ensure access for the applicants.

VIII. The sound design and implementation of social security and other poverty alleviation measures hinges crucially on sound information systems.

Seeing that a large number of people will be involved and inter-sectoral collaboration is sought, the Committee regards a reliable information system as essential.

IX. In a situation where there will be losers, transparency about what will be lost as well as what will be gained will enable changes to be implemented.

The Committee acknowledges that there will be no 'win-win situation' and therefore losses are inevitable. The Committee suggests that openness should be the way to deal with such a situation.

- X. *Small uncoordinated development initiatives find it difficult to engage in capacity-building and economic empowerment in ways that reach large numbers of people and in ways that are sustainable.*

The Committee specifies that small scale uncoordinated projects may achieve good social goals but do not reach sufficient people and do not create sufficiently sustainable livelihoods. On the other hand, participation of local people is regarded as important.

On this basis, the Committee made recommendations to the Department of how the State Maintenance Grant system should be restructured into a Child Support Benefit (CSB) system.

2.2.) The new Child Support Benefit (CSB) system

2.2.1.) The Recommendations of the Lund report

The first recommendation of the Lund report, by referring to the suggestions made in chapter five, states that

Parental financial responsibility for children should be promoted through the reform of the private maintenance system (Lund report, 1996:86)

It is acknowledged that such a reform would not save large amounts of money for the welfare budget - given the high unemployment rate - but that the aim is rather to promote a culture of parental responsibility.

The further recommendations of the Committee in terms of the state Child Support Benefit consist of the following elements (Lund Committee, 1996:86):

A flat-rate Child Support Benefit should be introduced:

- *It should be paid to the primary care-giver of a child according to a simple means test.*

The Committee points out that all children would qualify and thus the limit of two children under the present system would be removed.

- *It should be paid from birth for a limited numbers of years, with the number of years used as a cost-containment mechanism. (The age-group 0-9 is the Committee's preferred option. See also below.)*
- *The level of grant should be derived from the Household Subsistence Level for food and clothing for children. (see below)*
- *A condition for receiving the benefit should be the proper registration of the birth of the child, as well as certain positive health-related activities.*

The registration of the birth of the child is seen as an important step towards establishing a national information system. Growth monitoring and immunisation are regarded as examples of 'health related activities'.

- *The money should be transferred on a quarterly basis into a bank or post office account; it can then be drawn in any amount at any time by the primary care-giver.*

The Committee sees the advantage of such a transfer in creating a mechanism for efficiency and cost-effectiveness in regard to the small amount. In addition, it would enable rural people to get into contact with financial institutions.

- *The benefit should be financed by the phasing out over a five year period of the existing parent allowance part of the State Maintenance Grant, and by not accepting new applicants for the child allowance part of the State Maintenance Grant.*
- *Welfare staff should attempt to divert women who will be affected by the phasing out of the Parent Allowance to training opportunities; other Departments should be asked to give such people special consideration when offering training and employment.*

2.2.2.) The different scenarios and the advantages of the new policy

The Committee presents different suggestions in terms of the age-group, the level of benefit and the budgetary amount available.

Three different age limits are considered: Either **0-4** years, **0-6** years, or **0-9** years (inclusive).

The report gives the following reasons for the different age-cohorts:

- The age-group **0-4** presents a minimal approach. It is said that the first four years are important in terms of nurturing and health for the child.
- The age-group **0-6** presents the pre-school approach. The logic behind is that the child is supported until it comes in contact with another institution, Primary School.
- The age-group **0-9** presents the South African approach seeing that children from poor households do not enter school at the age of 6, but rather later.

In addition, two levels of benefit are suggested:

- **R 70** monthly. This amount is said to be based on the Household Subsistence Level for children²³.
- **R 125** monthly. This amount is said to present the current level of the child allowance within the State Maintenance Grant.²⁴

The Committee calculated with three different budgetary amounts

- R1.2 billion: this is said to be the amount presently spent on the SMG.
- R1.5 billion: this is meant to present an 'in-between' budget.
- R2 billion: this amount assumes an increase in the present spending.

23 see for more information: 1.4.) critique of civil society on the recommendations

24 see chapter 4

The report calculated the percentage of children who could get support (target-rate) by taking the three different age-cohorts, the two levels of benefit and the three budgetary amounts:

	1,2 budget	1,5 budget	2,0 budget
0-4, R70	24%	29%	39%
0-6, R70	17%	22%	29%
0-9, R70	13%	16%	21%
0-4, R125	13%	16%	22%
0-6, R125	10%	12%	16%
0-9, R125	7%	9%	12%

Table 1: Percentage of all children who could get support (Lund report, 1996:96)²⁵

This table indicates that if, for example, R1.2 billion is available and the preferred option of the Committee to support children from 0-9 is chosen, between 7% or 13% of the children in South Africa are supported with R125 or R70 respectively. However, with the highest budget of R2 billion and a monthly support of R70 to children from 0-4 assumed, nearly 40% of the children in South Africa can be reached (Lund report, 1996:96).

²⁵ see Lund Committee, 1996:86-95.

In terms of the means-test, the Committee points out that they were strongly in favour of a universal benefit, given the fact that the majority of South Africans are poor. However, it was felt that because of the great inequality there are political and moral reasons for having a mechanism to exclude the rich. Additionally, a universal benefit did not seem to be financially viable. The report therefore suggests a simple income testing, where the care-giver is asked whether his/her income is above a certain level (in the case of a couple double the amount). Alternatively, nutritional targeting could also be used (Lund report, 1996:92).

The report (1996:91) outlines seven advantages of the new system: First and foremost it does not rely on a definition of the family and therefore does not discriminate against any form of family life. Secondly, it is progressive as it does not have a limitation of the number of children per parent. Thirdly, it provides a small amount of income for poor households. This is seen as appropriate in the South African situation as poor households are said to survive not only on one income source, but rather on various small ones. Fourthly, it is regarded as redistributive as it is supposed to shift resources to black people. The fifth and sixth advantages are seen in the encouragement of getting into contact with financial institutions and with the health sector. Lastly, the programme supports the establishment of national information systems.

The report was published at the end of August 1996, and handed to the Department of Welfare. At that stage the work of the Committee ended.

2.2.3.) The decision of Cabinet

The proposal of the Lund Committee was brought before Cabinet on 5 March 1997 by Welfare and Population Development Minister Geraldine Fraser-Moleketi after it had been accepted by her and her provincial counterparts (Isaacs, 1997) in February 1997.

Cabinet accepted the proposal in principle and decided on the following programme to become national policy from 1 August 1997:

- A flat - rate Child Support Benefit is to be introduced.
- The level of benefit will be R75. This amount is said to be slightly above the Household Subsistence Level for food and clothing for a child under six years.
- The qualifying age group will be 0-6 years.
- The target-rate will be 30%.
- A simple and workable means-test that will identify poverty-stricken households will be developed.
- A moratorium will be put on new applications.
- The present system will be phased out over the next five years.
- R 1.2 billion will be allocated in addition to the present budget (Fraser-Moleketi, 1997:1-2).

The Cabinet thus raised the lower amount suggested by the Committee by R5 from R70 to R75. It did not take up the preferred option of the Committee in terms of the age-group from 0-9 nor the minimalist approach from 0-4 years, but decided that children from 0-6 should be supported. The target-rate was set at 30% of the children

and an additional R1.2 billion was allocated to the programme. No decision was made in terms of the means-test, the matter was referred back to the Department. The Cabinet chose to phase out the present system over a five year period and to put a moratorium on new applications as suggested by the recommendations.

The Minister, in a press release after the meeting of Cabinet, welcomed the decision and explained that the programme would bring relief to 3 million children over the next seven years and

the decision signals the start of an important and necessary process to ensure that needy children throughout the country have access to the government's social security programme. (Fraser - Moleketi, 1997:1)

She also pointed out that she was aware of the far-reaching consequence of the new programme for the recipients of the old system and that she would do everything in her power to minimise the negative effects.

2.3.) Conclusion

The Lund Committee's recommendations and, subsequently, the new policy on Child Support replace the State Maintenance Grant which provided support for a maximum of two children from 0-18 years in single parent families with a Child Support Grant for children under seven years regardless of their family status. The amount of the

grant is reduced from up to R700 to R75 (R100)²⁶. The Lund Committee identified various advantages of the proposed new system, the important ones being the 'follow the child' approach instead of looking at the family status and the abolition of the limitation of the support for two children. The next three chapters will discuss the points of criticism raised against the policy itself and the policy process. They will also critically analyse the new Child Support Grant from a developmental social welfare point of view. This overall discussion puts the new policy in the concrete policy context and process in South Africa.

26 see Chapter 4: The policy process - criticism and response

Chapter 3: The critique of civil society on the content of the new Child Support Grant

This chapter elaborates on the critique by organisations and individuals of civil society which was raised on the content of the Lund Committee's recommendations and subsequently on the new policy as approved by Cabinet. It aims to give a summary of the criticism which has developed during the last year (August 1996 - August 1997) and incorporates the point of view of the Department to it. In the first section, the author focuses on the main aspects of the policy which were widely debated and criticised. Secondly, the financial aspects of the recommendations and of the new policy is analysed. Thirdly, in order to gain an insight into the inputs at the public hearings of the parliamentary Portfolio Committee on the new policy, the submissions of the Congress of South African Trade Unions, the Commission for Gender Equality, and three church bodies are looked at.

While this chapter gives an account of the criticism as such during the course of the last year, the following chapter will focus on the policy process by looking at how and when different aspects of the criticism were made, what influence they had and what lessons can be learnt for organisations of civil society for future policy development processes.

3.1.) The major points of criticism²⁷

The author has chosen to look at six aspects of the new CSB, that were debated and criticised during the last year and also mentioned in the majority of the submissions at the public hearings of the Parliamentary Portfolio Committee in Cape Town. Since aspects of the new policy have continuously been changing, especially since May 1997, it is important to note that the criticism discussed here was levelled against the policy as decided upon by Cabinet in March 1997²⁸, if not otherwise indicated.

The section summarises the arguments of the Department of Welfare and the counterarguments of organisations of civil society on the policy. By doing so it tries to achieve a better understanding of the Department's position towards the new system and the positions of civil society. More aspects of the policy will be dealt with by looking at the financial implications and at some of the submissions at the public hearings later on.

The six points are:²⁹

- the level of benefit
- the age-cohort

²⁷ Appendix 2 entails a list of organisations which made submissions at the public hearings.

These organisations are referred to as 'organisations of civil society'.

²⁸ see 2.2.3.) The decision of Cabinet

²⁹ After the hearings, the concept of the 'primary care-giver' has become more and more under scrutiny. Questions has been raised of how to define the concept as it is not known to the legal system at present: What happens if there are conflicting claims to the benefit? What happens in case where the care-giver changes frequently? What is the difference to a foster parent?

- the target-rate
- the means-test
- the phasing in / phasing out
- the conditions of payment

3.1.1.) The level of benefit

The Department of Welfare (1997:3) justified the amount of R75 by referring to research into the Household Subsistence Level by the Institute for Development Planning and Research at the University of Port Elizabeth (UPE). The amount is said to be '*slightly above the household subsistence level for food and clothing*'. It was indicated further that the amount is only

meant to assist poor families by making a small contribution to the other income of a poor family. (Department of Welfare, 1997a:2)

Organisations of civil society challenged the amount itself and the method by which it was established. It is seen as very problematic that in the UPE - research a difference is made between 'low income' and 'low middle income' groups. It was pointed out that these terms have just replaced the former terms of 'african' and 'coloured' communities, indicating that 'african' children need less money to survive than 'coloured' children do.³⁰ (Black Sash, 1997:2) The data therefore is regarded to be 'ra-

³⁰ The explanation of the Institute for Development Planning and Research is that the 'coloured' population has more westernised eating habits which are more expensive, but from a nutritional point of view the two diets are similar.

cially screwed' and the appropriateness of such data for the determination of the level of the grant was questioned. The submission of the Chemical Workers Industrial Union at the public hearings points out what many grassroots organisations felt about the figures:

For years in the Labour movement we have been confronted by capitalist bosses with similar 'scientific statistics' across the bargaining table when fighting for decent wages. We have always rejected these as being based on existing poverty levels and seeking to perpetuate these conditions. These figures are also determined by academics hidden and protected by capitalist masters. We reject the figures and are convinced that the new rates will have the effect of increasing poverty. (Chemical Workers Industrial Union, 1997:4)

Further, it was called to attention that the figures themselves were interpreted wrongly. According to the September 1996 figures of the Institute (Potgieter, 1996:36), it costs R71.21 to feed and clothe a child from 1-3 years within a 'low income' group in Cape Town. The figure for a child between 4-6 is R94.33 in Cape Town. The amount is even more inconsistent with the more recent figures from March 1997, the time when Cabinet decided upon the amount:

	Cape Town 'low income'	Cape Town 'low-middle income'	Peddie 'low income'
Children			
1-3 years	R73.02	R101.30	R85.39
4-6 years	R96.74	R139.78	R111.21

Cape Town is the cheapest place to live in according to the research. Peddie is a town in a rural area which belonged to a 'former homeland'. Therefore there are no figures provided for the 'low - middle income' group, read 'coloured' community, in Peddie.

Considering that the new programme aims at children from 0-6, it becomes obvious that the research and the amount set by the Department do not correspond. This inconsistency was sharply criticised. In addition, concern was also raised about other costs for the child, Besides food and clothing, like rent, transport, washing, etc. Hence, the amount of R75 is seen as inadequate to meet the basic needs of children. The idea that the R75 are actually only a supplementary income to all the other income sources in poor households was rejected as being not based on the real situation of the households.³¹ Concluding, it was recommended

that the Portfolio Committee approach this issue by first asking what would constitute a fair and realistic figure for child support in South Africa. This question will necessitate further research which should be conducted with all stakeholders. (Community Law Centre, 1997:12)

It is noteworthy, that Prof. Johan Potgieter, who researched the subsistence level, stated publicly after the public hearings, that his figures were misinterpreted by the Department and that the amount of R75 seemed to be based on the cost for children under three years. Moreover, these figures which are area-specific by nature were never intended to determine a subsistence level which could be applied nation - wide (Citizen, 30.4.1997).

31 see also 3.3.5.) The submission of the Commission for Gender Equality in South Africa

3.1.2.) The age-cohort of 0-6 years

The Lund report (1996:94) as well as the Department (1997:3) in an attempt to justify the age-cohort of 0-6 years argued that the first six years are the most important years of the child's development, this period coincides with free health care, and support should be provided until the child comes in contact with another institution (Primary School) which provides support. Both also see the cut-off point as a cost containment mechanism.

Organisations of civil society argued that this financial reason was the real reason behind Cabinet's decision³² (Black Sash, Community Law Centre; IDASA; SAHRC, Haarmann, Barberton etc.). Although it was acknowledged that financial constraints have to be taken into account, most of the organisations opted for the support being paid at least up to nine years, some also demanded 15 or 18 years. It was pointed out that in the South African situation the cut-off age of 6 is arbitrary as children often do not enter school at that stage. Moreover, it is argued that it ignores the realities of family life.

Take a poor family that has three children aged five, 10 and 11. It will receive only one Child Support Benefit, (...) If this is the family's main source of income, as is quite possible under present conditions, does the committee expect the care-giver to use the grant to benefit only the five-year-old child, for whom it was paid, and all the others to starve? (Barberton, 1996:3)

32 The Lund Committee's preferred option was 0 - 9.

In addition, it was strongly put forward that the financial costs in fact increase when the child goes to school and that the support systems at schools, like school feeding schemes, are not sufficient for the children.

One of the organisations, the National Children's Right Committee, which was represented on the Lund Committee, attached a statement to the report as it could not support the recommendations entirely. In this statement, the organisation appeals to the Government to provide at least time-limited assistance for needy children in all age-groups. However, at the same time it asks the Government for a commitment towards the development of a reliable family preservation safety net which would also care for families who will never be able to support their children on their own.

3.1.3.) The target rate of 30%

The target rate of 30% was tackled as not being related to poverty levels in South Africa. Again, the reason behind this rate was shown to be pure cost containment (SAHRC, IDASA, Community Law Centre, Haarmann). Calculations made on the basis of the SALDRU data show that 68% of the children up to six years live with a care-giver earning less than R250 per month (Haarmann, C & D, 1997b:23). The World Bank defines the bottom 40% of households as poor.³³ 63.2%³⁴ of the children under seven years live in these households. Considering this poverty level it was pointed out that this target rate would exclude many poor children who are in need of support and that this was unacceptable. Suggestions on an alternative rate proposed a rate between 70%-80% as a realistic target in the South African situation and as a rate where a means-test could be administered³⁵ in a just and practically simple way (Black Sash, Community Law Centre, Haarmann, IDASA, Le Roux, SACC, SANGOCO).

3.1.4.) The means-test

The question of the means-test is closely related to the target rate. A means-test has not yet been developed by the Department. This lack of clarity on the issue has been criticised since the Lund report was published (Haarmann, 1997:23). However, the Department discussed looking into nutritional targeting mechanisms in connection

33 for more detail see: Dirk Haarmann, chapter 1.

34 for more detail see: Dirk Haarmann, chapter 2.

35 for more detail see: 3.1.4.) The means-test

with other proxy indicators for poverty done at primary health clinics³⁶. Nutritional targeting was opposed by many organisations. The health status of a child, it was outlined, is not a good indicator of poverty (Community Law Centre, 1997:16; IDASA, 1997:14). A nutritional targeting mechanism might be useful for programmes with symptomatic measures but not for preventative programmes. It has been argued that one has to keep in mind the perverse incentives of such targeting. Additionally, it would impose a burden on the Department of Health and nurses would have to be 'gate-keepers' for welfare benefits. Moreover, the primary health-care network is not evenly spread in South Africa and least developed and accessible in rural areas where the most disadvantaged families live. It has therefore been questioned whether such a means-test could seriously redress the existing imbalance and whether the desired target group can in fact be reached.

The overall consensus among the critics was that a means-test must aim to exclude the rich people and not try to divide the poor as would happen with a target rate of 30% (Community Law Centre, Haarmann, IDASA, Le Roux, SACC). Furthermore, the benefit should be fair and equally accessible in order to redress the imbalance of the past and to avoid a similar imbalance to occur due to administrative barriers. It was outlined that considering the low benefit administrative costs have to be reasonably low.³⁷ In view of all these requirements, the suggestion of the author and Dirk Haarmann (1997:33) for a simple income means-test with a cut-off point at

³⁶ Since June 1997 this option seems not to be considered anymore.

³⁷ This demand is in line with the findings and recommendations of the Lund Committee (1997:33 & 92) for further details see also Dirk Haarmann: Master - thesis.

R800,- per care-giver, which would regard about 75% of the children as eligible, was widely supported (Black Sash, Community Law Centre, IDASA, SANGOCO). Regarding the simple means-test, it was proposed by Pieter le Roux (1997) that the care-giver would be required to sign an affidavit stating that she/he earns less than a certain amount and would then directly be entitled to the benefit. This system would be cost-effective, fast and easy to administer. It would take the power away from the officials in the Welfare offices where most of the corruption occurs (Le Roux, 1997:2). In case of suspicion, inspectors can investigate and where a false declaration has been made, heavy penalties should be imposed. This system would imply a high risk for 'richer' people and hence would prevent them from applying for a low benefit.

It was strongly argued - given the unequal distribution of income in South Africa - that such a simple and fair means-test will only be possible if the target rate is radically increased, e.g. to 70% - 80% (Black Sash, Community Law Centre, Haarmann, IDASA).

3.1.5.) Phasing out / phasing in

The Department planned to **phase out** the present system over a five-year period reducing the amount by 20% per annum. Most of the organisations recognise that a phasing out of the present system is inevitable in order to equalise the system. However, the criticism was made that no back-up system for the people was put in place and that the phasing out would have devastating effects on rural communities where present recipients live. Women receiving the grant at the moment gave moving testimony at the public hearings of the impact of the phasing out on their families.

It was pointed out that most of the present recipients do not know about any changes yet and it was demanded that the Department embarks on an information campaign in order to give people the chance to prepare for the changes.

On its meeting from 11th to 13th July 1997 the ANC National Executive Council (NEC) decided that the phasing out period would be three years. Organisations of civil society have not yet reacted to this decision.

The original plan of the Department to **phase in** the benefit has been strongly opposed. According to that plan, only children born after 1st August 1997 would qualify for the grant. The SAHRC, COSATU and the Community Law Centre argued that such an exclusion of children would amount to unjustifiable discrimination and would be unconstitutional. It was proposed that all children in the respective age-group should qualify immediately (Black Sash, Community Law Centre, Haarmann, IDASA, Le Roux). Furthermore, as the author and Dirk Haarmann (1997a:) pointed out, the challenge - given the present administrative problems - should be seen as rather to get people on the system instead of preventing them from receiving the benefit by creating a slow phasing in.³⁸

Again, at the same ANC NEC meeting, it was decided to implement the system in January 1998, the details of the phasing in were however not specified.

38 for more detail see: 3.2.3.) The financial implications of the new CSB

3.1.6.) The conditions for payment

The conditions attached to the benefit include that

- the applicant must prove that he or she has tried to obtain support through the private maintenance system³⁹
- the applicant must have the birth of the child registered
- the applicant must take the child to primary health care facilities, regularly

Regarding the last two conditions, the Lund report argues that the new system *has the potential to develop synergy between social security, social welfare and health as an integral part of basic primary health care and primary welfare care. (Lund report, 1996:93)*

The benefit should give incentives for positive health behaviour and the conditions are seen as an essential part of the health policy. They would therefore not put an undue strain on the health sector, but rather prevent that children 'disappear to the health system after birth' (Lund report; 1996:94).

³⁹ This condition is no longer attached to the benefit. (Department of Welfare, 1997b:11)

The arguments against these conditions were twofold.

Firstly, they will put burdens of time and money on poor women (who will mainly be the applicants). Neither birth registration offices nor primary health-care facilities are accessible in all areas in South Africa, even less so in poor rural communities. In the Northern Province 51% of the patients must use transport to travel to the nearest facility. For every nurse there are 2,393 patients. The conditions will therefore discriminate against people living in these areas. The Community Law Centre looking at it from a legal perspective says:

We do not accept that social assistance, a constitutional right, should be subject to onerous conditions. (Community Law Centre, 1997:19)

Secondly, the conditions

will create further administrative problems and delays in an already overburdened system. (Black Sash, 1997:3)

The organisations of civil society opposed these conditions and pointed out that in fact the challenge was to put people on the system and not keeping them out by means of administrative burdens for the side of the applicant and for the state.⁴⁰

⁴⁰ see 3.2.3.) The financial implications of the new CSB.

3.2.) The financial aspects

3.2.1.) The budgetary allocation

The Lund report has been criticised for accepting a minimalist approach which becomes visible in the budgetary amount allocated to the programme (Haarmann, Liebenberg). The following point of departure of the recommendations was challenged:

(The policy directives being:) do not ask for too much more; save money through more effective management and through downsizing the bureaucracy; and redistribute within the present envelope. (Lund report, 1996:24)

The author and Dirk Haarmann (1997a:25) argued that it should not be taken for granted, given the Government's commitment to reprioritise the budget, that the present level of expenditure was the maximum available.

In a letter to the Minister of Welfare dated November 1996, different organisations pointed out that the Lund Committee's approach would lead to a situation where vulnerable and disadvantaged women and children would bear the cost for redressing the legacy of apartheid⁴¹ as the equalisation of the grant will entail a drastic cut in the level of benefit available for the vulnerable groups.

Moreover, the author and Dirk Haarmann (1997:25-26) pointed out that the Committee when calculating the budget worked with wrong - or at least unreliable - figures without mentioning the problem. One has to acknowledge that the precise amount of the present spending is uncertain because of the transformation process and the amalgamation of the different offices in the Welfare Department. But the Lund report

41 see also:3.3.3.) The submissions of the churches

does not mention these problems in that context. According to the Financial and Fiscal Commission, the present budget for child maintenance grants amounts to R1.32 billion. According to the Department of Welfare (1996:38), the component for the grant equals 14% of the budget which then comes to R1.65 billion. That means that even the second amount - the 'in between' budget - set by the Committee at R 1.5 billion could be lower than the present spending. This clearly contradicts the claim of the Lund Committee to work on the basis of an increase of the present spending.

3.2.2.) The financial calculations of the Lund report

As an investigation into the financial affordability of the present system was the reason for setting up the Committee, it is surprising that the report does not elaborate on the costs for equity in detail. As outlined in 2.1.3. the Lund report only stated that it 'could cost between R5 billion and R20 billion'. The huge difference of R15 billion in the estimates, which amounts to nearly the entire welfare budget, is a very weak point in the report. IDASA pointed to the fact that

the figures are so divergent that to use them as a basis for a drastic policy change is ridiculous, which suggests that there are other motives for the policy change;

R5 billion is not excessively high, while R20 billion is, therefore it is crucial to know which is the more correct estimate so that policy can be adjusted accordingly. (IDASA, 1997:4)

It can be argued that if the Committee really believed in the R5 billion estimate, it could have recommended e.g. a 1/3 reduction of the level of benefit and an increase

of R1.5 to R2 billion to the present budget in order to reach equity under the present system. Therefore, the Committee can be criticised for neither taking a decision on a more precise assessment nor giving at least a more detailed explanation of the implications of the different assumptions made by the different people who did the financial modelling. This failure has raised concern about the credibility of the financial arguments in the report.

The next paragraph analyses the different methods of reaching the different amounts - and their implications - in more detail.

Implications of the different assumptions

The author and Dirk Haarmann were commissioned by the Lund Committee to calculate the costs for equity. We calculated on the basis of the SALDRU data and identified all cases that would qualify for a grant under the present regulations. It is reasonable to argue that this, although there are disputes regarding the most reliable data set⁴², is the most accurate way of reaching a realistic amount of the costs involved, as everybody eligible is identified and counted. This pilot study indicated that by assuming a 80% take-up rate, the costs for equity would amount to R18.8 billion⁴³ (Haarmann & Haarmann, 1997:6).

42 see Dirk Haarmann: Introduction

43 Taking account of the preliminary results of the 1996 Census and calculating with a 75% take-up rate, Dirk Haarmann arrives at an amount of R13.7 billion as the cost for equity. (For more detail see Dirk Haarmann: chapter 3 & 5)

On the other hand, the sum of R5 billion, which was calculated by taking the take-up rate of the 'coloured' population and applying it to the entire country, has to be critically analysed. The 'population groups' differ quite substantially in terms of income distribution and family structure⁴⁴. Thus a projection of data cannot be justified.

3.2.3.) The financial implications of the new CSB

The Lund Committee and the Department of Welfare entrusted the financial calculations to the Financial and Fiscal Commission. According to their calculations, the new system would result in additional spending to the present expenditure of R1.3 billion during the next five years. The financial projections assume a phasing in and by the year 2005 a budget of R2.7 billion would be required per annum.

These financial projections were challenged by the author and Dirk Haarmann. We argued that the system, if introduced as approved, would in fact result in massive cuts or rollovers of up to R2.6 billion within the next five years.

The reason for this discrepancy in the financial projections lies in the different underlying assumptions of the two calculations. The two most important assumptions are:

- the **administrative capacity** of the welfare system
- the **take-up rate** of the benefit.

In addition, the realities of the **phasing out** have to be taken into account as well.

44 see Dirk Haarmann, Chapter 2

The FFC and the author and Dirk Haarmann differ substantially as regards their assumptions:

	FFC	Haarmann
Administrative capacity	100%: no administrative ceilings: every person applying gets on the system.	Assuming administrative ceilings, but a drastic improvement of the capacity over the years.
Take-up rate	100%: everybody who is eligible applies for the benefit: Phasing in takes 6 years as only children born after the day of implementation can apply.	The final take-up rate will be 75%, but one has to start with a lower rate considering lack of information about and access to the system.
Phasing out of old system	Reduction of the budget for the SMG by 14,3% per annum: Phasing out takes 7 years	Reduction of the budget for the SMG by 20%, plus taking account of people leaving the system naturally, plus reduction because of fraud and corruption elimination: Phasing out takes 5 years as approved by Cabinet.

The FFC points out that their

assumptions are conservative to ensure they remain within fiscal parameters.

(FFC, 1997a:16)

But the author and Dirk Haarmann argued that the FFC did not calculate conservatively but highly unrealistically and that the phasing out concept was wrong. Hence the financial projections are not valid. We defended our assumptions by having a closer look at the realities in South Africa:

The **administrative capacity** of the welfare offices around the country differs substantially, but especially in the poorer provinces huge backlogs are still prevailing and a waiting period of over a year on applications for State Maintenance Grants is no exception (Black Sash, 1997:6-8). According to insider information from the Department⁴⁵, the welfare offices handle about 39,000 new applications nation-wide every month on all social security programmes together (this includes old age pensions, disability grants etc.). As will be shown below, the FFC assumes over 400,000 children to come onto the system every year. The same offices would hence have to be able to take more than 30,000 onto the system every month for this single programme. According to Tim Steele, however, only approximately 7000 applications could be processed every month nation-wide. Our calculations assumed this capacity for the first year, but allowed for a continuous improvement in the administration, 100% in the first year, 50% in the next three years and 20% in the following years,

⁴⁵ The information about the administrative capacity of the welfare offices are from Tim Steele who works for the Western Cape welfare Department as an independent consultant. He also served as an expert on the 'Committee for Restructuring of Social Security' and has therefore insights into the system on a national level.

due to intended computerisation and staff training. However, it must also be taken into account that administrative capacity is needed for the beneficiaries who leave the system naturally. That number is quite considerable as the age-cohort is only 0-6 years. The FFC did not include such considerations into their calculations. We believe that the capacity is still overoptimistic, if the target remains at 30%. This target will make the administration of the benefit very difficult and time-consuming, if one considers that at least 70% of the children in South Africa are poor, but only 30% are going to be selected.⁴⁶ Nevertheless, an improvement of the administration was assumed in order to keep the calculations conservative.

Furthermore, one has to allow time for the introduction of a new programme and the **take-up rate** will only increase gradually. Moreover, not all people eligible will apply for the grant. The old age pension has a take-up rate of about 75% in South Africa.⁴⁷ That has been reached after many years of existence and with a benefit of R470 which is six times higher than the proposed Child Support Benefit, thus there is a stronger incentive to take it up. A take-up rate of 100% for the Child Support Grant, as assumed by the FFC (1997a:16) is therefore rejected by the author and Dirk Haarmann who start their calculations with a 40% rate in the first year which will increase to 75% during the first five years.

The **phasing out** period of the present system was set by Cabinet to five years with a reduction of 20% per annum. The FFC based its calculations on a seven-year period

46 see p. 82

47 see 5.2.2.) The take-up rate of old age pensions

with a respective reduction of 14,3%. This is simply wrong and not in accordance with the decision of Cabinet. In addition, one has to include people leaving the system naturally as well as people being removed because of fraud, a reduction which is currently underway. The introduction date was, at the time of the hearings, said to be 1 August 1997, however the FFC only started with the phasing in and out in 1998. The calculations of the author and Dirk Haarmann started from 1 August 1997 as the date of introduction and calculated in financial years which means from March to March, when the budget is being presented in Parliament.

There is further disagreement concerning the population data. For detailed information on this point, consult the thesis of Dirk Haarmann⁴⁸. Here it suffices to mention that the FFC calculates with the population estimates of the Demographic Information Bureau. Their estimate regarding the number of children in the age-group 0-6 is 8,321,652. The SALDRU estimate however lies at 6,706,709 children. This is a considerable difference, but does not account for the variance of the financial projections in the first five years. In this period the variance is entirely dependent on the administrative assumptions. However, it should be noted that the FFC assumes over 10,000,000 children in the relevant age-cohort⁴⁹ in the year 2005 which means an increase of 20% over the next seven years or a population growth of 2.88% per annum. Again, this is not conservative, but highly unrealistic, as it would assume a population explosion.

48 see Dirk Haarmann Chapter one

49 The FFC assumes that 3,008,071 children are on the system in the year 2005. Having a target rate of 30%, the total number of children in this age group comes to over 10,000,000.

Based on their assumptions, the FFC comes to the following financial implications of the system:

	1997	1998	1999	2000	2001	2002	2003	2004	2005
Phase-out of SMG	1,326,572	1,137,061	947,551	758,041	568,531	379,020	189,510	0	0
Phase-in of CSB	0	365,281	735,645	1,110,672	1,490,811	1,877,447	2,265,543	2,656,296	2,707,264
Total budget	1,326,572	1,502,343	1,883,196	1,868,712	2,059,341	2,256,494	2,455,054	2,656,296	2,707,264

Table 2: Figures according to the Financial and Fiscal Commission, 1997a:6 (Numbers in thousands).

According to these calculations, the following number of new children would come on the system every year/month⁵⁰:

	1997	1998	1999	2000	2001	2002	2003	2004	2005
No. of new children per annum	0	405,867	411,516	416,697	422,376	429,626	431,188	434,170	56,631
No. of new children per month	0	33,822	34,293	34,725	35,198	35,802	35,932	36,181	4,719
Total of new children	0	405,867	817,383	1,234,080	1,656,456	2,086,082	2,517,270	2,951,440	3,008,071

Table 3: Number of children on the new CSB according to the FFC.

However, the picture looks completely different if the calculations are based on - as argued by the author and Dirk Haarmann - more realistic assumptions

⁵⁰ The submission of the FFC entails no detailed quantification of different aspects of the calculations like the number of children in the different age-cohort or the number of children applying etc. These information have therefore been restructured by the author on the basis of the tables provided by the FFC.

	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
Phase-out of SMG*	1,149,696	751,233	494,566	282,412	70,554	0	0	0	0
Phase-in of CSB*	18,300	101,131	241,247	438,950	723,594	1,103,433	1,355,399	1,358,109	1,358,109
Total budget*	1,167,996	852,363	735,813	721,362	794,148	1,103,433	1,355,399	1,358,109	1,358,109
Additional costs/savings*	-158,576	-474,209	-590,759	-605,210	-532,424	-223,139	28,827	31,537	31,537
Cum savings	-158,576	-632,785	-1,223,544	-1,828,754	-2,361,178	-2,584,317			
No. of new children per annum	23,722	110,762	200,361	300,956	450,270	626,383	530,962	254,512	251,502
No. of new children per month	1,977	9,230	16,697	25,080	37,522	52,199	44,247	21,209	20,958
Total of new children	20,333	112,367	268,053	487,722	803,993	1,226,037	1,505,999	1,509,010	1,509,010

Table 4: Calculations by the author and Dirk Haarmann. (* Numbers in thousands)

According to these calculations, the new programme would in fact result in cuts to the present expenditure of R2,58 billion in the next five years and due to the low target rate would in total never require more than R1,4 billion per annum. Seeing that Cabinet has allocated additional money to that programme, the author and Dirk Haarmann therefore pointed out that the challenge was to get children onto the system by increasing the target, by making access easy and by improving the administrative capacity of the welfare offices.

The Minister of Welfare, however, stated at the public hearings that the FFC, in their submission to the Portfolio Committee, would refute the calculations by the author and Dirk Haarmann and would show that there were no savings (SABC TV 7pm news 21.04.97). The FFC, though, neither challenged the accuracy of the figures presented by the author and Dirk Haarmann nor the assumptions underlying them. Three weeks after the public hearings, the chairperson of the FFC, Mr. Murphy Morobe, in an article in the Business Day admitted:

Of course there must be savings, since the grant will be phased out at 20% a year over five years and the new benefit will take longer to be phased-in.

(Morobe, 1997:3)

Even after this confession, the Department failed to distance itself from the calculations made by the FFC which indicate otherwise, nor has it produced new calculations which take account of the points raised.

3.3.) Submissions to the Portfolio Committee on Welfare on the Child Support Benefit system

3.3.1.) The submission of the Congress of South African Trade Unions

COSATU's submission analyses the proposals of the Lund Committee in the light of the commitment of the White Paper for Social Welfare for the establishment of a comprehensive social security system.

The Trade Union organisation raises the concern that the Lund Committee's recommendations are

overzealous in their attempt to squeeze the new system of child and family support to fit into the constrained fiscal environment. (COSATU, 1997:2)

COSATU by referring to the submission of the author and Dirk Haarmann argue that the recommendations are based on miscalculations and that they would lead to a reduction of Government's overall transfer to children in need instead of increased government spending, because of wrong assumptions regarding the administrative capac-

ity (COSATU, 1997:2-3). COSATU regards such a reduction as unconstitutional and as a contradiction, not only to the Minister's commitment to increase the spending for the programme, but also to the commitment for a comprehensive social security system.

For government to proceed with the hasty implementation of ill-thought-through proposals on reduced child support, before there is a clear understanding of how child and family support should fit into the overall post-apartheid social security system, is a recipe for disaster. (COSATU, 1997:4)

COSATU argues therefore that in lieu of a 'piece-meal restructuring'

an integrated approach which takes into account what the restructuring of one element of the social security system has on other elements of the system [is needed]. (COSATU, 1997:4)

One example of such an approach according to COSATU would be to counterbalance the proposed eradication of the parental aspect of the State Maintenance Grant by guidelines for unemployment insurance or general social assistance for families below a certain income level.

Likewise, such an integrated approach, it is argued, would help to discover unsupported, underlying assumptions in the Lund recommendations. For example, the reliance on other social services e.g. the school feeding schemes by choosing the age-group 0-6, could be questioned, as such services have often serious flaws.

Consequently, COSATU asks the Portfolio Committee, amongst other things, to call upon the Minister to

Implement government's commitment to establish a comprehensive social security system (as outlined in the White Paper on Social Welfare). In addition to wide consultation with civil society, this will require the establishment of an inter-departmental task team aimed at increasing government co-ordination and coherence in social security policy. (COSATU; 1997:5)

3.3.2.) The submission of the Commission for Gender Equality in South Africa

The Commission for Gender Equality (CGE) welcomed the Portfolio Committee's decision to hold public hearings. It regards such hearings as an important part of the development of South Africa towards a substantive democracy and as an opportunity to focus on the principles and objectives of the new programme (CGE, 1997:1).

The Commission discusses different issues concerning the CSB with a gender-, economic and developmental perspective:

Connection between targeting children and economic development

Outlining the severe poverty which children in South Africa face, the commission points out that supporting children is justified as positive for development and the well being of people in South Africa (CGE, 1997:1). However, it cannot see how a benefit of R75 for children aged 0-6 years could make a significant difference in an anti-poverty strategy (CGE, 1997:2) and although the Lund Committee's concern to be fiscally responsible is acknowledged, the Commission challenged their position by pointing to

current expert-led development thinking which sees investment in children and human development to have long term benefits for the economy, maintaining political stability, to support household economies and provide cash for poor people to engage in local markets, thereby generating the economy. (CGE, 1997:2)

On the basis of this, the trade off between the budget deficit target of 3%, set by government, and social expenditure is strongly rejected:

It is pointless encouraging foreign investment through reduced government expenditure and deficits, when the very survival of the future labour potential in the form of malnourished, under-educated children is at stake. (CGE, 1997:2)

By the same token, investor confidence decreases due to poverty, violence and crime. What is needed therefore, according to the CGE, is a modification of the deficit target in order to meet the basic needs especially of poor women and children.

The right of children to adequate support

Linked to the previous point is the Commission's demand that there should be no trade off between the number of children supported and the size of the benefit. The latter must be guided by the principle of social security coverage that a benefit must be adequate 'to support human well being' (CGE, 1997:3). Moreover, the assumption of the Lund report and the Department of Welfare that poor households have multiple incomes and the benefit only serves as a supplement is rejected. Seeing that 23,7% of the population live with US\$ 1 a day, the Commission comes to the conclusion that

this assumption cannot be supported unless it is accepted that the income is gained through illegal activities like stealing and drug peddling (CGE, 1997:3).

Other concerns of the Commission

The Commission requests the Portfolio Committee and the Department to develop a comprehensive medium and long term social security and anti-poverty strategy especially for women and children which overcomes the sectoral division of the current proposals (CGE, 1997:4).

It is further highlighted that the CSB is intended to be a national function delegated to the provinces as the provinces might undermine the aims and objectives of the programme by choosing other rates and qualifying criteria which might be possible given the block budgetary allocation to them (CGE, 1997:4).

Attention is also drawn to the administrative capacity of the Department. The Commission regrets that the intention of reforming the system is not met in reality and that there is an urgent need to train and educate staff for an effective delivery system (CGE, 1997:4).

The Commission for Gender Equality supports the view expressed by the NGO Coalition, the Black Sash, the Women and Human Rights Project at the UWC Community Law Centre and the thinking of the FFC on effective management of the social security system (CGE, 1997:5).

3.3.3.) The submissions of the churches

South African Council of Churches (SACC)

The SACC, as a fellowship of national churches and organisations, points out its tradition of speaking

from a point of view of those who suffer and whose dignity is damaged or destroyed by systems and structures of injustice. (SACC, 1997:1)

The recommendations of the Lund report are evaluated against this background and the SACC says

that the present choices that government are making will not 'shift resources decisively towards poorer South Africans'. We urge you to make a choice for the particularly vulnerable women and children whose voices are not heard here today. (SACC, 1997:4)

The SACC welcomes the decision to equalise the grant, but the new system is seen as based on a minimalist approach. The level of the benefit is regarded as totally inadequate and not taking into account the reality of poverty in South Africa:

How can you expect people who live totally under the bread line to bring up their children on R75 a month? (SACC, 1997:2)

The SACC is also opposed to quarterly payments to bank or Post Office accounts as intended by the Department. It is said that such a payment does not take into consideration the situation of poor women in rural areas: The money must then be spent on transport and one cannot expect somebody to stretch the grant over a period of three months if the amount is already inadequate. The phasing in of the grant, meaning that

only children born after the date of introduction, is regarded as a contradiction to the constitutional right to social security (SACC, 1997:2).

As far as the means-test is concerned, the SACC is in favour of a test based on income in order to exclude the rich. However, it strongly argued against a means-test that differentiates between the poor and the very poor.

Based on this criticism, the SACC recommends that a benefit of R135 per month per child from 0-9 years should be paid on a monthly basis. A simple means-test should be designed with a cut-off point of around R800 per person and all children in the respective age-group should immediately qualify.⁵¹

Southern African Catholic Bishops Conference (SACBC)

The presenter for the SACBC, Father Peter-John Pearson from the SACBC Parliamentary Liaison Office, started the submission by stating the reasons for their participation: The first one being the 'biblical imperative of caring for the poor' and the second being the deep concern with both the present realities as well as the

very real and serious hardship that would flow from an uncritical acceptance of some of the recommendations. (SACBC, 1997:1)

The SACBC comes out with support for the equalisation of the grant, the promotion of parental responsibility and intersectorial collaboration. However, the following points of criticism are seen as undermining these positive goals: The level of benefit,

51 The SACC strongly calls for a community fund, which will be discussed later.

and the age-cohort as well as the limited target of 30%. In this respect it is said that nutritional targeting is 'totally unacceptable'. The SACBC feels very strongly about the negative impacts these aspects and the phasing out of the present system without putting a real alternative into place can have:

It is also our observation that there is a direct correlation between the unavailability of social security and the rise of child labour, juvenile crime, crime abandonment and the growing phenomenon of street children. (...) Failure to attend to the basic needs of children generates cycles of deprivation and violence which result in incalculable losses in all spheres of life. (SACBC, 1997:2)

Concern is raised that the top slice of the budget does not include support for children and that the defence budget and the repayment of apartheid's debt also seem to have priority over the welfare of children. This is called a 'fundamental option against the poor' (SACBC, 1997:4).

The SACBC sees the parameters of the budget allocation determined by the macro-economic framework (GEAR) of the government which does not allow for increases in social spending. However, he points out that this is contrary to

one of the primary teachings of the church (...) that always economies and policies which flow from them, exist for the good of the people and not vice versa. (SACBC, 1997:4)

and that increases in spending in areas like welfare, housing, health and education are, however, necessary to redress the past injustice.

Given the above reasons and the strength of its constituencies, the SACBC hopes and prays that the Portfolio Committee recommends a radical change in the policy.

Dutch Reformed Church (DRC)

While agreeing with the principle of equalising the system and therefore with the phasing out of the existing system, the DRC rejects the level of benefit as insufficient to make a difference in fighting poverty. On the contrary, it would only lead to 'greater frustration' for the people concerned (DRC, 1997:1).

However, the 'real' problem of the issue is identified as not being the Committee's recommendations but the 'crisis management' which is being practised in Government. This would lead to 'pathetic patchwork' and to ad hoc treatment of poverty, but not to satisfactory solutions.

Before poverty as a social phenomenon does not receive holistic, serious and urgent attention in all sectors in conjunction with one another, we as a country will bankrupt ourselves paying for patchwork which is not going to give the solution for which everybody is waiting. (DRC, 1997:2-3)

The DRC therefore proposes that an inter-departmental committee be appointed which should concentrate on developing a plan for fighting poverty. This Committee should look at the efforts in the different government Departments and work out the financial implications of such plans to ensure their affordability. The DRC calls on the Department of Welfare to take a leading role in such actions. Moreover, it is pointed out that

the community and the 'religious sector' should become a very prominent role player. In its turn, again, it should join forces on the local community level to shape this strategy. (DRC, 1997:2)

3.4.) Conclusion

This chapter has shown that the report of the Lund Committee and, subsequently, the new policy on child support was subject to substantial criticism in the course of the last year. Points of criticism have been raised from various corners of civil society: National and regional organisations, representing various constituencies, independent researchers, government commissions and the Parliamentary Portfolio Committee have embarked on the policy process and made the voices of civil society heard. Given this involvement of civil society in the policy process, it is now interesting to look at the way in which the Department responded to it and how the points raised were actually incorporated into the policy. The process of raising the criticism and the outcome in terms of changes in the policy are an example of the potential, the ability and influence of civil society in the shaping of policy in South Africa. The next chapter is going to examine this question.

Chapter 4: The policy process - criticism and response

This chapter discusses the developments of the policy process leading to the Child Support Benefit programme. Having analysed the content of the new policy, this chapter focuses on an analysis of the public debate around it, the actors and actions and who and what eventually changed the policy.

The author uses the term 'civil society' as it given by Pillay. He, by drawing on Gramsci, defined civil society as the

...vast array of voluntary associations that make up everyday life, from business associations to trade unions, stokvels, and religious groups, in dialectical unity with all other spheres (Pillay, 1996:341).

The analysis of the policy process is crucial as it was unique in many different ways:

- It was the first ANC / SACP proposed policy on a broad social issue which was publicly and continuously criticised for over one year.
- Strong and numerous organisations of civil society, which in the past fought alongside with the ANC / SACP in the liberation struggle, as well as the Parliamentary Portfolio Committee driven by ANC parliamentarians, publicly stood in for conflicting interests against the executive organs of government.

- It was the first instance of social policy, where a governmental Committee tried to comply with the restrictions of government expenditure according to its newly adopted macroeconomics policy (GEAR).

One can therefore rightly regard this as an important test case in policy development in the new South Africa, exceeding its immediate impact for the people affected and setting the parameters for future policy processes. The test case demonstrates how and by whom such processes can be lead, and at the same time where conflicts of interest can be expected and how they could - at best - be settled or - more pessimistically - be dealt with. The detailed description and analysis of this process wants to take recognition of this importance. Furthermore, the lessons which can be learnt from this process set the parameters for the relationship between state and civil society in which the proposed community fund⁵² would have to function.

This chapter is structured in a way that firstly the policy process from November 1995 to August 1997 is summarised. This summary is based on a table in appendix 3 which tries to cover the events of the process in chronological order and as comprehensively as possible, and so the chapter frequently refers to this table as it comprises the more detailed information. The overview provides information on when and by whom criticism on the Lund committee's recommendations or subsequently on the new policy was raised and how it was answered by the Lund Committee, the Department or the Financial and Fiscal Commission. The focus of attention is the influ-

⁵² see 6.1.) Introducing the concept of a community fund as part of a child support system

ence which the criticism of various organisations or individuals had at a certain point in time on the new policy on child support.

The second part of the chapter analyses the actions and role of the actors in the process. In order to get a better idea of the different actors and their actions, they were divided into four different groups

- **Government:** The government is mainly represented by the Department of Welfare, but Cabinet, the Lund Committee and the Financial and Fiscal Commission are also included in this group, as they were commissioned by the Department to work for them on the new policy.
- **Organisations or individuals of civil society:** This group consists of various organisations, individuals, institutes, researchers etc. who were engaged in the process and dealt with the new policy on different levels, like in research papers, articles, marches, submissions at the public hearings, etc.
- **Parliamentary Portfolio Committee:** The Parliamentary Portfolio Committee on Welfare is a multiparty Committee which is entitled to call for submissions from civil society on policy proposals and legislation from the Department before Parliament decides on these issues. The Committee can veto the proposals and legislation and can make alternative proposals. Thus, the Committee is an actor in the policy process which has the possibility to listen to both sides and to influence political decisions directly.
- **Media:** The media was mainly involved in the process through reports and articles in various newspapers. In addition, SABC TV News and

different radio stations broadcast interviews and discussions on the topic.

The conclusion summarises the findings and tries to draw lessons for the future relationship between state and civil society.

4.1.) The process

The following overview covers the time from November 1995, when the Lund Committee was established, until August 1997, which is marked by concrete proposals by the Department in regard to legislation. Although the policy process does not end here, it was, for the sake of this research, necessary to have a cut-off date.

The process is, for analytical reasons, divided into five periods:

- **First period: November 1995 - August 1996:** This period contains the establishment of the Lund Committee, the research done for it and, finally, the recommendations made by it.
- **Second period: September 1996 to March 1997:** This period was characterised by first reactions from the four different actors to the Lund report. The description reveals that the reactions varied greatly: While Government accepted the recommendations as a new policy, organisations of civil society and researchers raised points of concern and criticism. The media discussed both sides - Government's positive attitude and the points of criticism by civil society - and was also used by both sides to express their respective view.

- **Third period: March 1997 to April 1997:** During this period the Portfolio Committee decided to hold public hearings on the Lund recommendations.
- **Fourth period: April 1997 to June 1997:** The public hearings and reactions to them. The differences between Government and civil society clearly crystallised during this period. The debate took place mainly in the media.
- **Fifth period: July 1997 to August 1997:** This period contains some direct dialogue between civil society and the Department. However, it remains to be seen if this has brought change to the policy.

This section draws on the information provided in the table in Appendix 2 and will particularly focus on the points of criticisms raised and on the reaction of Government to them. The role of the media and how the different actors used it will be looked at as well. The content of the articles covering the events can only be summarised very briefly here, but the table provides more information on them; Footnotes refer to those pages.

4.1.1.) First period: November 1995 - August 1996

The Lund Committee commissioned various research projects to gather information for their recommendations. The individual research projects are listed in the table in the Appendix 2.⁵³

53 see p. 235

The author and Dirk Haarmann were also commissioned to do research for the Lund Committee. In our report, we made a detailed proposal for a simple means-test⁵⁴. Likewise, Nick Barr and Le Roux, worked on the issue of the means-test. However, neither the Lund report nor the policy accepted by Cabinet contained a concrete and practical proposal concerning this aspect. Several organisations and researchers continuously complained during the course of last year about this lack of clarity regarding these issues (Liebenberg, 1997; Barberton, 1997). Although a lot of work has been done and some suggestions were made by the Department since Cabinet's decision, up to now (August 1997) no means-test has been designed.

Furthermore, we proposed a community fund to enhance the developmental impact of the programme. A community fund, although it was discussed and received support at the think tank of the Committee in Itala (Haarmann & Haarmann, 1997:13-14), is rejected in the Lund report (Lund report, 1996:47).

The first public concerns⁵⁵ about the recommendations were raised by the National Children's Right Committee which was represented on the Lund Committee. It does not seem that they had any tangible impact on the recommendations. The statement of this organisation, which was attached to the Lund report, sent out a signal to the public that one organisation of civil society, which was involved in the Lund Committee's work felt strongly against the recommendations. However, neither the

54 see footnote 136 and 3.1.4.) The means-test

55 see p. 81 and p. 236

Committee itself nor the Department took these concerns any further. While the Lund report acknowledged the problem of limited consultation on the matter (Lund report, 1996:Executive 2 Summary & 98), the Department did not use the seven months from the publication of the report to the decision of Cabinet to seek further consultations on the issue. There are also indications that the dissemination of the report was not done vigorously as several welfare organisations complained that it was difficult to obtain a copy of it.

4.1.2.) Second period: September 1996 to March 1997

The recommendations of the Lund Committee were accepted by the Department of Welfare and the Welfare MINMEC during the period from September 1996 to February 1997. Subsequently Cabinet accepted the recommendations and decided on this basis on a new policy on 5 March.⁵⁶ The Minister of Welfare said in a press statement after Cabinet's decision:

The Minister of Welfare and Population Development welcomes today's decision by Cabinet to introduce a new child support benefit which will replace the existing parent and child maintenance grants. (Fraser-Moleketi, 1997a:1)

Government thus approved the new policy direction of the Department.

⁵⁶ see 2.2.3.) The decision of Cabinet

Organisations of civil society and researchers started to criticise the report sharply. A group of organisations of civil society - non-governmental organisations, community-based organisations, welfare organisations and researchers - met in the beginning of November 1996 to discuss the Lund report, its impact on the welfare system, and how civil society could influence the policy-making process. The group⁵⁷ was very concerned by the lack of consultation during the time of development of the recommendations of the Lund Committee. It was believed that seeing the enormous potential a new social security policy for children could have on poverty alleviation a public debate around the recommendations was necessary.

At this first meeting the participants agreed to send a letter, endorsed by as many organisations as possible, to the Minister of Welfare and to the Parliamentary Portfolio Committee on Welfare, stating points of concern regarding the recommendation and demanding public hearings.

In the letter⁵⁸ the organisations declared that they fully agreed with the importance of equalising the grants as a matter of urgency, but that they were deeply concerned about several aspects of the recommendations:

⁵⁷ Hereafter referred to as Lund Working Group. The group had regular meetings during the policy process. The meetings function as an information exchange on activities of the different organisations/researchers and as a platform for the planning of joint actions. (Appendix 3 entails a list of the organisations and researchers who were engaged in the Lund working group)

⁵⁸ see p. 237

- The budgetary amount which was allocated to the programme
- The lack of discussion about the constitutional right of children to security, basic nutrition, basic health care and social services
- The level of the benefit
- The lack of clarity regarding the means-test
- The lack of consideration about the negative impact of the phasing out

The organisations ended their letter with a call on the Minister and the Parliamentary Portfolio Committee to have public consultations before final decisions were taken.

The Chairperson of the Portfolio Committee responded to this letter in January 1997 by saying:

Due to the seriousness and the implications of the recommendations we will most likely have public hearings...(Saloojee, 1997:1).

The Minister reacted by requesting a meeting with the author of the letter, Sandy Liebenberg, senior researcher of the Women and Human Rights Project of the Community Law Centre at the University of the Western Cape. However, it was decided among the members of the Lund Working Group that rather a small delegation than a single person should meet with the Minister, as the letter expressed the concern of a variety of groupings within civil society and not of a single person. The office of the Minister agreed to open up the meeting for a small delegation. The Lund Working Group decided to send representatives of the following organisations: The Black Sash, COSATU, Centre for Socio - Legal Studies (UCT), Community Law Centre, Gender Advocacy Project, and the Social Work Department at UWC. The meeting

took place on 20 February 1997. The Chairperson of the Portfolio Committee, Cas Saloojee, was also present.

At this meeting, the organisations raised points of criticism based on the letter summarised above and repeated the demand for public hearings. The Minister told the delegation that a moratorium would be put in place and that the present system would be phased-out over a five-year-period with a reduction of 20% every year. Although she did not rule out public hearings, she did not commit herself to them either. Her explanation was that she did not wish to raise public expectations. Neither did the Chairperson of the Portfolio Committee, her party colleague, confirm public hearings at that stage. The delegation was very disappointed with the vague outcome and expressed this at a press conference after the meeting (Lund working group, 1997:1).

Nevertheless, the letter and the subsequent meeting with the Minister, as well as the articles published on all this, indicated to the Department that the proposed change faced opposition and criticism from organisations of civil society including the Union movement which is in an alliance with the ANC.

In December and January, the first research papers and articles on the Lund report came out. Barberton from the IDASA Poverty Reduction Monitoring Service discussed the weaknesses of the Lund report by looking at the current problems in the welfare administration. He pointed out that this problem had not been investigated in the report and that a new system needed to address this seriously. Moreover, he chal-

lenged the supposedly redistributive mechanism of the programme by arguing that the acceptance of the fiscal parameters prevented redistribution (Barberson 1996).

The Ecumenical Foundation of Southern Africa published a research paper by the author and Dirk Haarmann on the Lund report which criticised the financial calculations of the report and the underlying principle of the recommendations. We argued that the Lund Committee's concern was purely the financial feasibility which lead to a minimalist approach instead of a real needs assessment. We alternatively suggested a similar system, but on a higher level supplemented by a community fund: The level of benefit should be R135, the age-cohort 0-6 years and a simple means-test at R800 per primary care-giver should be designed. In addition, the Department of Welfare should contribute about R5 per beneficiary to a community fund which then would be available for community projects for children organised by the communities and organisations. This was meant to build up a partnership between the state and civil society in caring for South Africa's children (Haarmann & Haarmann, 1997).⁵⁹

In addition, the author and Dirk Haarmann reacted by writing a letter to the editor concerning an article in the Mail & Guardian which had reported that various NGOs and researchers were opposed to the phasing-out of the existing State Maintenance Grant System. We rectified that view and highlighted the technical weaknesses and shortcomings as well as the minimalist approach of the Lund report. We further argued that if the recommendations were implemented, only a very small group of the poorest children in South Africa would be supported. Francie Lund, the former chair

⁵⁹ for more detail see: Chapter 6: Suggesting a community fund

of the Lund Committee, responded to this with her own letter to the editor. She defended the report by saying that the technical work had to be done as soon as the recommendations were accepted.

Cabinet's decision on 5 March to introduce a new child support system on the basis of the Lund proposal came as a surprise. A firm policy decision on the proposal had not been expected as it had risen a wave of a criticism and public concern⁶⁰ and the Parliamentary Portfolio Committee on Welfare and Population Development had not been given an opportunity to hold public hearings (Ludski, 1997). It had rather been anticipated that Cabinet would make a recommendation on the proposal with the call on the Department or the Portfolio Committee to hold public hearings.

The position of the Portfolio Committee became critical at that point in time. By taking the recommendations to Cabinet, it was obvious that the Department did not want consultation on the matter. In an interview on 6 March the Chairperson of the Portfolio Committee said that

while he accepted the urgency of the Department to implement the new benefit scheme, he had a "moral obligation to consult people outside Parliament."

(Ludski, 1997:3)

60 see p. 118

However, the Portfolio Committee as a body had not yet decided to facilitate public hearings. The decision of the Portfolio Committee on that matter was therefore awaited with a high sense of expectancy.

4.1.3.) Third period: March 1997 to April 1997

On 14 March the Department of Welfare gave a briefing to the Portfolio Committee to inform it about the details of Cabinet's decision.⁶¹ Because of the high public interest in this matter, the Lund Working Group called on organisations to attend this briefing. Approximately 20 different organisations were present and the original venue had to be changed because of the large number of people who wanted to participate.

After the briefing, the Portfolio Committee decided to hold public hearings in April. Committee members told the press that they were not convinced

that (...) important aspects of the scheme (...) had been researched properly
(Greybe, 1997:1).

and that public hearings would be very important to give civil society a chance to speak out. The Chairperson said

the hearings would also 'give people an opportunity to come up with better solutions' on the issue (Greybe, 1997b:8),

taking cognisance of the criticisms and also indicating that the Portfolio Committee was not satisfied with the policy.

61 see p. 239

The decision for public hearings was welcomed by various sectors of civil society and seen as a 'victory for democracy'. IDASA Parliamentary Information and Monitoring Service put the reaction in a nutshell.

...the Lund Committee on child and family support did not hold public hearings. Parliament, realising the significance of the issue, has chosen to do so. IDASA congratulates the Portfolio Committee for taking this step in promoting participatory democracy. (Barborton, 1997:1)

Another incident which raised criticism regarding the opportunity of public participation was the Department's stance on a workshop on targeting held by the Department on 4 April. The Department identified some experts to participate in the workshop and the request of the Lund working group to send two representatives to attend was turned down on the grounds that the workshop was 'a specific technical discussion and not intended as an open forum' and that the success of the workshop depended on the 'specific mix of expertise and limited people to facilitate discussion'.⁶² Representatives of the Lund working group were also not allowed either to just observe this workshop. It was promised that the minutes of this workshop would be circulated for comments. The minutes, though, were only publicised eight weeks later on 30 May, and civil society had only then the opportunity to comment. That means that submissions at the public hearings in Cape Town (April 21 & 22) and in two other provinces (May 26 & 30) could not comment on the discussion and decisions regarding the means-test.

⁶² This justification was given informally to members of the Lund working group by the organiser of the workshop.

The media covered this entire second period well in various newspapers⁶³. The decision of Cabinet and of the Portfolio Committee were discussed and press releases of different organisations of civil society were incorporated into the articles. However, it became clear that many articles were poorly researched and the facts and different opinions on the matter were in parts wrongly reported. Nevertheless, these articles made the public aware and the issue became an important political issue. The public hearings which were scheduled for 21 and 22 April in Cape Town and for the end of May in two other provinces were therefore awaited full of expectation.

4.1.4.) Fourth period: April 1997 to June 1997

A very broad spectrum of 30 organisations made submissions during the two days of hearings in Cape Town⁶⁴, a dozen groups attended the hearings in Umtata and around 500 people were present in Pietersburg. It is noteworthy that many important national organisations like COSATU, the Human Rights Commission, the Commission for Gender Equality, the SACC, the South African National NGO Coalition which represents 2400 NGOs nation-wide, the Black Sash, the Chemical Workers Industrial Union etc. took part.

The content of the submissions is discussed in greater detail in chapter 3 and in the table in the appendix. Here suffice it to summarise the demands of most of the presenters: The level of benefit should be increased to R135 and more research should

⁶³ see p. 239 and p. 239

⁶⁴ A complete list of organisations is in Appendix 2.

be done on a realistic subsistence level for children, the age-cohort should be at least nine years with an increase over time, no conditions should be put on the benefit, a means-test with a cut-off point at around R800 should be designed, nutritional targeting was unacceptable, cuts/savings to present spending were unacceptable, payment should be made monthly instead of quarterly, more money should be allocated to the programme. Many organisations appealed to the Minister to respond to their inputs by June 16, Youth Day.

Besides these aspects concerning the welfare system itself, the lack of consultation during the policy process was sharply criticised. While the Lund report states that there was no time for public participation and consultation (Lund report, 1996:98), the organisations argued that thus the Department was even more obliged to ensure that the report was simplified in order to be accessible to more constituencies, vigorously circulated and that comments were being collected and evaluated. Presenters complained that nothing like that had taken place in the seven months between the release of the report in August 1996 and the decision of Cabinet in March 1997.⁶⁵

By the same token, most of the presenters congratulated the Portfolio Committee for taking a stand by holding public hearings on the issue and by giving civil society an opportunity to speak up.

In addition to the submissions the New Women's Movement and the Gender Advocacy Programme organised a march of around 300 to 500 women on the first day of

⁶⁵ see for example: IDASA, 1997:1; Community Law Centre, 1997:23

the public hearings to demonstrate their anger and disappointment with the proposed changes, mainly with the low level of the benefit and the restricted age-cohort. They handed over a memorandum to the Minister.⁶⁶

Just after the hearings, IDASA's Poverty Monitoring Service published a special edition of their monthly 'Poverty Profile' which contained various submissions and a summary of the important points at the hearings. IDASA in co-operation with the Lund working group pursued a vigorous dissemination of the paper amongst members of Parliament and their provincial counterparts as well as NGOs, churches and unions. This 'information campaign' was regarded as necessary to make more people, as role-players as well as the public, aware of the policy, especially since the Department had shown little interest in the points of criticism and a public debate. A debate amongst members of Parliament was seen as a possibility to put pressure on the Department to listen to civil society.

The Minister of Welfare attended both days of public hearings and reacted with a press release⁶⁷ on 24 April. In this she stated that she welcomed the inputs made, but that the child support programme was prepared for implementation from 1 August and that 'there is no turning back' (Fraser-Moleketi, 1997b).

⁶⁶ see p. 240

⁶⁷ see p. 241

Various NGOs and COSATU reacted to this press statement with a press conference⁶⁸ at which they voiced their shock over the hard-line approach of the Minister. They complained that her standpoint would make a 'mockery of the planned hearings in the two other provinces' and they threatened a 'day of action' on 16 June if the Minister would not enter into negotiations on the matter. The Minister replied by saying that she regarded the debate as vibrant, but necessary and that the hearings had shown agreement on the principle.

The hearings were well covered in the media. Articles on the matter were published in various daily and weekly newspapers over several days.⁶⁹

In addition, organisations of civil society sought the public debate with the Department in newspapers⁷⁰ and radio programmes⁷¹. During this debate two high-profile people - Murphy Morobe, chairman of the FFC, and Rhoda Kadalie, Human Rights Commissioner - got also involved:⁷² Murphy Morobe (1997) wrote an article and commented on the public hearings and instead of a rejection of the criticisms as the title of the article ('Some misconceptions have to be debunked') might suggest, he conceded that many points of criticism were actually justified, that there 'must be

68 see p. 241

69 see p. 241 and p. 242

70 see p. 242, p. 243 and p. 244

71 see p. 241 and p. 243

72 see p. 242

savings in the first years' of the implementation of the programme, exactly which the Minister had denied at the public hearings and had said that the calculations of Dirk Haarmann and the author would be proved wrong. Morobe further pointed out that the policy needed much more clarity on several issues. Rhoda Kadalie (1997) responded⁷³ by asking 'whose misconceptions were being debunked?' arguing that the FFC admitted the difficulties with the programme. She appealed to the Minister to include civil society in the work on the programme as it was now acknowledged that the inputs made by civil society were important and constructive. On behalf of the NGOs engaged in the process, she voiced their demand that the minister had to revisit her position on the issue and that she should ensure, that the 'savings' were reduced as far as possible and that the remaining savings be kept in the welfare sector (Kadalie, 1997:3). However, neither the Department nor the FFC responded publicly to that article.

Two other articles⁷⁴ in June indicated that there was growing concern within the ANC about the new policy and that this might change the firm stance of the Minister. It furthermore showed that the opposition to the proposed policy came from progressive forces and from inside the ANC and not from the 'normal' opposition parties and their constituencies. Interestingly enough, the Minister received praise for her proposed changes and the acceptance of the fiscal constraints in an article (Kane-

73 see p. 243

74 Financial Mail (Minister to back down?) and Cape Argus (ANC talks on child payments), June 4-8; see also p. 243

Berman, 1997:1) which also spoke out in favour of privatisation and the reduction of the debt in line with other neo-liberal economic politics.

The Portfolio Committee in its report on the public hearings rejected the proposed policy and recommended to increase the level of benefit to R135, the age limit to 0-9 years, and that a means-test with a cut-off point at R800 should be designed. For the first time, the Portfolio Committee publicly announced an alternative to the Department's and Cabinet's approved policy.

The SANGOCO welcomed these recommendations and called off the planned day of action on the grounds that the Portfolio Committee's demands were close to their own. In a meeting between the Minister and SANGOCO two weeks later the Minister said that she would respond to the Portfolio Committee in August and would then also include a response to SANGOCO.

The New Women's Movement used the Youth Day celebrations in Cape Town on 16 June to make the public once again aware of the debate around the new child support grant. They protested with placards at the Grande Parade and gave an interview to the newspapers in which they stated that the change should not take place at the expense of the poor and that especially those youths government was trying to uplift would suffer most by the cuts in welfare spending.⁷⁵

75 see p. 244

Sandy Liebenberg reacted to the minutes of the closed workshop on targeting, which were published on 30 May, with a critical assessment which was endorsed by several organisations of civil society and researchers.⁷⁶ The Lund Working group decided that although the Department did not seem to take cognisance of the criticisms and comments made by civil society, one should express serious concern about them to show opposition to the proposed methods of targeting. This was especially the case since the Department had considered to use nutritional targeting mechanisms and to ask health clinics to do not only the nutritional testing, but also the administrative work. Besides the lack of clear recommendations and guidelines for a means-test, the comments made opposed the methods discussed for three reasons: a) on the ground of perverse incentives of nutritional targeting, b) because of discrimination against women in rural areas where health facilities are not evenly developed and c) because of everybody's right to administrative justice, which cannot necessarily be guaranteed by nurses who are not trained to do such work.

Surprisingly, after months of not taking any cognisance of comments from civil society, the Department seemed to be prompted by these comments to seek consultation on the matter. It invited two representatives of SANGOCO to take part in the second workshop on targeting in July on the grounds that civil society could provide much of the expertise needed on the issue. This sharply contrasts the reason for not giving civil society a chance to attend the first workshop and therefore could be seen as a

⁷⁶ The following organisations and researchers endorsed the comments on the minutes of the targeting workshop: Black Sash, Gender Advocacy Programme, Claudia & Dirk Haarmann (Institute for Social Development), for more details see p. 244

turning point.⁷⁷ SANGOCO and other organisations were positively surprised by this move and it was hoped that finally consultation and discussion could take place directly between the two role-players.

4.1.5.) Fifth period: July 1997 to August 1997

SANGOCO agreed under certain conditions⁷⁸ to send two representatives to the workshop at which different proposals were discussed, but again no final recommendations for a means-test were made⁷⁹. The representatives of the Coalition felt that the participation in the workshop was fruitful and comments and lobbying efforts of the NGOs had a positive impact on the discussions and proposals (Liebenberg, 1997a:6). This positive opening-up process was reinforced by an invitation of the Department to the Coalition to take part in a workshop on 'delivery systems' and the willingness of the Department to send officials to the workshops planned by the NGOs on targeting and the definition of the primary care-giver. However, the workshop on 'delivery systems' was postponed and the participation of officials from the Department was very limited at the workshop on targeting.⁸⁰

77 see p. 122

78 see p. 246

79 see p. 247

80 see p. 131

The National Executive Committee (July 11-13) and subsequently Cabinet decided to increase the level of grant from R75 to R100 per month. At the same time, the phasing out period of the existing grant was reduced by two years from five to three years. Furthermore, Cabinet agreed to support 48% of children in South Africa. This increase of the target of 30% was due to the release of the preliminary results of the Census 1996 which indicated that the population in South Africa is smaller than previously believed.⁸¹ The press release of the Department said that

these children live in households earning less than R833 per month or R10,000 a year. (Department of Welfare, 1997d:2)

This statement, although it was not yet a clear decision on the means-test, suggested that eligibility for the grant would be determined by testing the household income. While the increase of the level of the grant was welcomed by organisations of civil society, the suggestions for the means-test created anger. Firstly, because no such idea had been discussed at the targeting workshop, and the organisations felt once again excluded from policy decisions. Secondly, research by Dirk Haarmann indicates that such a method would exclude a large number of poor children (48% of the children in the first two ranking groups⁸²).

The workshop on the means-test, organised by SANGOCO and Black Sash was aimed at bringing together officials of the Department and the organisations and researchers involved. This idea had come up already in June, when it was felt that no

81 for more detail see Dirk Haarmann, chapter one

82 for more detail see Dirk Haarmann: Chapter 2 and 5

exchange of research and suggestions was taking place between the role-players. After the workshop of the Department in July, it was felt that this new workshop on the means-test could further the co-operation and debate between the two role-players. However, the suggestion of Cabinet and the fact that in contrast to a first agreement and confirmation by the Department to send officials to the workshop, in the end Francie Lund, who works only temporarily for the Department, took part as representative, made the organisations feel that no real consultation and involvement was possible and wanted by the Department. In addition, Francie Lund could only provide limited information on the means-test and reported that different options, inter alia the testing of the household income, were being discussed but that no final decision had been taken. Despite the feeling that the Department did not really listen to recommendations of civil society, the workshop decided to make recommendations to the Department. It was discussed that a simple means-test with one cut-off point would be the best option for the Child Support Grant. Hence, the participants opposed the idea of the Department to test the household income instead of the income of the primary care giver.⁸³ It was argued that the testing of household income would discriminate against larger households. It was pointed out that poorer children often live in such circumstances and would therefore be excluded from support.⁸⁴

A second workshop with legal experts on the definition of the primary care-giver was organised by the Community Law Centre on 30 August. Although the Department was invited to the workshop and the organisers of the workshop had raised concerns

83 see p. 246

84 for more detail see Dirk Haarmann: Chapter 2 and 5.

regarding the concept which they hoped could be discussed and resolved at the workshop, the Department published the 'Welfare Matters Amendment Bill' containing a definition of the PCG just two days before the workshop. This again made it obvious to civil society that the Department was not interested in consultation and dialogue. The workshop made it quite clear that they had great difficulty with the definition of the Department and that they were strongly opposed to it⁸⁵. Although several officials of the Department were present at the workshop, it remains to be seen whether they will change the legislation taking account of the discussion at the workshop.

4.2.) Analysis and evaluation of the policy process and the main role players

This section evaluates the actions of the main role players in the policy process with special focus on the declared policy of consultation as entrenched in the White Paper for Social Welfare.

4.2.1.) Government

As explained above, Government in this case includes the Department of Welfare, Cabinet, the Financial and Fiscal Commission and the Lund Committee. Each of these role players will now be looked at separately.

85 see p. 248

4.2.1.1.) The Department of Welfare

Not open for consultation

Up to now the Department did not create opportunities for real consultation on the matter. This attitude stands in stark contrast to the declared policy of consultation with civil society in general and on the issue of family support in particular (Department of Welfare, 1996e:8&51). The problem started already with the exclusive appointment of experts on the Lund Committee. Although in addition 5 organisations were identified by the MINMEC to send representatives to the Committee, there was no justification for the selection of these organisations nor was their role clearly defined. Furthermore, the Department needed seven months - more time than the Committee for the research and the report - to consider the report and to bring the recommendations before Cabinet, but no request was made to civil society to comment on the report during this time. The recommendations were then tabled and decided upon at a Cabinet meeting in March although civil society had asked for public hearings. Further policy-related discussions and expert advice were only sought with hand-picked people.⁸⁶ Only in June 1997 did the NGO Coalition receive an invitation for two workshops on targeting and delivery system. However, le Roux, a former member of the Lund Committee, who criticised aspects of the report and made a concrete proposal for a means-test at the public hearings, was not invited to the workshop, although his proposal had been discussed as one of the few options for the new system. This creates the impression that critical people are not wanted at such workshops. These are just some of the examples which indicate the negative attitude of the Department towards consultation and which clearly contradict the declared policy.

⁸⁶ see p. 122

No incorporation of inputs from civil society

Besides the fact that the Department did not seek consultation with civil society, it also did not acknowledge the inputs made nor did it incorporate proposals or points of criticism into their policy. The response to the public hearings is exemplary for this: The Minister took a very ignorant stance after two days of public hearings and declared that 'there is no turning back' and that the official policy had already been passed by Cabinet. Moreover, the Department tried to discredit the inputs made by arguing that mostly urban based Western Cape groups were engaged. A similar view and the same attitude towards inputs by civil society became also evident at the 'closed' targeting workshop of the Department on 4 April. Under the heading : 'Policy and political issues: what barriers are there which affect viability' the minutes stated:

Pressure groups - spatial, racial. Middle class support of urban pressure groups is important. (Department of Welfare, 1997c:17)

However, the participation of national, progressive organisations at the public hearings and the well attended hearings in the rural areas made it quite clear that the character of the 'lobby or pressure groups' was different.

Disregard for Parliament

The Department ignored the function of the Portfolio Committee on Welfare and thereby the opinion of Parliament on the issue. The Minister took the policy to Cabinet without public hearing. Nevertheless, the Portfolio Committee decided to hold

public hearings. IDASA's Parliamentary Monitoring Service assessed the reaction of the Minister to the public hearings in Cape Town in the following way:

The fact that the minister has decided to make it clear that she will not change her policy ahead of the Committee's response to the hearings, said IDASA, 'shows a disturbing disregard for Parliament'. Her statement says that the 'correct parliamentary procedures have been followed. By this, 'she is making it clear that Parliament's view is irrelevant to her' says IDASA. (Barberson, 1997a:1)

Reliance on one institution

The Department did rely, and still does rely, entirely on the financial calculations made by the Financial and Fiscal Commission. Even the fact that the calculations were proved wrong at the public hearings did not change that attitude. Moreover, by doing so, the Department commissioned an institution which is exceptionally concerned about macro-economic stability with the financial calculations for a welfare programme. No social policy expert was involved in the calculations, and although the Minister conceded that the assumptions of the calculations could be debated, no exchange of views took place publicly between the FFC and other researchers working on the issue. This has to be criticised as hence no transparency and accountability has been created.⁸⁷

Developmental social welfare programmes are used to justify cuts

⁸⁷ see also 4.2.1.3.) Financial and Fiscal Commission

The Department justified the low amount of the grant by referring to developmental programmes like the flagship programmes for women with children under five. However, it has to be realised that despite the importance of the programmes for the people involved, the coverage is very limited and cannot substitute for a national social security programme or poverty alleviation for children. This justification must also be criticised as developmental social welfare is played off against cash transfers whereas on the other hand, as will be discussed in chapter five, cash transfers are an integral part of the concept of developmental social welfare.

4.2.1.2) Cabinet

Cabinet always stood behind the Department as it agreed upon the proposals made by the Department regardless of public opinion or recommendations of the Portfolio Committee. In March it decided in favour of the Lund recommendations and in July it followed the ANC NEC decision to increase the amount to R100 and to reduce the phasing out period, although the Portfolio Committee had made different suggestions regarding these aspects.

4.2.1.3.) Financial and Fiscal Commission

The FFC was commissioned to work for the Lund Committee and subsequently for the Department. Seeing that the Lund Committee was mainly concerned about the financial feasibility of the new programme, their financial calculations and advice were very important for the decision making process and the recommendations. Hence the FFC had great influence on the recommendations in particular, as it was

the institution the Committee and the Department relied upon. Moreover, since financial calculations are always dependent on assumptions, it must be criticised that the FFC, instead of seeking a dialogue with other organisations engaged in the process, tried to discredit and dis-empower them by saying that many of the groups are

...supporting the interest of present recipients over those historically disadvantaged ...

and are unable to

...understand the workings of the government budget process. (FFC, 1997a:7)

As shown above, all organisations supported the equalisation of the grant. Moreover, quite a few engaged into financial discussions and outlined where money could be saved to finance the new programme.⁸⁸

Although the FFC, after being proved wrong at the public hearings, conceded some mistakes in its calculations, it neither incorporated the criticism nor did it make new calculations publicly available.

88 see for example the submission of IDASA

4.2.1.4.) Lund Committee

No consultation, but technical committee

The Lund Committee acknowledged the lack of consultation around the matter. The report stated that there was simply no time for it and that the Committee was therefore a technical committee. However, the report does not answer some of the most important technical issues. Seeing that the point of departure was the financial feasibility of the existing programme, this technical committee found out that the equalisation of the grant would cost between R5 to R20 billion.

IDASA (1997:4) pointed out that

the figures are so divergent that to use them as the basis for a drastic policy change is ridiculous..

Another example is the means-test: Although the report discussed some options of means-testing, no clear vision or strategy on this technical issue was developed as had actually to be expected.

Role of the representatives on the Lund Committee not clear

The role of the 'representatives' of the organisations of civil society was not clear. Although concerns about the recommendations were raised by one of these representatives, they were not taken any further. At one point in time it was even considered by the NGO concerned that this representative should step down from the Committee. The Lund Committee must be challenged on its idea of representation as substantial disagreement resulted only in a statement in the appendix.

Acceptance of GEAR

The Lund Committee entirely accepted the fiscal parameters set by GEAR. Besides the fact that Cabinet in the end increased the budget, which had been regarded by the Committee as the maximum available, by nearly 50%, thus showing that the fiscal constraints were wrongly assumed, it must be questioned if a Committee has to accept these parameters in such a manner. Was it not for the Committee to be led by a needs assessment and to point to the injustice and imbalance of the past instead of trying to equalise a system with the same amount of money which had been available for the old one? Given the situation that over 80% of the population had been excluded from the old system, should not Government decide on the amount it wants to make available for such a task?

By looking at the broad picture described above one has to conclude that Government, which in this case includes the Department, Cabinet, the Lund Committee and the Financial and Fiscal Commission, in the decision making process up to now (August 1997) has at first been actively trying to exclude the public from the debate and later it has not been willing to incorporate the points of criticism made by organisations of civil society which engaged in a debate around this issue.

4.2.2.) Organisations and individuals of civil society

4.2.2.1.) Organisations

Broad spectrum of organisations

Looking at the organisations which made submissions at the public hearings and which were part of the Lund Working Group⁸⁹, it becomes clear that they came from different backgrounds and represented various constituencies: There was grass-roots representation (e.g. New women's movement, women on farms project), national NGOs (e.g. Black Sash, NGO Coalition), regional NGOs (e.g. Cape Flat Development Organisations), welfare organisations (e.g. Child Welfare), churches (e.g. SACC, SACBC), unions (e.g. Chemical Worker Industrial Union), research institutes (e.g. Centre for Socio-Legal Studies) and national institutions (e.g. Human Rights Commission). Given the variety of organisations, they also expressed different opinions and views and cannot be expected to speak with one voice. This also means that it was relatively easy for the Government to weaken the opposition by arguing that the NGOs themselves were divided and therefore did not have to be taken seriously. This was easy, especially as there are always NGOs which also support Government.

For future processes one will have to be aware of this tendency while at the same time trying not to limit the variety, but rather to regard the different organisations and opinions as an enrichment for the process to develop a lively debate. For example, grass-roots organisations will have different demands and different strategies in comparison to research institutes. But as this case proved, a fruitful exchange between the different groups, based on the acceptance of the different views and backgrounds, is

⁸⁹ see Appendix 1 & Appendix 3

possible and enhances the process. While the grass-root organisation can put pressure on Government by means of marches etc. the research institutes can inform about their views and provide information. National NGOs on the other hand - e.g. the Black Sash - can provide much needed infrastructure and communications channels for such a process.

Relationship to the Portfolio Committee

The Portfolio Committee can be seen as the decisive factor in this process. While the Department reacted more and more with disapproval, the Portfolio Committee became more and more important. Civil society got the opportunity to voice their criticisms at the public hearings. Direct discussion, exchange and lobbying with mainly ANC committee members was used as another opportunity for participation in the policy process.

4.2.2.2.) Individuals

Individual researchers became engaged in the process and worked together with organisations of civil society. They played an important role by informing organisations and the Portfolio Committee about their research findings. On the other hand, they also needed the organisations to get a voice to make their findings public and to get public support. It is easier for Government to reject or disregard findings or opinions of individuals, than to do so if they are supported by a broader spectrum. It depends on who is raising points at what point in time! One example is the means-test: While several researchers (Le Roux, Dirk Haarmann, the author) criticised this aspect of the

Lund report already in 1996, the problem gained public attention only at the public hearings when several organisations raised the point and put their names behind the proposals which had been made already much earlier. Now the Department had to react to the proposals as they had also become part of the recommendations of the Portfolio Committee.

This case has proven that a fruitful co-operation between researchers and organisations is possible and enriching for the process. Respect of the different opinions voiced is a precondition and it should lead to the ability of finding a compromise and to finding a balance between pragmatism and idealism. As important as research might be, researchers have to be sensitive to democratic processes within civil society.

4.2.3.) Parliamentary Portfolio Committee

Public hearings

The Portfolio Committee played a very important role as it used its power to call for public hearings, to reject the policy proposed by the Department on the basis of the submissions made by civil society and by making recommendations to the Department of how to change the policy. The Portfolio Committee was in an awkward situation indeed when it decided for public hearings. Although the legislation had still to go through Parliament, Cabinet had already decided on the policy and the impact public hearings could make was therefore questionable. This situation was aggravated at the public hearings in two other provinces, a month after the hearings in Cape Town, as the Minister had told the public already that the policy would not be

changed. However, the Portfolio Committee regarded the inputs of civil society as necessary and went ahead with the hearings rejecting the original policy.

Political considerations

Given the ANC majority in Parliament, the Portfolio Committees are also driven by ANC politicians. The members are therefore in a difficult situation when criticising new policy proposals as they are caught between 'party loyalty' and the fulfilment of their role as an organ of 'healthy criticism'. Political instinct and sensitiveness is required to find the right balance. The Portfolio Committee on Welfare definitely took a stand for public participation, but also tried to act as a mediator between organisations and the Department. While the decision for public hearings was important in terms of creating an opportunity for public hearings, it remains to be seen if the Portfolio Committee can put enough pressure on the Department to change the policy.

Dialogue with civil society

Following up the last point, one has to acknowledge that the commitment of the Portfolio Committee with regard to public consultation and participation did not end with the public hearings. The ANC study group in particular informed themselves quite regularly about the views, opinions and new research findings of civil society.

4.2.4.) Media

Coverage of events

The table in appendix 4 reveals that the media widely covered the bigger events, like the public hearings, Cabinet's decisions, press statement of the Department or NGOs. Some newspapers, like the Business Day, Mail & Guardian, Cape Times, also reported regularly on further discussions and developments. The issue obtained public awareness through these articles and also through various national and community radio programmes. Besides the effect that the public got informed about the issue, it also indicated to the Department that things were publicly discussed and hence pressure was put on the Department to react.

Bad journalism

The positive results of the coverage were unfortunately often counteracted by badly researched articles which reported wrong information and positions and then created a distorted view of the debate. Just to give two examples: Fairly at the beginning of the debate, the Mail & Guardian published an article in January 1997. In this article headed 'Move to give welfare only to the poorest opposed' Edmunds (1997), referring to the letter of the Lund Working Group to the Minister and to the research done by the author and Dirk Haarmann, claimed that the Ministry faces opposition for the fact

...that state maintenance payments - which under apartheid were available only to white and coloured mothers - be limited now to the poorest of the poor.

However, in a subsequent letter to the editor, the author and Dirk Haarmann could show that the article had completely missed the point, for the Lund report stated that under their preferred option 12% of children in the respective age group could be supported. But about 68% of the children in this age group live with a care-giver

earning less than R250 per month⁹⁰. Hence at least 68% of children are poor and should get support. Thus, the Lund recommendations were not aiming to give welfare to the poorest, but to a very small group amongst the many poor children in South Africa only.

A second example is an article in 'The Star' (29.04.1997) which reported on the public hearings. The article claimed that some NGOs criticised the 20% reduction of the current benefit from R135 to R75. Besides the fact that this is mathematically wrong it is also a completely wrong piece of information as well about the existing system, as about the recommendation and the reaction to it. The new policy is not to reduce the R135 (the child part of the maintenance grant) by 20%, but to phase out the full grant (parent and child allowance) over five years by 20% and to create a totally new policy. Furthermore, there is no mentioning in the article of the limitation to children from 0-6 nor of the support of the NGOs for the equalisation of the grant.

Such bad journalism occurred several times and it took quite a bit of energy and time from the side of civil society to put things right and to make the true facts public.

Interaction between civil society and Government

Newspapers, as a rule, were prepared to publish articles written either by civil society or the Department. Therefore, a dialogue was sometimes possible between the two actors via newspapers and this was helpful for the public to become informed about

90 see Dirk Haarmann, chapter 2

the different views.⁹¹ However, this unfortunately also led sometimes to unfair practice in favour of Government, when for example the Minister was able to respond to an article written by the NGO Coalition in the same edition as the article was published. (Mail & Guardian, May 9 to 15 1997; R75 isn't enough... But the safety net's widened) The NGO Coalition was not aware of the fact that the Minister would respond directly to the article and they had - of course- no access to the article of the Minister beforehand. In this way Government could answer to the position of the NGOs directly⁹², but not vice versa. This is obviously journalistic tactics to attract readers, because the discussion on the matter takes place in the same edition of the newspaper - in this case even on the same page - , but it clearly showed a bias and again such an approach takes time and energy to put the discussion in the right light again.

4.3.) Conclusion

Reviewing the whole process one has to conclude that the Department was not open to public participation and consultation with civil society on the issue of a new national child support programme. This is most unfortunate as the White Paper on Welfare declares consultation and 'national consensus' as an important part of policy building. Obviously, one has to acknowledge that some attempts were made, like the appointment of five organisations on the Lund Committee. However, criticism from this side did then not bring about change or further consultation. Further policy proc-

91 see for example p. 238 & 243

92 see p. 242

esses should be carefully watched in terms of the Department's efforts to include civil society and its willingness to listen to points of criticism and to incorporate alternative suggestions.

The situation required a strong commitment from the side of civil society to make an input and their voices heard. Through the actions which were taken by organisations and individuals of civil society, it became clear that they themselves regarded their involvement in the policy building process as essential. This is an important and positive development in the young South African democracy. At the same time, it is also obvious that neither Government nor civil society are certain of their role and of the way of dealing with each other. The fact that mostly progressive organisations got involved which fought against apartheid and were hence on the same side as the ANC, probably contribute to the above mentioned and it will be interesting to see how the relationship further develops. However, the critical voice of progressive organisations in South Africa is of great importance to the development of the democracy.

Related to this point is the capacity of civil society. The policy process has shown that the involvement of research institutes and individual researchers is much needed for the development of points of criticism and even more important for the development of alternatives to Government policies. This capacity enables organisation of civil society to debate with Government on a high level and ensures that Government cannot easily dismiss the points of criticism.

Regarding the Parliamentary process, the role of the Portfolio Committee has to be acknowledged in particular. The Committee, in which the ANC has the majority, took an unusual and exposed stand by opposing Government policy and by calling for public hearings after Cabinet already made a decision concerning the policy. This stand of the Committee enabled civil society to voice their concerns. This was even more needed given the lack of willingness and openness of the Department to integrate the opinions of civil society. The situation required political courage from the side of the ANC Parliamentarians and the Chairperson in particular. Analysing the positive effects of the whole process, it is hoped that other Portfolio Committees and Parliamentarians are allowed and prepared to play such a role.

The role and involvement of the media requires more attention. The process has shown potential and willingness to report on policy issues and on debates between civil society and Government. However, the capacity to convey information in a correct and balanced way was sometimes lacking. The utilisation of the media by Government or civil society is an interesting factor which needs more exploration. The importance of community radio stations can probably not be overestimated and education on that level is definitely a crucial element of future developments.

This public debate is an important example of policy development in South Africa. Therefore, for the benefit of future policy formulation, the lessons which can be learnt for all actors involved will have to be analysed still more thoroughly. It is hoped that the detailed description provided in the appendix is able to make a contribution to it.

Chapter 5: Towards a developmental perspective on child support

Having analysed the response of organisations of civil society to the content of the new policy as well as their actions in the policy process, this chapter has a close look at the Child Support System from a developmental point of view. Moreover, the chapter identifies the shortcomings of the existing cash transfer systems in South Africa, namely the old State Maintenance Grant System and the State Old Age Pensions.

The critique of the CSG in the first part of the chapter is based on the framework of developmental social welfare policy on child support as outlined in Chapter 1, section 1.4. The second part of the chapter, which looks at the shortcomings of cash transfers, is divided into two parts. The first one summarises the findings of a qualitative study around Ceres⁹³ which focused on the situation of women with children living in an area where the payments of SMGs are well established. The second part calculates the take-up rate of the SOAP in urban and rural areas and in the different ranking groups on the basis of the SALDRU data.⁹⁴

93 a rural area in the Western Cape

94 The division into ranking groups is taken from Dirk Haarmann, chapter 2. The ranking groups constitute an alternative to the grouping into quintiles. The method Dirk Haarmann used is

The conclusion sums up the findings and lays the foundation for the introduction of the community fund in Chapter six.

5.1.) A developmental critique of the Lund report and the subsequent policy

The Lund report did not discuss developmental social welfare policy. While acknowledging that a shift from traditional social welfare towards developmental social welfare was taking place, the new concept was not explained in any further detail. The report only mentioned the current efforts of the Department for the improvement of child and family welfare policy, like the National Programme of Action Sectoral Committee or the Inter-Ministerial Committee on Young People at Risk. The Lund Committee interpreted these efforts in a way that they indicate

the commitment of the Department to caring for children within the family setting. (Lund report, 1996:22)

However, the concept of developmental social welfare itself was not further explored in any detail, neither concerning the way in which the Committee understood this overall policy shift, nor in how far the recommendations have become part of the new policy. The following analysis has to be seen against this background.

based on a composite index of poverty. People in the first two ranking groups live below the poverty line, while the people in the third live just above the line.

5.1.1.) The framework of developmental child support policy

Section

1.4.) The framework for a developmental social welfare policy on child support in Chapter 1 summarised the important aspects of a developmental approach towards child support policy. The Lund report has to be analysed in regard to this framework. The question has to be how far and in what way, the Lund report and the subsequent policy have incorporated the important factors identified in the White Paper and in Midgley's concept. Only then it can be seen whether the new policy is in accordance with the declared policy of developmental social welfare.

1. Integration of economic and social development

a) Taking account of the mutual independence of social spending and economic development

The Lund report regards social spending and social development as dependent on economic growth and not as mutually reinforcing like the developmental concept requires. It only mentions quite casually that ... *social spending in responsible limits (can be regarded) as a chance (author's emphasis) to promote successful economic growth. (Lund report, 1996:25)* However, this is in no way in line with Midgely's concept, nor does it accord with the White Paper which strongly stated that the one cannot occur without the other. The Lund report did not harmonise economic and social intervention, but saw its proposed policy entirely determined by the current macro-economic strategy. (Lund Report, 1996:24)

This approach accounts for the fact that the recommendations are entirely based on financial considerations, and consequently the different aspects of the recommendations, like the level of benefit, the age-cohort and the percentage of children supported, are determined by the assumed budget available (Lund report, 1996:96 and see also point 2.).

Moreover, from a theoretical perspective, the Lund report did not provide a discussion on in how far the new child support policy accords with the concept of developmental social welfare. The following quotation (Lund report, 1996:47) indicates that the report did not have the same idea of developmental social welfare and the function of social security in mind as the Department in the White Paper.

If developmental social welfare is allowed by default or by intent to take responsibility for economic empowerment at any significant scale, and if this is then used as a rationale for cutting back on social security or on the further development of social services, the work of social workers will become intolerable, and the welfare sector will be an active contributor to what appear to be ever deepening inequalities in South African society. (Lund report, 1996:47)

This statement can only mean that the Committee does not regard economic empowerment as a function and ultimately not as a goal of developmental social welfare. This point makes it perfectly clear that the concept of developmental social welfare as laid out in the White Paper has not been understood. The White Paper and Midgley have been reiterating this important function and the close - in fact inseparable - link of economic and social development. Midgley argued that social security goals need to be harmonised with broader development objectives, of which, one must argue, economic empowerment has to be a part, if poverty and inequality are to be reduced meaningfully. Midgley further pointed to the negative consequence of a non-harmonisation of the policies:

Absence of this kind of policymaking (with the focus on poverty and harmonisation, the author) has rendered social security programs ineffective, and even anachronistic in the economic development context, impeding their ability to respond to the poverty problem. (Midgley, 1993:136)

It appears however, that the Committee regards its proposed social security system as competing with economic empowerment programmes. This lack of an integrated policy entails the danger that exactly the negative consequence as described by Midgley could occur.

When trying to understand the underlying assumption of the Lund Committee's statement, one has to come to the following conclusion: The Committee must have feared that all funds would go to job creation programmes and that developmental social welfare was mainly about such programmes aimed at absolute self-sufficiency, eventually making welfare and interventions in whatever form unnecessary. Only with this interpretation it makes sense to suspect a competition between economic empowerment programmes and social security. Consequently, this line of argument has brought the Committee into a defensive position leading to a minimalist approach and to the fact that only a slightly increased budget was demanded.

Midgley's and the White Paper's idea, however, is that social and economic development are interrelated and reinforcing, and not exclusive. In the developmental concept exactly those cash transfers provide the economic empowerment and social development of which the Lund report said that they were in danger of being cut back (e.g. Child Support Grant).⁹⁵ Therefore, the Lund report

⁹⁵ Midgley regards social security as one aspect of social welfare, which can make a decisive difference in fighting poverty. Social assistance has in particular ameliorating functions and the developmental impact occurs by investing in human capital (Midgley, 1996:108). Midgley (1993:140) referred to benefits which subsidise the income of poor households and which

would have had, in contrast to the route followed, a strong argument indeed for an increase in the budget on the ground that the new programme in that way fulfilled the promises of the White Paper and was in line with developmental social welfare.

One can only conclude that the recommendations of the Lund Committee did not create the important link of social security in the context of developmental social welfare. While the proposed social security programme has good intentions and would also have a place in developmental social welfare, the underlying theoretical concept has to be questioned seriously.

b) Ensuring economic efficiency, transparency and accountability

The Lund report, by looking at the costs of caring for a child in different institutions like in a place of safety or residential care (Lund report, 1996:83), showed that these alternatives are far more expensive than a grant. Moreover, it pointed to the fact that a grant can probably prevent the need for institutional care. Therefore, it is argued, paying out a grant instead of taking care of the children in institutions makes sense economically. However, this analysis did not prompt the Committee to argue for an increase in the budget to

maintain these households above the subsistence level as one possibility of poverty alleviation through social security mechanisms.

put a meaningful grant system into place which reaches the needy children. Instead, the report based its most optimistic recommendations on a budget which was only slightly increased in respect to the present level of spending⁹⁶. Given this budget, the preferred option of the Committee (R125 per month to children from 0-9 years) will only reach 12% of the children in the respective age-group. Beside the fact that the percentage of needy children is far higher,⁹⁷ and the preventive function of the grant on a larger scale can therefore be questioned, the administrative costs of such a limited coverage and the low level of benefit must be considered.

The main administrative costs occur by the process of selecting the children (means-test) and the ways of paying-out the grant. The Lund report did not put a figure to either of these two. The Lund report suggested to pay out the benefit only on a quarterly basis to reduce costs. However, this idea has met strong opposition from civil society due to the realities on the ground.⁹⁸

Regarding the selection of the beneficiaries, the Lund report has no practical solution how a means-test could function. It is, however,

96 see p. 88

97 see Chapter 2, Dirk Haarmann: He showed that between 60%-70% of children live below any commonly used poverty line.

98 see p. 104

clear that given the severe poverty among children in South Africa⁹⁹, a complex and complicated means-test would be necessary to select 12% (or even 39%¹⁰⁰ for that matter) and that such a complicated means-test will inevitably be expensive and time-consuming. In addition, the criteria for eligibility would not be easily understandable for potential beneficiaries.

Looking at these two aspects, it can well be argued that the administrative costs for the proposed grant are dis-proportionally high and hence not economically efficient. It is a serious flaw of the report that these questions are not addressed.

Moreover, the Lund report did not discuss the question of fraud and corruption which can potentially push up the administrative costs enormously and prevent that the money reaches the intended beneficiaries. Fraud and corruption is not only a huge problem in the administration of current programmes. A new policy has to ensure that it does not open the door to even more fraud and corruption, but to the contrary that it puts mechanisms in place which prevent this to happen. The Lund report did not deal with that issue which would be important to ensure transparency and accountability.

99 see footnote number 97

100 see p. 69

2. Seeking to attain the provision of an acceptable minimum standard of support for all needy children in South Africa

The Lund report did include a discussion on the household subsistence level for children as a benchmark for the level of support. However, various submissions to the Portfolio Committee have pointed to the serious flaws in the interpretation of the figures used and came to the conclusion that more and differently conducted research has to be done to find an acceptable minimum standard of support¹⁰¹.

Moreover, as discussed in point 1a in more detail, the underlying principle of the determination of the level of benefit and the age cohort were solely financial considerations.

No further planning - or the call for the need of this - was done to look into the progressive realisation of the support.

101 see p. 77ff.

3. A people-centred, democratic approach towards the participation of the people concerned

In regard to the policy process, the Lund report stated that it only worked as a technical Committee and that due to time constraints consultation was not possible (Lund report, 1996: Executive Summary 2). Against this background of the recommendations made by the Committee, it would have been imperative for the Department of Welfare to start a consultative process regarding the suggestions. However, as Chapter 3 and 4 have shown, the Department did not engage in a consultative process before it brought the recommendations to Cabinet. It was not open to inputs made by civil society, let alone prepared to change the policy after criticisms had arisen. These developments indicate a turning away of the Department of Welfare from its declared policy and constitute a serious shortcoming in the new policy.

In addition, without denying the importance of a social grant, the policy itself is restricted to such a grant and has no mechanism or other component which encourage the participation of the people or the community. (for more detail see point 5.)

4. Intervention in favour of redistribution and striving towards social justice

By proposing a grant system, the Lund report regarded interventions as necessary, just as the developmental approach does, and did not believe in a 'natural improvement' of society. But no thorough discussion is provided of the notion of intervention. Midgley considered this as necessary, especially in response to free marketers (Midgley, 1996:86).

Looking at the South African situation, the necessity to explain the notion of intervention becomes obvious. The Lund report pointed to the present macro-economic strategy as the limiting factor in welfare spending. It is outlined that the strategy is mainly concerned about economic growth and job creation and entails strong neo-liberal strategies. In this light, a discussion about the need of intervention and redistribution through the social security programme proposed would have been in particular important.

The new policy is redistributive in character, but the level of redistribution depends on the amount of money made available in the budget. The Lund Committee in its recommendations did only ask for a slight increase of the current budget spent on the SMG. On this basis, the redistributive impact would not be expanded. Cabinet decided - contrary to the pessimistic expectations of the Lund report - to increase the budget over the next five years, which ensures a higher level of redis-

tribution. However, as pointed out in Chapter 3 (3.2.3.) The financial implications of the new CSB), it has to be monitored whether the Department will be able to reach the potential beneficiaries and actually spend the money.

5. Fostering partnership between Government and other role-players

The recommendations only include Government as an agent for strategies. Individuals, communities, NGOs, religious groups, business, labour, which are included in the developmental social welfare concept, are not integrated into the new policy. Although the Lund report reviews some social programmes which rely on other agents, the final policy only tries to create some synergies between the Health Department and the Welfare Department. Therefore it is restricted to Government as an agent of intervention. Subsequently, the policy has only one strategy and cannot address social development from different angles. Moreover, it does not build a partnership between Government and organisations of civil society. The creation of an institutional perspective and the development of an organisational structure which combines different role-players and strategies is not even attempted.

The neglect to include other role-players leads to the situation that Government relies on its own resources. Given the severe fiscal constraints in which Government has to operate and which - as the Lund Report (1996:24) explained - are further restricted by the macro-

economic framework (GEAR) of the government, a drawing in of other funding resources is imperative. Such an approach would support Government's efforts and widen its room for manoeuvre.

5.1.2.) Concluding remarks

Judging the new policy from a developmental point of view, it becomes obvious that very little of this new overall policy has been realised or integrated into the new Child Support Grant. Not only has the Committee not followed the new concept, but there seem to be serious misinterpretations of what it actually entails. The establishment of a grant is an important step forward from a developmental perspective. The mistake of the Committee was not to argue for the Child Support Grant as part and parcel of a developmental approach. The heart of the concept, namely that developmental social welfare is much needed for economic development and that interventions at all levels by different agents are important, seems to be misunderstood. Moreover, the policy does not seek to build a partnership with civil society in order to combine different strategies and to draw in more resources.

These are serious misinterpretations and they present an unfortunate development. Due to the seriousness of the divergence of the CSG policy from the policy guidelines it has to be hoped that that this policy will be revised and brought in line with the promises made in the White Paper.

5.2.) The limitations of cash-transfers. Learning from the SMG system and the old age pensions

This section firstly examines the situation of women with children living in an area where the payments of SMGs are well established. Secondly, it takes a closer look at the take-up rates of old age pensions. While acknowledging the importance of cash transfers in poverty alleviation programmes, these two investigations are meant to establish their shortcomings and limitations.

5.2.1.) The situation on the ground: The research in Ceres¹⁰²

In order to obtain an impression of the situation on the ground, the author, together with Dirk Haarmann, conducted qualitative interviews with families in a rural area in the Western Cape. The research was conducted on fruit-farms in the surroundings of Ceres and in Prince Alfred's Hamlet, a village 20 km from Ceres. The sample consisted of 20 people: a group of 12 women who get a State Maintenance Grant at the moment and another group of 8 people who had been interviewed by the South African Labour and Development Research Unit in 1993¹⁰³.

102 The findings and remarks are based on 20 interviews made in May 1996. 18 are on tape, 2 are recorded in writing.

103 The sample of SALDRU in this particular area included only 'coloured' married couples living together. In addition, the farms visited had a high standard of housing, clean water and electricity for the farm workers and their families. One of the farms where 7 couples -out of a sample of 16 couples- were interviewed, had its own farm school and a clinic. The wages on

The sampling for the first group was done randomly between different farms and different circumstances of women with children (e.g. where the husband or father of the child is in prison, deceased or untraceable). SALDRU interviewed 16 people on 5 different farms in 1993, whereas the researchers visited all farms, but interviewed only 8 people on 4 different farms.

The researchers used semi-structured interviews and asked questions about the household structure, the financial situation, employment chances - especially for women - education, and basic needs like water, housing and health services. The approach was to let the people 'tell their stories' and intervene as little as possible in the discussion. In contrast to the representative sample of SALDRU, this investigation intended to give an understanding of the situation of a specific community. The findings are summarised in the section that follows.

This first paragraph wants to give a short profile of the people who have been interviewed. It has to be mentioned that the in-depth interviews cannot claim to be representative. Therefore the in parts quantitative approach of this profile should not lead to any conclusions about the total group of maintenance grant recipients or non-recipients in terms of percentages. However, it was felt that such a profile was important to sketch the situation of the people who were interviewed. For reasons of comparison within the two different groups, the profiles are divided into those who receive SMG at the moment and those who do not.

these farms are also relatively high in comparison to other farms in the area. This sample can be criticised as not being representative for the area.

	Present State Maintenance Grant recipient	Non - recipient
Total number interviewed	12	8
HH Profile		
Number of people in the HH (Average (Ø))	5.3	5.1
Number of people in the HH (Range (⇔))	3 ⇔ 9	4 ⇔ 9
Number of children in the HH (Ø)	2.3	2.8
Number of children in the HH (⇔)	1 ⇔ 4	2 ⇔ 5
Number of children below 7 years (Ø)	0.6	0.8
Number of children below 7 years (⇔)	0 ⇔ 2	0 ⇔ 2
Wealth		
Rand per capita per day (Ø) without SMGs	R1.1	R5.9
with SMGs	R3.3	
Rand per capita per day (⇔) without SMGs	R0 ⇔ R3	R3 ⇔ R10
with SMGs	R1 ⇔ R6	
Health		
Number of months children are / were breast fed (Ø)	15 months	12 months
Number of children who were not breast fed %	3	0
From those children in schooling age % getting school feeding schemes	50%	63%
Employment status of the mother / grand-mother		
Unemployed (%)	8%	38%
Seasonal work (%)	42%	25%
monthly salary (Ø)	R170	R200
monthly salary (⇔)	R160 ⇔ R180	R200
Full employment (%)	50%	38%
monthly salary (Ø)	R285	R437
monthly salary (⇔)	R120 ⇔ R472	R400 ⇔ R460

Additional income from other members in the HH		
Number of HH with members receiving additional incomes from paid work (%)	8.3%	100%
Monthly salary (Ø)	R400	R641
Monthly salary (⇔)	R400	R328 ⇔ R800
Financial management		
Number of people where the mother / grandmother is said to manage the money (excluding single mother HH) (%)	8%	13%
Collectively decided (%)	33%	63%
Single mothers (%)	33%	0%
No answer (%)	25%	25%
Support structures		
Number of people who have contact to a social worker (%)	30%	20%
Number of people who have regular contact to a church (%)	100%	100%

State Maintenance Grant recipients

Level of grants received	
Grant received (Ø)	R346
Grant received (⇔)	R115 ⇔ R640
Level of grant entitled to	
According to regulations grant qualified for (Ø)	R662
According to regulations grant qualified for (⇔)	R565 ⇔ R700
Accuracy of grant administered by the welfare offices	
People who receive the right amount (N)	0
People who receive more than they should according to the regulations (N)	1
Monthly amount received to much	R47
People who receive less than they should (N)	11
Monthly amount received to little (Ø)	R317

Monthly amount received to little (⇔)	R89 ⇔ R585
Theoretically qualifying for new CSG	
People theoretically qualifying for the new CSG	5 out of 12

5.2.1.1) Clinic

From the interviews, the clinic system appears to be efficient. A nurse of the clinic comes to each farm once a month to check the health of the children up to school age. The clinic also visits the schools to provide services for older children. The adults have a chance to see a nurse without having to travel. People are generally informed about basic nutrition and health matters (e.g. sugar and salt water for children with diarrhoea). Most of the women breast-feed their children between 1-4 years (see p. 167 section 'health'). If a child is sick they apparently take it directly to the doctor. Normally they depend on transport from the farmers, who mostly seem to be willing to help in such cases.

5.2.1.2) Water and Housing

The water and housing situation differs drastically from farm to farm. On the one hand there are farms with clean water, inside toilets, electricity and telephone connections. On the other hand there are people who have to boil the water for their children, who have to cook on an open fire and who live in housing of a very poor standard.

5.2.1.3.) Nutrition

Judging the nutrition situation is very difficult, as it differs a lot from place to place. On some farms the families get fruit free of charge and often there is a 'vegetable bakkie' which comes once a week to the farms to sell fresh vegetables. Meat can usually be purchased on the farms. Nevertheless the financial situation often limits the variety of food which people can buy. The shop on the farm is generally far more expensive than buying in the village. Still a lot of farm-workers buy on the farm due to lack of transport or because they can buy on credit there. Growing vegetables and fruit or raising animals for their own use was not at all common among the interviewees.

One woman said that she had only home-made bread for the last week of each month because her salary was too low to feed her two children with anything else besides bread. (She worked between 5-7 days a week!)

5.2.1.4.) Financial Situation

The financial situation of families depends primarily on the level of the wages which varies substantially between the farms. The range is between R10 and R35 a day. Women are discriminated against in terms of wages and they often receive wages below the breadline. (R301 per month¹⁰⁴, see also p. 167, section 'employment status')

104 see footnote 105.

Often men are employed on the farm for the whole year, whereas women only get seasonal work. This constitutes a big problem for single women, but it is of course also frustrating for married women. Opinions about alternative job opportunities differ. Often job seeking is restricted to farm work. Other options like employment in town or self-employment are often not considered and the people are convinced that there is no other work available for them. On the other hand, there is a group of people who say that there is work in the factories in town, which they often would prefer to take up, but they are staying on the farm for various reasons.

The problem that farm-workers do not have power to bargain for minimum wages became quite obvious during the interviews: Although single mothers have work, they do not earn enough to raise their children in a healthy and enabling environment. In the case of single mothers with two or more children and a wage level for women of R10 to R22, they fall into the group of the South African poor¹⁰⁵.

105 Following the definition of 'poor' in South Africa as applied by the World Bank, the 40% poorest households with a cut-off point of R301,- per 'adult equivalent' are regarded as 'poor'. The 'adult equivalent' for a mother with two children is 1,86 ($AE = (A+aK)b$; whereby $a = 0.5$ and $b = 0.9$ according to Deaton. In a case of a mother with two children: $AE = (1+0.5 \cdot 2) \cdot 0.9 = 1,86$. With a daily salary of R22 (!), she earns R544.50 per month. 544.50 divided by 1,86 equals R293,- per 'adult equivalent'!

5.2.1.5.) Schooling

A major concern for all parents were the expenses for schooling, namely uniforms and shoes, the school-fund, contribution to the school-feeding-scheme and in some cases also books. All interviewees mentioned the importance of education for the future of their children. Almost everybody did not want their children to work on a farm.

Throughout all the discussions with the people it became quite obvious that the situation of the people is indeed highly dependent on the attitudes of the farmers.

Another important point is that most of the people interviewed are members of a church and seem to have regular contact with a minister or evangelist. In contrast the contact with social workers or staff of the Welfare offices is at best sporadic or often virtually non-existent (see p. 168, section 'support structures').

5.2.1.6.) Maintenance Grants

Of the women receiving a maintenance grant most were engaged in seasonal work and were in need of the grant in order to buy food, clothes and to pay for school expenses. As the profile reveals (see p. 167, section 'wealth'), the people currently receiving SMGs are financially far worse off, in comparison to the other couples, without the payment of the grant, but also with the SMG. On average, a recipient of the SMG has R3.3 per day per capita taken the SMG into account as well. This amount drops to R1.1 if the SMG is not added to the income. A non-recipient has on average R5.9 per capita per day. It is also interesting to note that the support from additional

income of other members of the household is higher in cases of the non-recipients (see also p. 168, section 'additional income from members of the household').

The assumption that people who get a maintenance grant, do not have an incentive to work and "enjoy it like it is", seems to be unrealistic. Most women interviewed did try to find work and would have been delighted to get any permanent job. Some people even work full time throughout the year and do not get enough money to feed their children. Getting money from welfare is seen as a disgrace rather than an "easy way to enjoy constant holidays". This view is also held by couples who do not get support from welfare, rather than that the recipients would seek a way of cheating the system. If the grants should be taken away the people concerned will be faced with existential crises and most of them will be as badly off as if they had never received the grant.

There is not much understanding of how the system of maintenance grants actually works. It rather seems that there is a 'common' belief that the grant is there for single parents who are desperately in need, and that the amount of the grant depends on the individual case and the arbitrary will of the 'bureaucrats' in the Welfare office. None of the people questioned knew the basis for calculating the grant. The profile shows that none of the recipients receives the correct amount at the moment. One of the people interviewed got too much, whereas the rest receives too little money (see table on p. 168, section 'accuracy of grant administered by the welfare offices). In 50% of the cases, the welfare file entailed the right information like the income and the reason for the absence of the father. However, the amount of the grant was then calculated wrongly or the increase of the grant in the new financial year was not added. In

two cases, the **yearly** income of the recipients was higher than the means-test allowed for the **monthly** income to be. In these cases, the welfare offices granted the child allowance, but not the parent allowance.

The people interviewed did not know either that there were new regulations regarding the State Maintenance Grant and the means-test. The success of the implementation of the new means-test, which was meant to solve the problem of the 'poverty trap', seems to be questionable if the people do not know about it. The structures in the Welfare office are experienced by the people as arbitrary and not logical. Lack of transparency and accountability might be a main factor for the dis-empowerment of the people receiving grants.

5.2.1.7.) Concluding remarks

Throughout this research the following limitations and shortcomings of cash transfers can be identified:

- There is a lack of transparency and accountability from the side of the welfare offices and there is only sporadic or even no contact to the beneficiaries. This situation leads to a lack of information and understanding of the SMGs and to the dis-empowerment of the beneficiaries.
- While the grant helps to cover expenses for the nutritional need of the children, for the school expenses and allows for some long-term planning of the beneficiaries (debt-payments as they know they have a regular income source), the poverty situation remains highly depended

on the circumstances the people are living in. Problems like the provision of clean water, appropriate housing and clinics cannot be overcome with the grant.

5.2.2.) The take-up rate of old age pensions

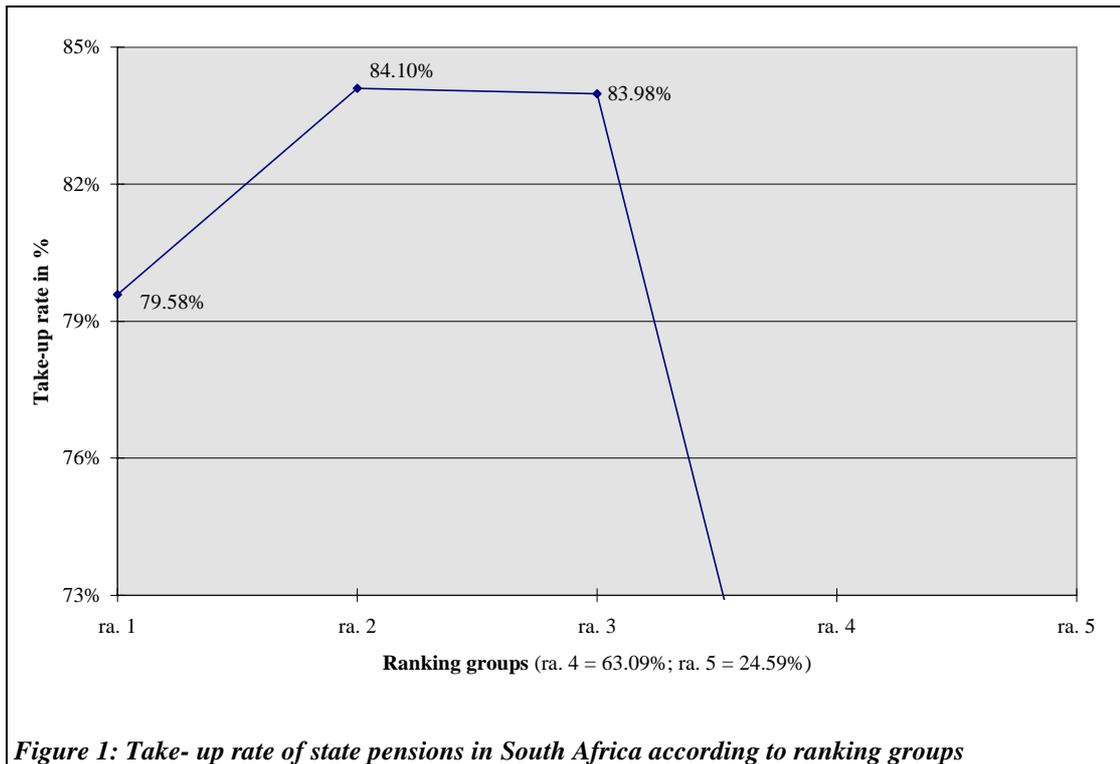
The research into the state old age pensions (Le Roux, 1996; van der Berg, 1994; Ardington, Lund, 1995, Morgan, 1991) has indicated the positive implications for poverty alleviation in poor households. This positive side of the pension pay-outs will not further be elaborated on. In contrast, the limitations of the system will be looked at, in particular the coverage of the extreme poor and the rural areas.

The calculations for the following tables are based on the SALDRU data adjusted according to the preliminary results of the 1996 Census.¹⁰⁶ Figure 1 shows the take-up rates¹⁰⁷ of the state old age pensions in the different ranking groups¹⁰⁸.

¹⁰⁶ for more details see Dirk Haarmann, Chapter 1. He adjusted the total population in the SALDRU data set according to the preliminary results of the 1996 Census. These results show that the total population of South Africa is smaller than previously assumed.

¹⁰⁷ The take-up rate is the percentage of eligible people who actually receive the grant.

¹⁰⁸ see footnote 94



While the overall take-up rate is 76% and presents a good coverage of the population, there is still a considerable part of old age people within the target-group (nearly 25%) who are excluded from support. When considering in particular the first three ranking groups in which the people in need of support live, Figure 1 reveals that the coverage is worse in the first and hence the poorest ranking group, while it stabilises at a higher level in the second and third ranking groups. Whereas in the latter it reaches 84%, the first ranking group only comes to 79%. Without again wanting to neglect the fact that this is still a very good coverage of old age people through a social assistance scheme, it also becomes clear that a considerable number of people who are in need of support stay excluded.

The next figure has a closer look at where the people excluded from support live by dividing the ranking groups into rural and urban areas.

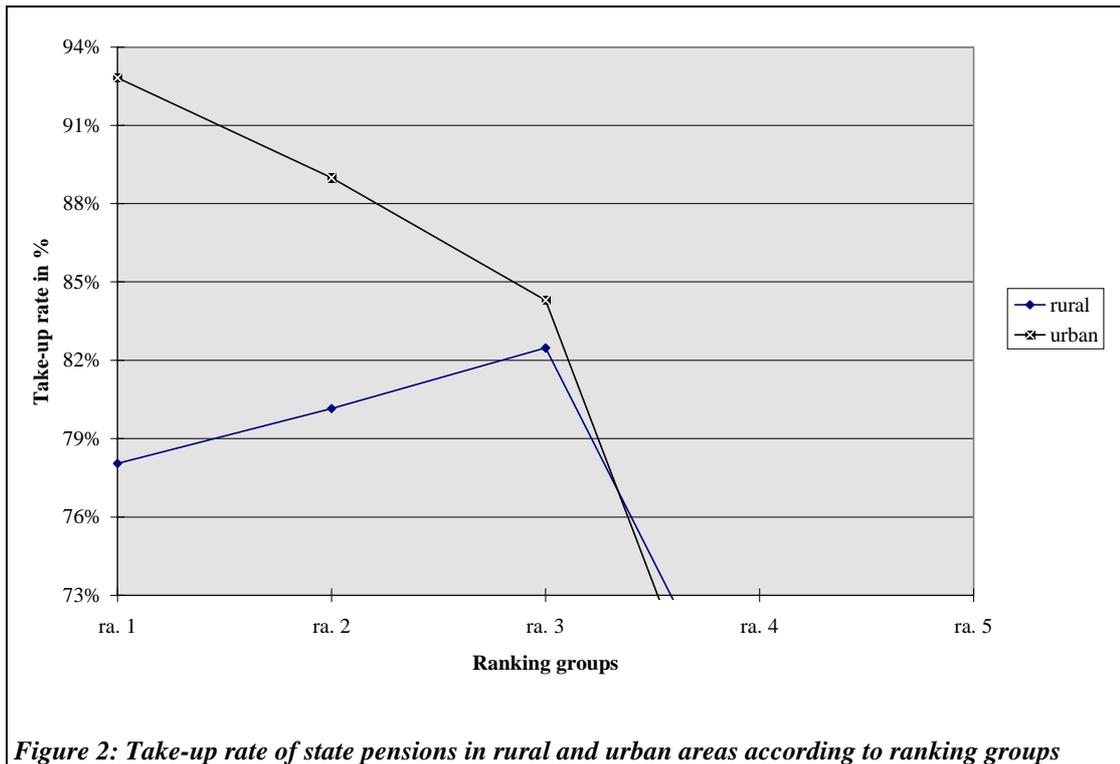


Figure 2: Take-up rate of state pensions in rural and urban areas according to ranking groups

Looking at the different take-up rates, an urban bias can clearly be identified. People living in rural areas achieve far lesser rates than the comparable groups in urban areas. The coverage in urban areas is very good indeed. While having a take-up rate of around 90% in the two first ranking groups in urban areas, the comparable figure drops to below 80% in rural areas.

Moreover, one also has to note that in urban areas the coverage has the right tendency, namely that more support goes to poorer people, whereas this tendency is reversed in the rural areas, where the first ranking group has a lower coverage than the second and third ranking groups. This picture corresponds with the overall take-up rate.

5.2.3.) Concluding remarks

The analysis of the take-up rate of the state old age pensions, has shown that

- while the overall take-up rate is fairly high, a considerable number of people are excluded from much needed support
- there is a bias in coverage against the rural areas and the poorest people.

5.3.) Conclusion

Chapter 3 and Chapter 4 revealed the points of criticism of civil society. This chapter added a critique from the perspective of developmental social welfare as well as the identification of shortcomings of cash transfers which are also likely to occur with the new Child Support Grant.

This analysis has shown that the Child Support Grant in its present form is - in its own right - not in line with the newly adopted policy of developmental social welfare. Important aspects of the new policy like the conceptual link to economic development, a people-centred approach and the combination of different strategies by various role-players through a partnership with civil society are not realised in the new grant system.

Moreover, the shortcomings of cash transfers which are visible in the current pension scheme and the old State Maintenance Grant system are not addressed and hence the same problems are likely to occur. The administration of the grant, mainly the kind of

the means-test chosen, does not deal with the lack of transparency and accountability, nor does it take a proactive approach towards the prevention of corruption.

Civil society has shown discontent, not only with the content of the policy, but also with the way in which the policy was adopted. This situation has led to the fact that a possible open and conducive partnership between civil society and Government in the fight against child poverty has been placed under enormous strains.

If a new policy for the support of children wants to be developmental and to take account of the South African situation, the problems identified above have to be attended to. The next chapter, which introduces the idea of a community fund as a complementary factor to the current grant systems, argues that such a fund can address some of the important problems and hence is in line with the concept of developmental social welfare.

Chapter 6: Suggesting a community fund in order to enhance the new child support grant

This chapter elaborates on a community fund as an enhancement to a new child support system. First, the concept is introduced and it is outlined why this suggestion should be seen as an integral part of a developmental social welfare policy. The second part draws on international experience, so that the similarities to social funds and the differences are highlighted. The third section is based on interviews with selected church leaders with whom the practicality of this concept, as part of a combined effort of the state - civil society relationship to combat poverty, was tested. On the basis of the second and third section the pros and the cons of this concept are discussed.

6.1.) Introducing the concept of a community fund as part of a child support system

6.1.1.) The concept in a nutshell

The proposed alternative tries to combat poverty from two different sides. On the one hand it is acknowledged that cash transfers do play an important role for poor households and can help to relieve poverty. On the other hand it is believed that this by itself is not appropriate and not in line with the new policy of developmental social

welfare. Three findings have led to the idea of a community fund which combines the efforts of government and civil society in combating child poverty:

1. Government's resources with regard to both, financial means and infrastructural capability, are limited and - even assuming a strong commitment to alleviate child poverty - are inadequate to address the massive structural problem of poverty effectively by themselves. (see Chapter 3 and Chapter 5)
2. A central feature of developmental social welfare is the effort to integrate and actively involve people in the proceedings so that they become part and parcel of the economic development process. Beyond addressing the direct economic needs, the development of human capacity, self-reliance and empowerment are of key importance. (see Chapter 1 especially p. 55)
3. South Africa has a strong civil society (NGOs, CBOs and religious groups, later referred to as 'NGOs', and understood in a broad sense as all the organisations of civil society who are not part of government¹⁰⁹), which has proven to be effective in this regard. Thereby they

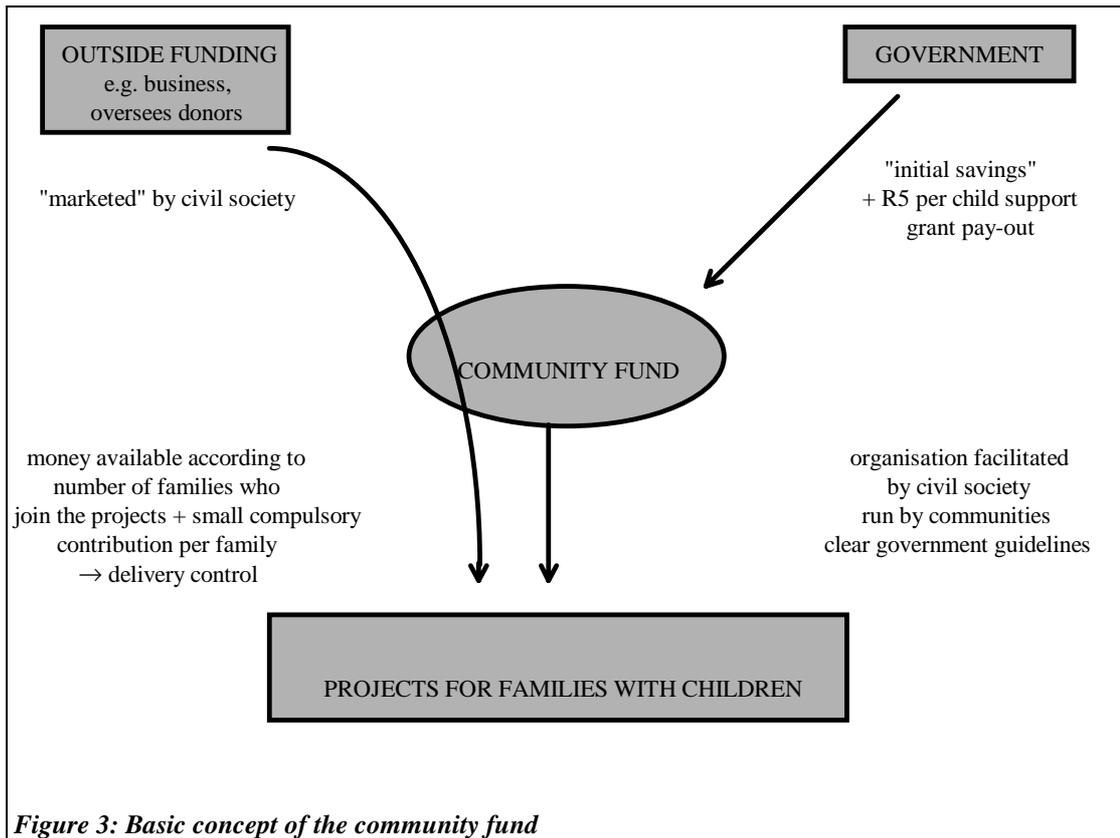
¹⁰⁹ It should be noted that this broad definition of NGOs can be challenged. For example some people argue that such a broad definition does not allow for the differentiation between organisations who are dependent on outside funding and are basically rendering services to the communities and, for example, churches who gather their own funding and extensively rely on voluntary services. However, this paper does not want to engage in this discussion, but rather needs a technical term to summarise this admittedly diverse group of organisations. In

have been consistently present in the communities, conscientising and mobilising the people and resources from within and outside the communities about the problems of economic injustice and poverty.

As shown in Chapter 1 and Chapter 4 both, government as well as organisations of civil society, have committed themselves to working together in order to address the special problem of child poverty. Looking at the situation of organisations of civil society, one of the major stumbling blocks in the post-apartheid era is their access to starting capital. This is where the community fund, which tries to combine government funding with outside funding, wants to come in and try to include the role of civil society in creative ways into a new child support policy, so that the effectiveness in combating child poverty can be maximised:

As part of a new policy on child support, Government should establish a fund which provides 'seed - money' for community projects run by organisations of civil society (e.g. NGOs, religious groupings etc., see above). Facilitated by the NGOs, community projects with the objective of supporting, empowering and fostering the development of families with children in need would be initiated. The organisations of civil society should be able to access the community fund on the basis of the number of families who have joined the project and should be encouraged to access other funding from within and outside the communities.

the South African context the churches (SACC, SACBC etc.) are members of SANGOCO, which should allow in this context for the above mentioned definition.



6.1.2.) Administrative arrangements

The administration of the fund has to be flexible enough to allow the projects to take account of the differences in the living conditions in different parts of South Africa e.g. rural and urban. On the other hand the fund has to be administered in ways as to guarantee that the objectives set for this programme are achieved and that loopholes for corruption are avoided as far as possible.

Both, *institutional flexibility* and *accountability*, are of the utmost importance. Institutional flexibility is an especially important strength of this approach in contrast to a more rigid national programme [see 6.4.8.) The fund allows for appropriate support structures in different areas]. Accountability again is paramount for the credibility of

the programme and only on this condition will there be a chance to attract further funding from outside government. Given the problems in the present welfare administration, it seems that if trade-offs have to be made, less flexibility seems to be more acceptable than a compromise on accountability.

Given the fact, that the community fund is based on a partnership between Government and civil society, the concrete objectives and the regulations for the implementation should be worked out in a consultative process between the role-players. The projects then would have to comply with the regulations embedded in a national policy. Here suffice it to identify key guidelines: the projects must

- improve the life of families with poor children, with a direct focus on the children themselves
- be democratic
- be transparent
- be accountable
- be equally accessible¹¹⁰

Two different administrative options have been considered so far:

1. The fund could be administered on a national or provincial level, where the main representatives of NGOs, civic associations and reli-

¹¹⁰ Given the huge disparities which are still inherent in South Africa's society according to race, gender and location, a special focus on the formerly marginalised groups has to be adopted to allow for equity.

gious groups would come up with different 'project proposals' which would then have to be approved of by the Ministry of Welfare. After its approval, the 'project proposal' would be the pattern according to which the NGO, civic association or religious group could implement projects.

2. The fund could be administered by the local governments. The Welfare Office together with the local government would have to make this programme public as well as to inform the local NGOs, CBOs and religious groups about the fund and the criteria for accessing the fund.

Option 2 in comparison to option 1 would allow for a greater variety of different projects. Option 1 would require a national structure of the respective NGO. However, Option 2 demands more administration for the monitoring of the projects. Therefore, the author feels inclined to favour option 1 at least for the starting period. The communities would still have a range of options as different NGOs work within the same communities. Furthermore, the evaluation and thereby the correction and improvement of the projects would be easier. Communities working according to the same blueprints could exchange experiences and thereby learn from each other.

As mentioned earlier, accountability has to be regarded as a key factor. Government will have to play an important role in monitoring the projects, however, it has become clear in the past that due to a lack of administrative capacity this is often done insufficiently or does not happen at all. Therefore the following suggestion is made: A small contribution from the families joining the project should be made compulsory (e.g. R2-5). The people would thereby gain a sense of ownership of the project

and at the same time this would guarantee that people would only join projects, which they feel are run effectively. By joining or deciding against a certain project the people themselves would be in control of the share of the funding which can be allocated to each project. The final control would thereby lie with the people concerned.

6.1.3.) Financing the CSG and the community fund

This paragraph looks at the finances involved if a community fund was set up in addition to the CSGs. Two different options are considered here. Firstly, the author's proposal for the CSG plus a community fund and secondly the Department's current policy proposal for the CSG plus a community fund. The main differences in the CSG proposal are the level of benefit, the means-test and the phasing-out of the SMG.

The financing from the side of Government would consist of 3 pillars (The details of the costs are explained in Figure 4 and Figure 5 p. 191):

- 1. Funding the CSGs out of the social security budget:** A CSG of R135 for children under 6 years is paid to the primary care-giver - similar to the suggestions made on the CSG by civil society. This money should be part of the social security budget of the Department of Welfare. The benefit should be means-tested with a 'cut-off' point at

R800 for children who live with a single care-giver and R1600 with a couple.¹¹¹

- 2. Allocating the cuts arising from the faster phasing-out of the SMGs to the community fund:** It is likely that initial cuts will occur as the SMGs (with a relatively high benefit) are phased-out faster than the take-up of CSG (much lower amount) can compensate. The Department has often stated that there will be no roll-overs, meaning that if the money is not spent in the respective financial year, it will be lost for welfare. Therefore this money should be redirected to children in poverty through the community fund. This is in line with the demand of civil society that no net-savings through the introduction of the new system should occur as regards Government spending on children in poverty.

- 3. Paying an additional R5 with every CSG pay-out from the social services budget into the community fund:** In addition e.g. R5 per month per cash grant is to be accumulated in a community fund. This share should come from the social service part of the welfare budget.

¹¹¹ The means-test would be based on the suggestions made by the author and Dirk Haarmann at the public hearings. For more detail see 3.1.4.) The means-test and 3.1.3.) The target rate of 30%

Figure 4¹¹² shows the financial projections on Government's expenditure. In this calculation, the SMGs are phased-out over 5 years and a grant of R135 per month is paid to 75% of children up to the age of six (inclusive).

In Figure 4 each column represents a financial year so that budgets from 1997-98 to 2005-06 (9 years later) are predicted. The rows in the sequence of the graphs represent:

1. The money allocated by the Welfare Department with each CSG pay-out for the community fund (see number 3 p. 188). It is assumed that the Department would allocate R5 per pay-out per month.
2. The amount paid out to every project per month for each person which joins the project. It is assumed that in the initial five years actually R10 are paid out, which is financed through the cuts occurring due to the phasing-out of the SMGs (compare budget spent on SMGs and CSGs to the present spending of R1,326,930,333).
3. Shows the interest on the fund after deducting inflation.
4. The budget required for the SMGs.
5. The budget required for the CSGs.
6. The annual budget calculated out of the R5 (see 1) times the expected number of children supported (see 9).
7. The total budget spent by the Department meaning the sum of (4), (5) and (6).

¹¹² Note that the budget for the SMGs, CSGs and the number of children supported and not supported are taken from Dirk Haarmann's thesis. A detailed explanation of this is to be found in his chapter on 'Possible options for a new child and family support system'.

8. The total value of the community fund consisting of the cuts, the R5 allocated per pay-out and the interest on the fund.
9. The number of children in the age group of up to 6 years (incl.) who are supported.
10. The number of children in the age group of up to 6 years (incl.) who are not supported.

Figure 5¹¹³ is structured in the same way as Figure 4 but assumes the current policy proposal of Government with a 3 year phasing-out of the SMGs and a R100 grant per month for 48% of the children under the age of six (inclusive).

113 see footnote 112.

Financial year	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
R per pay-out budgeted for the CF:	R5								
R paid out per child supported:	R10	R10	R10	R10	R10	R5	R5	R5	R5
Interest on the fund (real value):	3%	3%	3%	3%	3%	3%	3%	3%	3%
Budget for SMGs in '97 Rand	1,260,243,400	845,136,912	582,880,997	370,666,326	158,746,449	0	0	0	0
Budget for New Child Support in '97 Rand	9,675,000	320,552,650	1,015,917,220	2,032,492,947	3,204,602,590	4,492,842,210	5,925,790,917	6,510,110,419	6,549,987,882
Budget for Community Fund	57,011,933	172,754,759	37,626,564	75,277,517	118,688,985	166,401,563	219,473,738	241,115,201	242,592,144
Total Budget spend in '97 Rand	1,326,930,333	1,338,444,320	1,636,424,781	2,478,436,790	3,482,038,024	4,659,243,773	6,145,264,655	6,751,225,619	6,792,580,025
Total value of the Community Fund	57,011,933	230,749,633	251,197,876	257,629,404	231,233,912	163,633,854	219,119,021	244,041,948	249,223,422
Number of children, who get support	5,972	197,872	627,109	1,254,625	1,978,150	2,773,359	3,657,896	4,018,587	4,043,202
Number of children, who get no support	6,700,737	6,582,611	6,227,818	5,675,417	5,028,349	4,274,721	3,432,437	3,114,669	3,133,647

Figure 4: Option 1: Financial projections, if R135 for the CSG (0-6 years incl.) and R5 for the community fund are budgeted (means-test selects 75% of the children)

Financial year	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
R per pay-out budgeted for the CF:	R5								
R paid out per child supported:	R10	R10	R10	R10	R10	R5	R5	R5	R5
Interest on the fund (real value):	3%	3%	3%	3%	3%	3%	3%	3%	3%
Budget for SMGs in '97 Rand	1,216,024,333	657,328,709	264,945,908	0	0	0	0	0	0
Budget for New Child Support in '97 Rand	3,583,333	118,723,204	376,265,637	752,775,165	1,186,889,848	1,664,015,633	2,199,523,958	2,809,545,934	3,105,179,440
Budget for Community Fund	107,143,500	556,456,247	704,173,737	611,435,593	199,026,644	83,200,782	109,976,198	140,477,297	155,258,972
Total Budget spend in '97 Rand	1,326,751,167	1,332,508,160	1,345,385,282	1,364,210,758	1,385,916,492	1,747,216,415	2,309,500,156	2,950,023,231	3,260,438,412
Total value of the Community Fund	107,143,500	666,450,344	1,378,567,186	1,993,168,833	2,175,583,862	2,203,582,840	2,295,217,730	2,392,925,718	2,477,388,005
Number of children, who get support	2,986	98,936	313,555	627,313	989,075	1,386,680	1,832,937	2,341,288	2,587,650
Number of children, who get no support	6,703,723	6,681,547	6,541,373	6,302,730	6,017,424	5,661,401	5,257,396	4,791,967	4,589,200

Figure 5: Option 2: Financial projections, if R100 for the CSG (0-6 years incl.) and R5 for the community fund are budgeted (means-test selects 48% of the children)

The cuts in the budget due to the phasing-out of the SMGs, will result in an over-funding of the fund in its initial phase (at least over the next five years). The cuts are higher in the second option due to a smaller overall target-rate and a lower level of benefit. In Figure 4 the amount of the community fund varies between 150-250 million Rand per year. Figure 5 shows that if the means-test is not dramatically changed, the cuts in real expenditure on children in need will lead to a situation where by the financial year 2000/01 nearly 2 billion Rand are accumulated in the fund. This would allow for drastically higher pay-outs to the projects. However, even in Figure 4 the cuts would allow for paying out R10 instead of R5 for the first 5 years. Furthermore, it seems likely that especially during the implementation of the projects not all beneficiaries will participate in the project. This would further allow to support the initial projects with some additional starting capital or to increase the amount paid out per beneficiary. E.g. R20 could be paid out if only half of the children came onto the projects in the beginning etc. If this was monitored carefully, it could work as an incentive to start community projects soon.

Option 1 would require a budget of R3.5bn in the year 2001-2002, whereas option 2 would only spend R1.4bn in the same year. This means that there would be no real increase in the spending for children in comparison to the current situation. This is in particular worrying as Cabinet has already approved of an increase in spending for the programme.¹¹⁴

114 see for more detail 3.2.3.) The financial implications of the new CSB

In the long run, the payment of R5 into the fund should be re-evaluated and adjusted depending on the success of the programmes. The idea is to start rather with a low amount for the community fund, which can then be in- or decreased, according to the results of the evaluation.

Depending on the overall success, it should be considered to extend the age limit for the participation in the projects to 10-14 years. Even if the child support grant can no longer be granted - due to overall financial constraints -, nevertheless the beneficiaries of the projects might be eligible to be part and parcel of the projects until a higher age. This would ensure a greater continuity in the projects at relatively low costs. Their effectiveness could be increased as well.

From the point of view of the NGOs, the financial side involves the following characteristics (see also Figure 3: Basic concept of the community fund p. 184):

- They can access the community fund according to the numbers of people who have joined the project.
- This money can be taken as 'seed money' to access other funding outside Government, both in South Africa and elsewhere.
- The compulsory contribution of parents who join the project contributes to the projects.
- The administrative costs would be low as the NGOs do have working structures; some of them are funded from outside or by voluntary contributions from within the communities. [see '6.3.) Testing the idea of

a community approach with relevant people in the field from the churches' p.: 215]

One strength of the community fund approach is the access to funding sources which are inaccessible to Government. In a time where state-to-state support is in decline world wide, and the resources available to governments through taxation are more and more limited through processes of globalization, alternative sources of funding should be accessed and properly channelled.

The community fund approach would integrate all this in a structural way. The actual money reaching the poor could be multiplied. If such a fund for children in South Africa was well 'marketed', it is believed that massive additional funding could be won, especially from businesses within South Africa, but also from overseas donors, [see '6.3.) Testing the idea of a community approach with relevant people in the field from the churches' p. 215)

One example of private sector involvement in funding was highlighted in the 1998 budget speech. Trevor Manuel pointed out that business in South Africa was willing to make resources available for the development of the country. Manuel gave the following example:

The Government aims to extend the delivery of basic services by bringing private sector finance into infrastructure projects. Business partnerships are encouraged between municipalities and private concerns for financing, extending, operating and management of infrastructure services. A total of 18 pilot projects have been established in urban and rural areas country-wide, includ-

ing water, sanitation, refuse collection and transport projects. During the 1997/98 financial year, the private sector invested R1 billion in these projects – R5 for every R1 spent by Government.

6.1.4.) Illustrating the idea of a community fund

This paragraph is meant to give some examples of how the community fund could work in practice. However, this paper wants to omit giving a comprehensive list of possible options, as the distinct concept of the community fund is that the people concerned are in fact best equipped to know what they need. Nevertheless, just to sketch some ideas out of the experience during the research in Ceres, the following projects would appear to be helpful for the people concerned:

Kindergarten project

Children, especially in pre-school age, make it necessary for one parent to stay at home. Especially women are forced to put their education and /or job opportunities last. From an economic point of view this is often detrimental for the families: Given the low wages of un- and low-skilled workers in South Africa, one earner cannot always secure a basic standard of living for the household. The situation is even more difficult in single parent families in which the time taken for child caring frequently leads to the loss of the only income in the household. The lack of day-care facilities makes it necessary to organise private child care facilities for one or two children. This often proves to be difficult and extremely expensive. The Ceres research for example, has shown that in one instance a woman was paying R20 for a nanny to

take care of the child for 2 days, whereas as a domestic worker she only earned R30 in these two days¹¹⁵.

This is a good example of how the community fund would enable families with children to address this problem jointly. A kindergarten project would not only mean some free time for the mother during the day so that she could become economically active, but a well organised kindergarten with pre-school education would certainly be of educational value to the children as well.

The following calculation shows the potential funds available for 25 families with 30 children in this age group:

115 Although the net profit only amounted to R10 of her 2 days work, she still decided to work, as she could claim the R20 from the father of the child, who if she had not worked at all, would not have paid anything.

Contributing party	Comment	amount per month
Community fund	initial phase assuming that in the beginning 50% of the children join developmental projects R20 per child can be paid out	R600
Outside funding (from business or overseas donors)	adding for every R1 Government spends R3 ¹¹⁶	R1,800
Compulsory contribution	assuming a R3 contribution	R90
TOTAL per month		R2,490
TOTAL per year		R29,880

An amount of nearly R30,000 can potentially fund a project like a kindergarten which can make a decisive difference to people in such a small community. The following overview shows the potential costs involved in such a project:

116 This seems to be a moderate assumption as the budget example has shown that even for an infrastructure project R5 could be financed through business.

Finance needed	Monthly costs	Total costs per year
Salaries for two women	R500 per person ¹¹⁷	R12,000
Food for the children	R2 per child per day ¹¹⁸ (5 days a week for 50 weeks) This would allow to prepare food for R60 per day for 30 children	R15,000
Rent	R150 per month (assuming that community houses, or churches etc. can be used)	R1,800
Total per year		RR28,800

Looking at this example, it can be shown that the R5 per beneficiary paid by the Department of Welfare into the community fund can kick-start community development projects.

The above example would in addition have various economic spin-offs:

- 2 parents would have a job
- 23 parents would have more time, which they could use for economic activity
- the children would gain pre-school education, which is important for their future learning
- 25 parents would be organised and would jointly form a lobby to see what their children need
- business could get actively involved in supporting the communities

¹¹⁷ R500 per person is a very low salary and it would be desirable to have a higher amount.

However, as the research in Ceres has shown, women often earn far less than that.

¹¹⁸ Assuming one meal a day and complementary food from home.

Besides a kindergarten, one can think of the following projects:

- **vegetable garden** in order to better the nutrition of children, especially in areas where vegetables are expensive and not always available
- **community transport** in order to offer cheap transport to major centres for people in rural areas. The centres offer cheaper shopping opportunities and health services ...

6.1.5.) The community fund in the context of the present policy commitments made in the White Paper

Based on the framework outlined in Chapter 1, the following section argues that the community fund in addition to a system of cash transfers will help to ensure the implementation of the policy commitments made in the White Paper.

1. Integration of economic and social development

a) Taking account of the mutual interdependence of social spending and economic development

The proposal argues for additional funding by proposing a higher level of benefit and funding for the community fund. This is done because of the firm conviction that such an increase is justified *inter alia* because of the benefit for economic development. The above discussed example of a kindergarten has indicated the eco-

conomic spin-offs of community projects funded by the community fund.

The community fund has a focus on the local level and by initiating projects on that level, economic and social infrastructure are developed.

The community fund is based on the idea of co-operation of different agencies and organisations which are engaged in social and economic development.

By actively including the people concerned, the beneficiaries become integrated in the economy an international experience has shown that in this way the number of participants in the economic realm is increased. (compare '6.2.) Comparative international experience with social funds' p. 210)

b) Ensuring economic efficiency, transparency and accountability

The proposal firstly favours a means-test which selects 75% of the children as eligible. Furthermore, the means-test is only based on one simple income test. As argued in Chapter 3, such a means-test would ensure administrative simplicity and speed. The criteria for eligibility are easy to understand and clear for potential beneficiaries. Since the granting of the payment depends on the affidavit of the applicant and not on an official, the danger of corruption is by

and large cut out. This factor will add to the economic efficiency of the administration.

In addition, the community fund uses already existing structures and resources outside Government channels by relying on civil society and thereby avoiding expensive duplication.

2. Seeking to attain the provision of an acceptable minimum standard of support for all needy children in South Africa

Due to the financial constraints of Government, the provision of an acceptable minimum standard of support for all needy children can unfortunately only be achieved in the long run. The proposal therefore had to make trade-offs regarding the age-cohort (0-7) and the level of benefit (R135). The long-term vision is, however, to increase both these factors. By adding the community fund, as a second component which fights poverty from another angle as the cash-transfer, it is hoped that the vision can be reached sooner. Furthermore, it is considered to include also older children in the projects which will raise the numbers of beneficiaries of the programme.

3. A people-centred, democratic approach towards the participation of the people concerned

The community fund favours strong community participation and involvement of the people in decision-making and implementation of projects. It focuses on actively engaging people in the process of development (unlike relying entirely on the Government to improve the situation or paying out benefits) Further it is based on the fact that the people themselves understand their present situation better than people from the outside. They can therefore better assess the needs they have. This is not denying the fact that people from the outside, NGOs or Government, can have a better overview and broader development

strategies. This is in particular important when looking at national strategies and economic development. The concept therefore tries to combine local participation and national co-ordination when analysing the existing situation, planning the process, and defining the desired end-state or goal of the process.

The involvement of the people concerned contributes to the declared goal of empowerment and the development of human capacity and self-reliance.

4. Intervention in favour of redistribution and striving towards social justice

The proposal calls for an increase in the current budget allocation for children and in addition advocates the involvement of other role-players in society to support children. It entails a call for business to contribute to the fight against child poverty. These components are designed to redistribute resources in order to reduce the existing inequality and to strive towards social justice in South Africa.

5. Fostering partnership between Government and other role-players

The proposed alternative incorporates a role for NGOs, CBOs and religious groups into the system of supporting families in need. It com-

bines an individual case support - in form of the child support grant - with a community based development approach. The community approach thus follows the outline of community development in the White Paper for Social Welfare where it is described as

"the process in which the efforts of the people themselves are united with those of government to improve the economic, social and cultural conditions of their communities. It involves two processes: the participation of the people themselves in efforts to improve their living conditions with as much reliance as possible on their own initiative (see point 3.); and the provision of technical and other services in ways which encourage initiative, self-help and mutual help and make these more effective. (United Nations, 1963)" (Department of Welfare, 1997i:93)

As the community fund relies on Government, communities and individuals as agents, different strategies are employed. The suggestion therefore has an institutional perspective which is based on a partnership between the two role-players, civil society and Government. It is believed that such a partnership is necessary to fight child poverty: While Government has the first responsibility for such programmes, its limited means make it imperative to work together with other role-players.

6.2.) Comparative international experience with social funds

Although the concept of a community fund in tandem with a system of cash transfers as part of developmental welfare is new, one can draw on some international experience like e.g. the social funds.

6.2.1.) International experience

In the broad field of international experience, it is remarkable that, especially in the USA and the UK, social security and social services are more and more shifted towards the field of NGOs and voluntary organisations. Governments often out-source former state functions to such organisations. Especially in the light of severe political pressure against the welfare state this form of state / civil society relationship has in some cases even led to an extension of services:

(...) as part of the public service delivery system of the personal social services, nonprofit organisations function more often as a substitute for government rather than in their traditional roles as an alternative, a supplement, or a complement. Michael Sosin and others have pointed out how POSC (purchase of service contracting, the author) enabled the extension of the welfare state, particularly since the 1970s, when it has been under attack in the face of a declining economy. (Kramer, 1994:34)

In our context it seems to be important that this form of welfare seems to enjoy greater political support:

Ideologically, there is an unusual consensus on both the Right and Left for the use of voluntary organisations to implement public policy, though their moti-

vations and organisational referents are quite different. On the Right, voluntary organisations are seen as a bulwark against further governmental intervention, or at least as an alternative to, if not as a substitute for, such intervention. On the Left, voluntary organisations are often viewed nostalgically, as a means of recovering a lost sense of community through greater citizen participation. Additional support for POSC has come from relatively new, community-based organisations, particularly those representing groups not previously part of the urban polity such as gays, feminists, and ethnic and racial minorities. Part of this ideological consensus may be due to a failure to distinguish between various forms of voluntarism: between volunteers as unpaid staff and as peer self-help and between community-based grassroots associations and service bureaucracies staffed by professionals. (Kramer, 1994:38)

Whereas this paper strongly advocates that social welfare always has to be the realm of the state, and this not only as a regulator, but as an active driving force of redistributive processes, the tendency of building up a well working state / civil society might point to new ways.

6.2.2.) The World Bank's Social Funds

In the second half of the 1980s Social Funds were implemented by the World Bank, mainly to counteract the negative social consequences of structural adjustment programmes for the poor. They are therefore merely a means of stabilisation during the transitional phase, and clearly not meant to

solve the larger and persistent economic and social problems that challenge most developing countries today. (Khadiagala, 1995:1)

Carvalho (1994:1) describes the concept of the Social Funds as follows:

A Social Fund is a mechanism through which resources are channelled, according to pre-determined selection criteria, to demand-driven subprojects¹¹⁹ proposed by public, private, or voluntary (formal or informal) organisations. Individual subprojects are not designed at the time the Social Fund is established. Social Funds are typically created as new agencies, often outside the realm of a ministry. Even in cases where they are set up within a ministry, they are still granted a relatively high degree of independence with regard to normal bureaucratic procedures.

This definition makes it clear that Social Funds finance projects, but do not implement them. They function as 'social intermediaries' and rely on private and public sector organisations to design and implement subprojects. This concept enables the funds to realise a high degree of institutional flexibility. The subprojects can be chosen in the given context. The concept allows also for a change of objectives over time. The Social Funds promote community participation.

119 The term "subproject" is used to refer to any project that is proposed for possible financing from the Social Fund.

The **strengths** of the social funds are believed to be:

- *Social funds can distribute financing more rapidly than other public agencies. (Khadiagala; 1995:25)*
- *Even more important in the long run than their achievements in creating employment or delivering social services has been the way in which the funds were able to mobilise the energies and resources of community groups, local governments, NGOs, and the private sector by using participatory rather than top-down approach. (Glassener, Woo Lee, et al., 1994:28)*
- *Social funds are highly flexible mechanisms because they finance but do not implement projects. (...) In Zambia, reducing reliance on public resources by promoting self-help, community-based projects has been the objective. The SRF (Social Recovery Fund, the author), therefore, works more with NGOs and community organisations. (Khadiagala; 1995:25)*
- *Social funds are a response to the serious institutional gaps that exist in the public sectors of many developing countries. They provide governments with the opportunity to experiment with different institutional procedures. (...) Equally important is the opportunity for governments to realise the political gains from increased transparency and accountability. (Khadiagala; 1995:25)*
- *Social funds have been able to distribute resources to communities previously underserved by government agencies or private-sector organisations. (Khadiagala; 1995:26)*

- *Social funds have increased the number of actors involved in economic and social development and improved co-operation and co-ordination among international donors, local-level governments, NGOs, private sector firms, and community organisations. (Khadiagala; 1995:26)*
- *Social funds provide an arena in which donors and governments can co-ordinate programs and eliminate the potential for conflicting incentives. The social funds can also reduce transaction costs for donors. (Khadiagala; 1995:26)*

The **weaknesses** are believed to be:

- Social funds are used as an excuse to justify the social ills caused by Structural Adjustment Programmes.
- The distribution of the money through social funds is only as good as the infrastructure of the NGOs. *(Khadiagala; 1995:26)*
- *When local capacity is extremely limited, social funds may need to invest additional resources in this area. (Khadiagala; 1995:27)*

The international experience has pointed out that although there are weaknesses to social funds, many positive aspects can contribute meaningfully to social and economic development. Social funds seem to provide a good approach to involve communities in the development process.

6.2.3.) Differences between the World Bank's Social Funds and the community fund

There are two main differences between the World Bank's Social Funds and the proposed community fund:

1. The Social Funds are seen as a way of softening the social impact of SAPs. By doing so, they give justification to the cutting back of social spending by governments during the adjustment period.

The community fund on the other hand is based on the concept of developmental social welfare and regards social spending as interdependent to - and in fact as a prerequisite for - economic development. The responsibility to improve the social welfare of the people lies with the state. The community fund tries to combine resources from the state and civil society instead of being entirely based on outside funding.

2. The Social Funds are designed to avoid state bureaucracy which is believed to be not efficient or even corrupt.

The community fund is built on the idea of a partnership between state and civil society and tries to use the infrastructure available in the best possible way.

6.3.) Testing the idea of a community approach with relevant people in the field from the churches

At the end of 1996 and in the beginning of 1997 the author conducted in-depth interviews with selected church leaders in order to test the viability of the idea of a community fund with one major role player in South Africa's civil society. The church seems to be especially equipped to facilitate projects in this context as they have by far the best infrastructure, especially in the rural and formerly disadvantaged areas.

It was decided not to select the interviewees according to representative criteria as one would usually do for a quantitative analysis. It was rather decided to select people who could be expected to have access to and a critical knowledge of the abilities of the churches in the country and who were accessible for interviews from our position. The group of interviewees consisted of:

- Rev. Chris Ahrends - Anglican Church
- Rev. Frank Chikane - long-time General Secretary of the SACC and now Director of the Deputy President's Office
- Rev. Shun Govender, - formerly Western Cape Council of Churches
- Rev. Jacoby - principal of a children's home in Cape Town, which is run by the Methodist church
- Dirk Marais - consultant
- John Mosters - Apostolic Faith Mission Church
- Dr. Rev. Sam Pick - Uniting Reformed Church
- Pieter Tempelton - Catholic Welfare representative
- Dr. Darwie Theron - chairperson of Christnet, NGK

A transcription of the interviews is included in Appendix II, but is, unfortunately, not available to the public, as the transcripts - due to time constraints - could not be sent to the interviewees for final approval.

The following sections summarise some of the important points raised in these interviews:

6.3.1.) The possible role of the church

It was acknowledged that the network of the church is often much better than that of NGOs or of Government (at least in rural areas)¹²⁰. NGOs are more concentrated in urban areas. However, the people in the remotest areas go to church on Sundays and meet other people.¹²¹ A problem certainly arises from the fact that the churches are fragmented into many denominations. Therefore they do not speak out with one voice.¹²² This problem could be overcome by showing that the programme is open to every group.¹²³

In principle it was agreed that it was part of the genuine role of the church to engage in such a programme and that - especially if Government approached them - it would be highly likely that they would take up such a role. In fact by far the majority of the

120 see p. 288 + p. 315 + p. 320 + p. 330

121 see p. 330

122 see p. 330

123 see p. 330

interviewees thought that churches could develop a nation-wide service and that one could guarantee that not only church members would be favoured¹²⁴. However, those churches who have the capacity for organising such projects must be identified, and on the other hand it must be avoided to overburden people, which might result in frustration.¹²⁵

It was mentioned that the churches are often not the most progressive organisations and often not very quick in adjusting to new challenges, but once they are on board, their support is valuable because continuity and long-term presence are important strengths of churches.

6.3.2.) Administration

It was suggested to approach the national leaders first, so that they could then take it through the structures down to the grass-roots level. This initial support of the leadership was seen as essential because church structures are often hierarchical. However, once the leaders are won, the structures are generally believed to work well in distributing the necessary information downwards.¹²⁶

124 see p. 287 + p. 293 + p. 309

125 see p. 291

126 see p. 290 + p. 309 + p. 313

6.3.3.) Finances

A major advantage of the churches is seen in their long-standing history of voluntary work, so that for the facilitation of community projects, minimal administrative costs, if at all, would occur.¹²⁷ However, the ways of how to handle the money and for what purpose the fund may pay out money, should be clearly outlined by Government.¹²⁸

It was seen as problematic that a fund can also create tension in the community. Especially in extremely poor communities a fund constitutes a great source of power and therefore also possible source of conflict. The questions of ownership and transparency seem to be of utmost importance.¹²⁹

It was particularly remarkable that those who had had concrete experience were convinced that actually additional funding for poverty alleviation purposes could be gained from businesses in South Africa. It was highlighted that in the USA this was one major funding source for welfare services, which in comparison to South Africa is well utilised. Especially a programme for poor children is believed to have an enormous potential to gain additional funding.¹³⁰

127 see p. 293 + p. 308

128 see p. 293 + p. 327 + p. 330

129 see p. 323

130 see p. 294 + p. 318 + p. 329

6.3.4.) Résumé on the suggestion of a community fund

The overall judgement was extremely positive and encouraging. All interviewees had great confidence in the abilities of the communities to creatively address the problem of child poverty. Especially the new idea to kick-start community initiative with Government help, which does not follow the nature of the present system often creating dependency, was welcomed. It was generally agreed that the people concerned do know best how to address their problems and are capable of doing so, if they are only provided with the right resources. Furthermore an alliance of the people concerned would create a forum so that they could voice their demands and effectively could lobby for their interests. Everybody agreed that such a programme should receive support and that one should at least pilot such a fund to further test its practicality and success.

6.4.) Critical assessment of the pros and cons of a community fund as part of a child support system in South Africa

The following sections discuss the pros and cons of a community fund as part of a developmental welfare policy on child support in South Africa:

6.4.1.) There are allegedly no structures to implement projects

The Lund report (1996:46-47) spoke out against the idea of a social fund. The main argument was that

(...) programmatic community social funds (i.e. designed as a national programme, and not limited to initiatives in a few specific communities) depend either on strong local government, or on strong and evenly developed civic organisations. South Africa has neither of these at present. (Lund report, 1996:47)

In regard to the local Government structures, the community fund does not necessarily require them. However, one has also to realise that Government since 1994 has been in the process of building up local government structures inter alia for the reconstruction and development of the specific area.

In terms of structures within civil society, South Africa's history has shown the existence of an active civil society on all levels. Denying such a history would be denying the importance of the United Democratic Front¹³¹ (UDF) in the struggle against apartheid. The recent policy process around the Lund report is an example that these organisations of civil society did not just disappear after the first democratic elections, but that they are able to make their voices heard and are active in the communities and effective in advocacy and lobbying work. The interviews with different

131 The UDF was an alliance of civil and religious groups, youth, students, workers and women's organisations which was formed in 1983. As Taylor (1997:62-63) pointed out: *The pace of resistance and of political change during this period (1983-1990, the author) was largely determined by the actions of the UDF which had over 600 affiliates and two million adherents.*

church leaders have also pointed to the fact that there are structures in the community which could potentially implement such projects¹³².

It has become obvious that the basic structures are in existence. Saying so does not mean that there are no problems. However, an effort from the side of Government to use also these admittedly imperfect structures seems to be especially worth while as Government's structures in comparison to those of the NGOs (especially the churches) in terms of coverage of the poor lag far behind. Furthermore Government structures do by no means guarantee a 'problem free' delivery. Especially the massive corruption problems within the welfare sector have proven so.

6.4.2.) The money for the community fund should be directly allocated to the poor

The Lund report further argues one should not confuse social security and development funding and that

(...) to earmark part of a small benefit which goes by definition to the very poor could be seen as 'imposing a development tax on the poor'. (Lund report, 1996:47)

This argument has to be strongly rejected, as the proposal is built on the concept that the community fund is budgeted for in the social services part of the social welfare

132 see p. 213

budget and not in the social security part. The level of benefit is not decreased because of the community fund. ¹³³

6.4.3.) The relationship between Government and civil society is under strain

The development of the CSG in 1996 and 1997 has put the relationship between the Department of Welfare and progressive organisations in the field under strain. As thoroughly discussed in Chapter 4, a constructive and open dialogue on equal terms between the two was often not possible. The community fund is dependent on a partnership and good working relationship between Government and civil society. Given the difficulties in the policy process, it is questionable whether such a relationship is possible at the moment. On the other hand, the community fund could also bring the two sides together and make them realise that they are pulling at the same side of the rope.

6.4.4.) Structural interventions are possible

The proposed community approach combines an individual cash-transfer with a support for community initiative. By doing so, it can make a decisive difference in fight-

¹³³ This argument has also to be seen in the light of the understanding of the role of social security in social and economic development. As pointed out in Chapter 5, section '5.1.1.) The framework of developmental child support policy', the understanding of the Lund Committee differs drastically from the one in the concept of developmental social welfare.

ing poverty by helping to join forces. Often the lack of basic facilities (like a crèche, clean running water, travel-cost to the nearest clinic etc.) constitutes poverty and cannot be paid for individually, whereas a group of people could directly and effectively address the problems children are facing in their special communities. [see 6.1.4.) Illustrating the idea of a community fund]

6.4.5.) Resources are multiplied - NGOs can access funds which are inaccessible to Government

The money spent on projects will be multiplied: As the local contribution is often experienced as a major stumbling block in many projects on the way to obtain further funding, the idea here is that the money allocated to the projects should be 'seed-money' to access other local and international funding. In a time where state-to-state-support is in decline, this could be seen as a valuable contribution to access funds which the Government cannot access.

6.4.6.) A process of empowering families can be started

The participation of parents or care-givers together with local community organisations in the project is believed to foster empowerment in the communities.

The projects could facilitate such a process of empowering families by involving them directly in the process and by creating a shared feeling for rights and responsibilities towards the community. Sachs emphasised this direct participation of the people concerned by saying that

It is precisely because family life is so intimate and all involving that the people themselves must be involved in the process of its transformation. (Sachs, 1990:41)

The compulsory contribution to the project, and the fact that the funding depends on the number of people who joined the project, ensure that the families concerned gain control over the resources available.

Moreover, they would become organised and get a forum and a voice to speak out. The people in need will have regular contact with each other. They will have a chance to speak out about the problems they experience; hence they might work together on solutions and lobby for their interests. The projects will also support combined efforts on other problems in the community and can provide a forum for different services (e.g. health, education etc.). This can be seen as an incentive to create a lively society rather than supporting individualism.

6.4.7.) A back-up system for those who are phased-off the present maintenance grant systems is created

Without rejecting the need to phase-out the current programme, one has to be aware that effectively more than 1 billion Rand (!) of support per year for genuinely poor communities (especially rural communities in the Western Cape) will be taken

away¹³⁴. Further, the loss in purchasing power will also dramatically affect small enterprises.

The community fund would be at least a back-up system for the people who would otherwise get no support anymore.¹³⁵ Rather than letting genuinely poor people down, a developmental alternative in form of the community fund could actively empower the people concerned to find a way out.

In addition, the community fund would bring back some of the money to the communities, especially in the form of getting people involved in the economic realm.

Also from a political point of view it seems irresponsible to let people fall into destitution and despair, leaving them only with the cynics of the representatives of the old regime claiming that they would have been better off if the racist government was still in power.

6.4.8.) The fund allows for appropriate support structures in different areas

Locally based projects are more likely to take the different contexts into account. This community approach instead of one nation-wide prescribed programme secures

¹³⁴ Note that this paper feels strongly that the phasing-out should take place over 5 years and not 3 as currently suggested.

¹³⁵ see also Chapter 5.2. single parent women who will receive no support anymore

the effectiveness of the projects in different areas of South Africa. A single national programme might embody elements which are not suitable for all the different contexts and needs of the different communities. A national programme rather has to allow for different programmes in different areas while at the same time being guided by clear-cut objectives.

6.4.9.) The fund strengthens existing structures rather than duplicating them

The programme would use already existing local structures and logistics rather than building up additional structures which have proved to be costly and time consuming:

The capacity of existing institutions to deliver social services to the poor, especially in rural areas, deserves special attention. One of the major constraints faced by the new government is that the resources for meeting high expectations are limited. Though in the longer term this particularly applies to fiscal resources, in the short to medium term there is also a constrained capacity to deliver. New social security forms in particular would require alternative or additional delivery systems. The capacity of NGOs and CBOs (community based organisations) to deliver material resources to the poor is the topic of a separate investigation. Funding for this could perhaps flow through a Social Fund of some sort ("a mechanism through which resources are channelled, according to pre-determined selection criteria, to demand-driven subprojects proposed by public, private, or voluntary (formal or informal) organisations" (Carvalho, 1994:1)). NGOs and CBOs were very important in mobilising

aid resources in the apartheid era, but more recently they also came to use government resources in effecting social reform. (Van der Berg, 1994a:44)

The use of existing structures makes sense economically, as it reduces administrative costs. Moreover, there are often no Government structures in rural areas and through the help of NGOs the programme would be accessible for more people.

6.5.) Conclusion

This chapter introduced the idea of a community fund as an enhancement to the current Child Support Grant. The concept of such a fund is to combine Government funding with community and civil society efforts to combat child poverty and to encourage community empowerment.

It has been shown that such a fund is in accordance with the concept of developmental social welfare. In addition, international experience indicates that a community fund has the strength to engage the people concerned in planning and fostering economic and social development.

Research amongst church leaders has brought positive reactions to the idea and gave a signal that the church in South Africa could play an important role in such a programme.

There are arguments against such a fund, and community projects are by definition highly dependent on the infrastructure of the NGOs and the commitment of the peo-

ple. However, South Africa has strong organisations within civil society and the policy process has indicated the commitment of the people. By the same token, the current welfare administration has its own problems. Therefore, it is argued, the concept of a combined effort is promising and the positive effects of community projects on fighting poverty and the strength in organising people are merits which are important for the social and economic development of South Africa's children. A community fund would therefore be an enhancement to the Child Support Grant which can make a decisive difference in fighting poverty.

Conclusion

The Department of Welfare entrenched the concept of developmental social welfare in its White Paper as the basis for the restructuring of the welfare system which was - due to apartheid policy - characterised by 'racial, gender, sectoral and geographical disparities. The main thrust of the concept is the advocacy of the institutional combination of economic and social development efforts and processes for the development of a country. This is grounded in the belief that social and economic development are interdependent and mutually reinforcing, that the one cannot occur without the other. The concept further promotes intervention and the combination of different strategies executed by different role-players in society. The White Paper has laid emphasis on redistribution, transparency and accountability as well as a people-centred, democratic approach towards the achievement of social well-being. It also espoused a partnership between Government and civil society in the welfare field.

In November 1995, the Committee on Child and Family Support was appointed to make recommendations regarding the restructuring of the State Maintenance Grant System for single parent families. This system had been formally equalised during the transitional phase, but was in practice mainly accessible to so called 'white', 'indian' and 'coloured' families. While at the moment, circa R1.3bn is spent on SMGs, the practical extension to all eligible parents and children would cost up to R13.7 billion. The Lund Committee recommended to introduce a Child Support Benefit on a much lower level and only for younger children. The distinctive feature of this

benefit is the concept 'follow the child', meaning that the benefit is independent of the family structure the child lives in. Cabinet approved these recommendations on 5 March 1997. They further decided to pay an amount of R75 per month per child to 3 million children from 0-6 (inclusive) years and allocated an additional R1.2bn to the present budget.

The recommendations of the Lund Committee and the subsequent decision of Cabinet on a new Child Support Benefit on the basis of these recommendations have met severe criticism from various sectors within civil society. National and regional organisations representing various constituencies, independent researchers and Government commissions got involved in the public debate. The main points of criticism raised were the low level of benefit, the restriction to children from 0-6, the low target rate and the means-test. While it was acknowledged that Government has fiscal constraints, the deficit targets set by GEAR were challenged and it was pointed out that it was unfair to let poor and vulnerable groups pay to redress the injustice of the past. Moreover, it was also shown that the financial calculations for the new programme were seriously flawed and that if the programme was to be introduced as planned, Government would cut its spending on poor children, contrary to the decision of Cabinet to increase the budget for the programme. The FFC, which was responsible for the financial part, conceded some mistakes in the calculations, but it neither incorporated the criticism nor did it make new calculations publicly available.

In addition, the policy process itself was strongly criticised by organisations of civil society for not being consultative and open to inputs from the side of civil society. Organisations of civil society have shown a strong commitment to get engaged in the

policy process and to make their inputs. They did not only criticise the policy, but also made constructive alternative proposals. The Parliamentary Portfolio Committee for Welfare, by calling for public hearings, created the opportunity for organisations to make submissions on the Parliamentary level which also helped to put the matter on the public agenda and to draw the media's attention to it.

Although the level of benefit was later increased to R100 per month per child and the NGO coalition was invited to participate in the technical committee which is responsible for the implementation of the programme, very little of the input made by civil society was taken into account by the Department. The Department reiterated that the programme would be introduced as planned, despite the criticism of civil society.

The research has shown that the new programme is - by itself - not in line with the adopted policy of developmental social welfare and that in fact the Lund Committee misunderstood important parts of the concept. The link to economic development, the adaptation of a people-centred approach and the institutional combination of different strategies by various role-players through a partnership between the state and civil society are not realised.

On the basis of the above findings, the research introduces the concept of a community fund as a supplement to a system of cash transfers for families with children. The proposed alternative tries to put the fight against child poverty on two legs. On the one hand it is acknowledged that cash transfers do play an important role for poor households and can help to relieve poverty: Therefore cash transfers - similar to the CSGs based on the notion 'follow the child' - should be one part of the new policy,

but on the other hand the level of benefit should be set higher, at R135 per month per child for children from 0-6 (inclusive) with the call on Government to look into an increase of the level of benefit and the age-cohort. The means-test should be based on a simple income testing in which the applicant has to sign an affidavit which entitles her/him to the grant. The means-test thereby should target 75% of the children in the age group. Such a means-test would be simple to administer and thereby avoid corruption as far as possible. These alterations to the present policy proposal - while being fiscally responsible - would make a significant difference for the children in poverty and ensure that the programme becomes economically consistent.

The other leg of the policy suggested is the introduction of a community fund: Government should establish a fund which provides 'seed-money' for community projects run by organisations of civil society. Facilitated by the NGOs, community projects with the objective to support, empower and foster the development of families with children in need will be initiated. The organisations of civil society would be able to access the community fund on the basis of the number of families who have joined the project and are encouraged to access other funding from within and outside the communities.

Such a concept, it is argued, is in line with developmental social welfare. It would combine social and economic development, be people-centred, redistributive, it encourages empowerment and would include different role-players and different strategies. Existing structures within NGOs are utilised and they are encouraged to draw in outside funding from business and overseas donors. When testing the idea with church leaders, the reaction was overwhelmingly positive and they were convinced

that it was 'do-able'. Furthermore international experience has shown encouraging successes.

Such a partnership between Government and civil society in the fight against poverty is much needed given the financial constraints of Government. Organisations of civil society have the potential to get involved and they could set free much needed resources.

However, it has to be realised that the events during the policy process have put the co-operation between the two role-players under strain. The Department of Welfare was not open to consultation and was not prepared to change the policy after valuable points of criticism were raised and alternative suggestions made. The concept of a community fund is grounded on a consultative and open partnership in which the two partners respect each other's role and input. However, while it is the declared policy of the Department to have such a partnership, this has unfortunately not been translated into practice. If the Department of Welfare wants to implement the crucial concepts outlined in the White Paper, the community fund would be one possibility to make them work.

Appendix I

Appendix 1

List of organisations that made submission at the public hearings of the Portfolio Committee on the new child support system:

1. Centre of Early Childhood Development
2. Institute for Democracy in South Africa (IDASA)
3. Institute for Social Development, University of the Western Cape
4. Community Law Centre, University of the Western Cape
5. Black Sash
6. Congress of South African Trade Unions
7. Chemical Workers Industrial Union
8. Women on Farms Project
9. Gender Advocacy Project
10. New Women's Movement
11. Ilitha Labantu
12. Rural Women's Advancement Programme
13. Human Rights Commission
14. Fiscal and Financial Commission
15. Citizen's Advice Bureau
16. National Welfare Social Service and Development Forum

17. KwaZulu Natal Provincial Welfare and Social Service and Development Forum
18. National Interim Consultative Committee Development Social Services
19. Dutch Reformed Church - Ministry of Caring
20. Southern African Catholic Bishops Conference
21. Quaker Peace Centre
22. Cape Flats Development Association (CAFDA)
23. South African National NGO Coalition
24. Mitchell's Plain District Transformation Team
25. Lanok
26. National Progressive Primary Health Care Network
27. Child Welfare Society
28. Social Work Department, University of the Western Cape
29. South African Council of Churches
30. Commission for Gender Equality

Appendix 2

Events in the policy process in chronological order

The table in the first column provides the date of an event. The second column identifies the person / institution involved (agent) and the third names the different activities. The fourth and last column summarises very shortly the content of the activity. The different actors in the process are printed differently in order to recognise them more easily: **Government** actions are printed in **bold**; actions of civil society are underlined, the ones of the Portfolio Committee are printed normally and the ones of the *media* are *italicised*

1. First period: November 1995 - August 1996

Time	Actor /s	Action	Content
November 1995	Welfare MINMEC	Appointment of the Lund Committee on Child and Family Support	Commissioned to investigate the SMG, the private maintenance system, explore policy options, develop approaches for effective targeting, present a report (Lund report, 1996: Executive Summary 1).
February 1996 - August 1996	Several researcher: Elisabeth Ardington Debbie Budlender Datadesk	Research and report for the Lund Committee	Budget and Expenditure analysis (Lund report, 1996:105). Research into the private maintenance system and proposal for a reform (Lund report, 1996:105) (for more detail see Lund report). Primary and secondary household surveys in Goedverwacht and Zoar, in-depth interviews and group discussions with single parents (Lund report, 1996:105)

August	The author and Dirk Haarmann		cussions with single parents (Lund report, 1996:105).
	John Kruger		Calculations for costs of equity based on population data and a 100% take-up rate: R22 billion. Suggestion of a simple means-test ¹³⁶ with a cut-off point at R800 per person. Field research in Ceres with recipients of the SMG and proposal for a community fund as a supplement to cash transfers to empower communities in a developmental way.
	Lund Committee	Research, report and recommendations	Review on international literature regarding social security for poor women and defending the concept of the present maintenance grant system as an important social security system to support single parents. (Lund report, 1996:105). The support during the time of family break up is seen as the prime objective over poverty alleviation.
	<u>National Children Right's Committee</u>	<u>Issued a statement as an organisation represented on the Committee attached to the report</u>	Recommendation for the restructuring of the private maintenance system, for the introduction of a flat rate Child Support Benefit for children of a limited age-group selected according to a simple means-test, level should be derived from the HSL (Lund report, 1996). Recommendations for the Lund Committee do not go nearly far enough. The organisations appeal to the government to provide time-limited support for children of all age-groups and to work towards a reliable family preservations safety net (Lund report, 1996:135-137).

2. Second period: September 1996 to March 1997:

September 1996 to February 1997			
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136 Simple means-test: This refers to the suggestions of Nick Barr and Pieter le Roux and the more detailed proposal by the author and Dirk Haarmann in their report to the Lund Committee and in their submission at the public hearings, where the applicant would just be asked if his/her income is below a certain amount, the applicant has then to sign an affidavit and is entitled to receive the money immediately. Only random check-ups would be done in cases of suspicion.

September to December	Department of Welfare and Welfare MINMEC	Acceptance of the report and the recommendations as policy	Acceptance of the report and the recommendations as policy.
October 4 to 10	<i>Mail & Guardian</i> ¹³⁷	<i>Article in the weekly newspaper: 'Report benefits poorest of the poor'</i>	Besides pointing out the hardship for the present beneficiaries, it praises the innovative idea to pay the benefit into a bank account and the positive incentives for health behaviour (Edmunds, 4.10-10.10.1996).
November 11	<u>Lund working group</u>	<u>Letter to the Minister of Welfare and the parliamentary Portfolio Committee on Welfare</u>	Agreement with the equalisation of the SMG; but several points of criticism were raised: Generally speaking, the budgetary amount is too low, and the poor will have to pay for redressing the past imbalance; constitutional rights of children to social security must be considered; level of benefit is too low; lack of clarity in terms of the means-test; negative impact of the phasing out should be considered. Call on the Minister and the Chairperson of the Portfolio Committee to hold public hearings (Liebenberg, 1996 - Letter to the Minister).
December	<u>IDASA (Conrad Barberton.)</u>	<u>Article in 'Poverty Profile': 'Lund Committee used race card to justify cuts in entitlements'</u>	Critique on the recommendations of the Lund Committee: It takes away the entitlement for the SMG from poor rural 'african' people and the recommendations do not address the problem of administration which kept the very poor out which now should receive a benefit. Criticises the acceptance of GEAR and the fiscal parameters. Challenges the view that the new system is redistributive instead: <i>a classic example of robbing poor Peter to pay poor Paul, and both ending up with next to nothing</i> (Barberton, 1996:3).
January	<u>The author and Dirk Haarmann</u>	<u>Publication: 'A Child and Family Support System for South Africa: A call on government and civil society to join forces in the fight against poverty'</u>	Critique on the Lund report's database and calculations, critique on the underlying principle of cost containment and financial feasibility instead of a needs assessment which lead to a minimalist approach, consequently critique on the level of benefit and the age-cohort. Suggestion for a simple means-test and a community fund in tandem with cash transfers on a higher level (Level of benefit: R135; age-cohort:0-6; means-test at R800) (Haarmann & Haarmann, 1997).
January 24	Chairperson of the Portfolio Committee	Letter in response to the letter of the Lund working group (November 11)	<i>Due to the seriousness and the implications of the recommendations we will most likely have public hearings</i> (Saloojee, 1997:1)

137 Weekly newspaper in South Africa

January 31 to February 6	tee <i>Mail & Guardian</i>	(November 11) <i>Article in the weekly newspaper: 'Move to give welfare only to the poorest opposed'</i>	The article reports on the call of various NGOs (Lund working group) for public hearings on the Lund recommendations. Interprets the criticism as an opposition to the phasing out of the existing system (Edmunds, 31.01.1997).
February 7 to 13	<u>Claudia & Dirk Haarmann</u>	<u>Letter to the editor / Mail & Guardian: 'The big holes in the Lund report'.</u>	The article highlights the main points of criticism against the Lund recommendations: Considering the fact, that with the Lund Committee's preferred option (support for children from 0-9, with R125 per month) only 12 % of the children in South Africa will receive support, the point of criticism is not that only the poorest will be reached, but that only a small group of the poor will be reached. Moreover the reliability of the database and the lack of clarity as to a possible means-test are criticised. The idea of a community fund is introduced (Haarmann, 1997a: 25)
February 21 to 27	Francie Lund (Chairperson of the Lund Committee)	Letter to the editor / Mail & Guardian: <i>Setting Lund record straight</i>	Francie Lund defends the database by saying that they sought advice about it from the FFC. She further points out that a number of targeting issues are discussed in the report, but no time and money was spent on technical issues until it was clear that the recommendations were to be implemented. In terms of a community fund, she warns that social security should not be mixed up with collective programmes for development work (Lund, 1997:25).
February 20	Minister of Welfare / <u>Lund working group</u>	Calls for a meeting with the writer of the letter of the Lund working group (November 11) / <u>Press release after the meeting</u>	Meeting with a small delegation of the Lund working group. Outcome: Minister does not want to commit herself to public hearings. She does not want to raise expectations. Lund working group: Expresses great disappointment after the meeting. The press release of the group reads: Minister refuses to confirm hearings on State Maintenance Grants (Lund working group; 1997 & 1997a).
March 1997 March 5	Department of Welfare / Cabinet	Tables recommendations for new Child Support Benefit system on the basis of the Lund report at the Cabinet meeting on 5 March / Cabinet approves the recommendations	A new programme is to replace the SMG from 1 August 1997: A flat-rate Child Support Benefit will be paid, level of benefit: R75, the age-group: 0-6 years, target rate: 30%, a simple and workable means-test is to be developed, a moratorium will be put on new applications, the present system will be phased out over five years, R1.2 billion will be allocated in addition to the present budget (Minister of Welfare, 1997:1-2).

3. Third period: March 1997 to April 1997:

March 6 & 7	<i>Various newspapers</i>	<i>Articles on the decision of Cabinet</i>	Business Day: <i>Maintenance grant system will expand to benefit 3-million children</i> (6.03.1997). Cape Times: <i>Single Parent families dealt grants blow.</i> (6.03.1997) Burger: <i>Kindertoelaes gesny' om baie meer te kann help'</i> (Maintenance grants cut to be able to support many more) <i>Onderhoud is te min, sê Black Sash</i> (Benefit is too low, says Black Sash) (7.03.1997).
March 14	Department of Welfare	Briefing of the Portfolio Committee	The new programme as approved by Cabinet is outlined (see above) (Department of Welfare; 1997).
March 14	<u>Lund working group</u>	<u>Attending the briefing of the Portfolio Committee</u>	To show interest and concern from the side of civil society and to lobby the Portfolio Committee for holding public hearings on the matter.
March 14	Portfolio Committee	Decision for public hearings	ANC MP said after the meeting that there were not convinced <i>that (...) important aspects of the scheme had been researched properly</i> (Greybe, 14.03.1997) and that public hearings would be important to give civil society a chance to speak out. The Chairperson of the Committee said: <i>the hearings would also 'give people an opportunity to come up with better solutions' on the issue</i> (Greybe, 17.03.1997).
March 14 to 17	<i>Various newspapers</i>	<i>Articles on the decision of the Portfolio Committee</i>	Business Day: <i>Child support on hold after outcry. Welfare conundrum</i> (both: 17.03.1997) Cape Argus: <i>Hearings soon on welfare grant</i> (both: 7.03.1997). Financial Mail: <i>MP's oppose phase out.</i>
March	<u>Community Law Centre (Sandy Liebenberg)</u>	<u>Article in 'Poverty Profile': 'Child welfare reforms: equity with a vengeance'</u>	Agreement with the equalisation of the present system, but critique on the level of benefit, the age-group and the conditions attached as well as on the process: Lund Committee did not call for representations nor was the Portfolio Committee given an opportunity to hold public hearings before Cabinet decided on it. <i>This creates the impression of the proposals being forced through without meaningful parliamentary and public participation</i> (Liebenberg, 1997:1).
April 1997			
April 4	Department of Welfare & Financial and Fiscal Commission (4 April)	closed workshop on targeting issues and means-test	The minutes of the workshop were only publicised on 30 May 1997. However, it leaked out that the workshop discussed nutritional targeting mechanisms.

4. Fourth period: April 1997 to June 1997:

April 21 & 22	Portfolio Committee on Welfare	Facilitation of public hearings in Cape Town and planning of public hearings in the Northern Province and Eastern Cape in May	
April 21	<u>New Women's Movement/ Gender Advocacy Programme and others</u>	<u>Protest March to Parliament / Submission to the Portfolio Committee</u>	Protest against the acceptance of the Lund recommendations. Submission to the Portfolio Committee, women receiving the grant told their stories and about their difficulty of feeding their children (Dennehy, 22.04.1997).
April 21 & 22	<u>Various organisations of civil society and researchers</u> ¹³⁸	<u>Submission to the Portfolio Committee</u>	Exemplary only and in chronological order: IDASA: Cost of not supporting children, analysis of budget priorities (debt repayments etc.); Haarmann: Challenged the financial calculations of the department/FFC: Unrealistic and wrong, alternative calculations indicate that instead of an increase to the present spending there will be cuts to present expenditure of up to R2.9 bn in the next five years, suggestion of means-test at R800, alternative financial calculations and suggestion of a community fund; Community Law Centre: Does the new system/the reduction meet the constitutional rights to social assistance? Black Sash: The assumption that one can feed and clothe a child with R75 per month is 'patent nonsense'. Chemical Workers Industrial Union: The introduction will lead to a negative effect for the development of women and children in our society SAHRC: System 'does not amount to compliance with the states obligations', therefore if there is no substantial revision of the system, the SAHRC might take it to the constitutional court. FFC: Administration must be drastically improved; SANGOCO: no moratorium on new applications, social welfare system should be comprehensively overhauled, means-test at R800, increase in level of benefit and age-cohort. Most of the presenters urged the government to increase the level of benefit to R135, the age-cohort to at

138 For more detailed information on the submissions, see Chapter 3: The critique of civil society on the content of the new Child Support . Here only some issues from some of the submissions will be outlined in an exemplary way. For a list of organisations which made submissions at the public hearings consult appendix 2.

April 20 to 29	Various Newspapers	Articles covering the hearings	<p>least nine years, no conditions should be put on the benefit, a means-test with a cut-off point at R800, should be developed, nutritional targeting was judged unacceptable, cuts/savings were considered unacceptable, payment should be made monthly, more money should be allocated to the programme. Many organisations complained about the lack of consultation from the side of the Department on the matter and appealed to the Minister to respond to their inputs by June 16, Youth Day.</p> <p>Mail & Guardian: <i>Furore over child welfare grants</i> (25.04.1997); Business Day: <i>Fraser-Moleketi defiant in face of protest against child support benefit</i>, (22.04.1997); <i>Minister leaves door open for bigger child support benefit</i>.(23.04.1997); <i>Equality at a price</i>, (23.04.1997); <i>Minister rules out rise in R75 child support grant</i> (25.04.1997); Cape Argus: <i>Welfare bodies fight R2,9-bn cut</i> (21.4.1997);The Star: <i>Fraser-Moleketi urged to retract child plan</i> (21.4.1997); <i>Chief aim is to give children a chance in early years</i>, (21.4.1997); <i>New child benefit plan defended</i>, (22.4.1997); <i>Bigger cake, smaller slice</i> (29.04.1997); Cape Times: <i>Public submissions needed on issues of child support</i>, (21.04.1997); <i>Welfare policy and public hearing</i> (29.04.1997); <i>Women march over maintenance cuts</i> (22.04.1997); <i>State child maintenance cuts to stay despite outcry</i> (25.04.1997); Sunday Times: <i>Taking bread out of mouths of babes</i>.(20.04.1997). Sunday Cape Argus: <i>Minister in row over child funds for kids</i> (27.04.1997) The Citizen: <i>New child support plan from Aug 1</i> (25.04.1997)</p>
April 24	Will Burnard - SABC Radio Programme: Talk at Will	Discussion on the Child Support Benefit with officials of the Department and NGOs.	Presentation of the arguments and counter-arguments on the Child Support Benefit system.
April 24	Minister of Welfare	Press release responding to the hearings	Hearings gave an opportunity to clarify issues, submissions will help to build consensus; benefit will deracialise system and instead of 203,262 children, 3 million will be supported, the benefit has been passed by Cabinet and preparation for the phasing in from 1 August are under way: 'There is no turning back' (<i>author's emphasis</i>) the invalidity of the data used is rejected, however the underlying assumptions of the financial projections can be debated; a technical committee develops a means-test, the problems identified will be considered, the correct parliamentary procedures have been followed (Fraser-Moleketi, 1997a).
April 29	Various NGOs and COSATU/ Minister of Welfare	<u>Press conference / reaction to press conference</u>	Call on the minister to delay implementation and to consider the criticisms made. Criticise the minister for 'there is no turning back' approach. Organisations threaten mass action on 16 June - Youth Day - if the Department does not rescind their position and enter into negotiations. Call on the Minister to distance herself from the plan to implement the change by proclamation instead of an amendment to the act. This would make a 'mockery of the planned hearings in two other provinces / <u>Minister regards the debate as vibrant, but necessary</u> . She does not see herself in a 'showdown with the NGO Coalition'. <u>Hearings have</u>

April 30	Various newspapers	Articles on press conference of NGOs.	<u>shown that there is agreement on the principle. There will probably be an amendment to the act and no proclamation.</u> Business Day: 'Day of action' pledged over child aid (30.04.1997); The Citizen: Child grants: NGOs may appeal to Pres.; Comment: Child grants (30.04.1997) Cape Times: COSATU slams child support cuts (30.04.1997); Cape Argus: Cash for kids: how much is enough? Anger over government plan to cut funds for child welfare payments (09.05.1997)
April	<u>IDASA</u>	<u>Special edition of 'Poverty Profile' with a summary of some of the submissions at the hearings and distribution to MPs, organisations of civil society</u>	Overview of hearings in Cape Town and the positions and arguments of organisations of civil society and the Department. Summary of the submissions of the various church bodies, COSATU, CGE Haarmann, SAHRC, SANGOCO.
May 1997			
May 1	<u>COSATU</u>	<u>Press release</u>	Supports criticism of NGOs, but denies support for a day of mass action
May 5	Minister of Welfare	Budget Speech	Stresses the point to see the Child Support Benefit in connection with other programmes like free health care (Greybe, 9.05.1997)
May 8	<u>SANGOCO</u>	<u>Letter to the MPs</u>	Raises issues around the Child Support Benefit: amount of R75 is too low; targeting of 30% is too low and nutritional testing is opposed; financial projections indicate a decrease due to savings; other poverty eradication programmes on which this system supposedly falls back are not yet in place; costs for not implementing are high; there is room in the budget to find money for children: Appeal on the MPs to put the children first.
May 9 to 15	<u>SANGOCO / Minister of Welfare</u>	<u>Articles in the Mail & Guardian: 'R75 is not enough'/'but the safety net's widened'</u>	Current proposal is an eradication of the right of children to social security and what is needed is a system which can kick in now to prevent further deepening of poverty and inequality (Bouille, 9.05-15.05.1997) <u>Proposals of the NGOs (R135, 0-9years and means-test atR800) is not sustainable, the support must not be seen in isolation: it is one of many programmes for children (Fraser-Moleketi, 9.05-15.05.1997)</u>
May 16	Murphy Morobe, Head of the FFC	Article in Business Day: 'Some misconceptions must be debunked. Financial and Fiscal Commission chairman Murphy Morobe ex-	Explains the target of 30% with future financial feasibility and argues that the increase from present spending to R2.7 billion in the next seven years means an increase of 10% every year. He concedes that targeting of 30% will be difficult and the success depends on improved management and administration. There is a fiscal risk to target only 30%, because if this goal is not met, additional funding will be required. He also calls for further research into the subsistence level. He outlines that ' <i>there must be savings</i> ', but there

May 28	<u>Rhoda Kadalie, Human Rights Commissioner</u>	plains the thinking behind controversial new child support benefit payments.' <u>Response to Murphy Morobe's article: 'Child maintenance must be adequate and equitable. Human Rights Commissioner Rhoda Kadalie responds to Financial and Fiscal Commission chairman Murphy Morobe on the new child support benefits'</u>	are one-offs. He points out that the Lund proposal needs greater clarity on several issues. Rhoda Kadalie asks 'whose misconceptions were being debunked' seeing that Morobe acknowledges the validity of the criticism by the NGOs. She points out that he concedes many issues raised by the NGOs: The difficulties in selecting 30%, the disagreement on the method of establishing the level of benefit; the fact that welfare spending will in fact be cut, because of savings and that the administration must be drastically improved. Kadalie calls on the minister not to phase in the system to get more people more quickly on board and to put the 'savings' into a development fund to finance community projects so that the money is not lost for welfare. She calls on government to reprioritise spending towards children and to budget for a benefit of R135 to 80% of children from 0-6. Furthermore, she appeals to the minister to include civil society in the technical work to make the principle of public participation, as set out in the White Paper, a reality.
May	<u>Black Sash / Idasa</u>	<u>Documentary/Radio Programme: Investing in the future. The new child support benefit explored.</u>	Discussion on the points of criticism on the Child Support Benefit as made by IDASA and Black Sash at the public hearings
May 26 & 30	Portfolio Committee on Welfare	Public Hearings in Umtata and Pietersburg	More than a dozen groups attended the hearings in Umtata and 500 people attended in Pietersburg: Most of the groups felt that R75 and the age-group 0-6 was too low.
May 30	Department of Welfare	Publicises the minutes of the Workshop on targeting held on 4 April 1997	The minutes outline that the workshop has looked at three different targeting mechanisms: health indicators; income or income proxy testing; geographical targeting. Consensus amongst the participants was that income testing is not possible by selecting 30% due to the high poverty levels in South Africa. Therefore a combined testing using health and proxy indicators could be developed. The primary health clinic could be the place to do it. (Department of Welfare, 1997c)
June 1997			
June	<u>South African Institute for Race Relations</u>	<u>Article on the Child Support Benefit System: Tough choices in the real world.</u>	Congratulates the minister for deracialising the grant and for accepting that she will not get more money from the Finance Department. She is therefore doing the best she can in the circumstances. Appeals to Government to privatise state assets and to reduce the debt. (Kane-Berman, 1997:1)
June 4-6	<i>Media</i>	<i>Articles: Minister to back down? Pressure from lobby</i>	It is reported that there is growing pressure from inside the ANC on the minister to change the Child Support Benefit system. (Mabasa, 1997:42, 43 and Sanyal, 1996:1007)

		<i>down? Pressure from lobbyists and ANC leaders may have forced a rethink (Financial Mail), ANC talks on child payments (Cape Argus)</i>	port Benefit system. (Malala, 1997:42-43 and Sawyer, 4.06.1997)
June 16	<u>Sandy Liebenberg</u>	<u>Article for the Sowetan: Neediest children left out</u>	Sandy Liebenberg reports on the workshop on targeting and that the consensus emerged that income testing at 30% is not possible and a combination of different indicators should be employed. She points to the fact that testing at clinics will discriminate against rural women due to understaffed or not accessible clinics in the areas the benefit is meant for. She further describes that the criteria for eligibility are very complex and not always clear and the constitutional right to administrative justice might not be guaranteed since nurses will probably not have the time to write reports etc. (Liebenberg, 1997a:8)
	Portfolio Committee	Rejection of the proposed Child Support Benefit system and recommendations on the basis of the public hearings	The Portfolio Committee recommends to the Department to raise the level of benefit to R135, the age-limit to nine years and the target to 80% with a means-test with a cut-off point at R800 and that the system should not be phased in.
June 12-19	Media	Articles on the recommendations of the Portfolio Committee	Business Day: <i>ANC group rejects child welfare benefit plan.</i> (12.06.1997) Cape Times: <i>State told to rethink maintenance grants.</i> (12.06.1997) Move to boost child support.(19.06.1997)
	<u>SANGOCO</u>	<u>Press release</u>	The NGOs decided to postpone the day of action as their demands are close to the ones of the Portfolio Committee and the Minister decided to respond to them in August. The NGO Coalition wants to wait for that answer of the Minister.
June 16	<u>New Women's Movement</u>	<u>Protest on 16 June - Youth Day</u>	Protest at the Grande Parade in Cape Town during the Youth Day celebration. The women carried placards which read for example: 'The children will turn to crime if you allow maintenance cuts' The spokesperson of the New Women's Movement says that they ' <i>support equalisation but they must not do it on the expenses of the poor.</i> ' ' <i>We came here to the Youth Celebration because we feel that the youth they are trying to uplift will be the ones who will be most affected by these drastic cuts.</i> '(Vongai, 17.06.1997)
June	<u>Community Law Centre</u>	<u>Comments on the Child Support Benefit workshop on targeting</u>	see Article of Sandy Liebenberg in the Sowetan
June 26	<u>Lund working group</u>	<u>Decision to host a workshop on the means-test and target-</u>	Presentation of the current poverty situation in South Africa. Insights into administration and delivery mechanism. Group and panel discussion on a possible means-test for the CSB system with all role players.

June 30	<p><u>group</u></p> <p>SANGOCO / Minister of Welfare</p>	<p><u>ing questions and invite people from the Department, the NGOs sector and experts to have an open discussion about the issue</u></p> <p>Meeting</p>	<p>mechanism. Group and panel discussion on a possible means-test for the CSB system with all role players.</p> <p>Kumi Naidoo from the NGO Coalition raised the different aspects of the CSB which they felt should be changed: the level of the benefit should be increased to R135, the age-cohort to 0-9 years and the target to 80%. The Minister of Welfare points out that she is listening to the NGOs, but that she cannot engage in detailed discussions about special aspects of the CSB programme. She will respond to the Portfolio Committee in August and then she will deal with the aspects. She says that there is technical work going on around the means-test and that the NGOs will be invited to participate in that (South African NGO Coalition, 1997a:2-5).</p>
June	<p><u>South African National Council for Child and Family Welfare</u></p>	<p><u>Report on a survey amongst Child Welfare Societies about the Lund Committee Report</u></p>	<p>The report covers an analysis of the response of 61 welfare organisations and professional staff to the questionnaire of the Council. In conclusion, the report highlights the following issues which were raised by the various organisations: • there is a need for a sound social security system; • the amount of the benefit is too low and savings to the state are unacceptable • there are strong feelings that also children from seven to eighteen should receive the benefit • the phasing out will cause hardship and 20% is too drastic, families need the parent allowance due to widespread poverty • preservation should be the priority and programmes must be designed in such a way • financial constraints are acknowledged, one should seek to adopt a more intersectoral way so that the various Departments support each other. (South African National Council for Child and Family Welfare, 1997)¹³⁹</p>

139 The report makes recommendations to the Minister. For more information consult: South African National Council for Child and Family Welfare: New Child Support Benefit: Lund Committee Report. 1997

5. Fifth period: July 1997 to August 1997:

July 1997			
July 9	Department of Welfare	Workshop on targeting and invitation to SANGOCO to send representatives	Follow up of the first workshop in April and discussion on proposals for a means-test from Tim Steele (consultant), Prof. van der Berg, Prof. P. le Roux and Sandy Liebenberg.
July 9	<u>SANGOCO</u>	<u>Sends two representatives to participate in the targeting workshop of the Department of Welfare</u>	SANGOCO agrees to participate in the workshop, but under the following conditions: •they do not agree with the target of 30% and will continue to lobby for the target to be increased •their proposal at the workshop will not be restricted to that target, but focus on cost effectiveness, administrative efficiency and fairness •the representatives reserve the right to publicise the proposals developed and, if necessary, to table a minority report.
July 11-14	ANC NEC	Decision on Child Support Benefit	The ANC NEC in a meeting comes out in support of the deracialisation of the new Child Support Benefit. It is pointed out that the benefit must be seen as one of many government programmes. The level of the grant is to be based on objective measures due to changes in the costs of living. The benefit is set at R100 for children from 0-6 years and a means-test will be applied. The existing State Maintenance Grant should be phased out over a three year period and the new system should be implemented by January 1998. (ANC National Executive Committee, 1997)
July 15	<u>Black Sash</u>	<u>Press release on the ANC NEC decision</u>	Black Sash welcomes the decision to increase the level of benefit, but expresses great disappointment that no information on the original target of 30% was given. Concern is raised that these 30% do not correspond with the poverty level in South Africa and that given the commitment of the Department to reach 3 million children, the new census figures indicate that at least 50% of the children can be targeted. (Black Sash 1997a)
July 15-21	<i>Media</i>	<i>Articles on ANC NEC decision</i>	The Star: <i>ANC proposes a boost in suggested Child Support Benefit</i> (15.07.1997); <i>Limited child welfare grants come under fire</i> (17.07.1997); Business Day: <i>Child support grant increased to R100</i> (16.07.1997); Cape Times: <i>Welfare groups welcome increase by government</i> (16.07.1997); Cape Argus: <i>New support plan for SA's children to cost R1,4bn</i> (17.07.1997) <i>Nats slate minister on child poverty grants</i> (21.07.1997)
August 1997	Cabinet	Decision on Child Support Benefit	The level of the benefit will be R100. 3 million children will amount to 48% of the children in SA and they will be reached in five years time. These children live in household earning less than R833 per month or R10,000 per year

August 9	<u>Community Law Centre</u>	<u>Invitation to organisations of civil society, researchers and the Department of Welfare to a seminar on the definition of the concept of the 'primary care-giver'</u>	The topic of the seminar is to discuss the concept of the 'primary care-giver' in connection with the new child support grant with different stakeholders, e.g. researchers, lawyers, officials of the Department of Welfare and representatives of organisations of civil society.
August 27	<u>SANGOCO / Black Sash</u>	<u>NGO workshop on the means-test and targeting issues</u>	Discussion on current realities in South Africa and how a means-test for the child support grant can take account of that. Representatives of organisations of civil society, researchers and Francie Lund, former chair of the Lund Committee and now technical adviser to the Department, took part in the workshop. The workshop recommended that the means of the primary care-giver and not of the household should be tested because of the exclusion of poor children as they live in larger households. The links between welfare, home affairs (birth registration) and health were questioned. Furthermore, it was recommended that the age cohort should be progressively increased.
August 27	Department of Welfare	Publicises the minutes of targeting workshop on July 9 1997	Discussion on different proposal for a means-test for the child support grant: Consultants Tim Steele, Prof. Servaas van der Berg; University of Stellenbosch; Pieter le Roux, University of the Western Cape; Sandy Liebenberg as representative of the SANGOCO. No final decision was made, but it was acknowledged that the definition of the primary care-giver and the design of a simple means test would be very difficult.
August 27 & September 4	Department of Welfare/Welfare MINMEC/Cabinet	Welfare Matters Amendment Bill and approved by Welfare MINMEC and Cabinet	Formulation of Amendment Bill and tabling in Parliament. In regard to the child support grant: The concept of the 'primary care-giver' is restricted to a person who is related to the child either by blood ties or to a family by marriage. ¹⁴⁰
August 29	<u>Community Law Centre</u>	<u>Workshop on the concept of the 'primary care-giver'</u>	Discussion on the definition of the Department of Welfare of the 'primary care-giver' in the Welfare Amendment Bill. Rejection of this definition and proposals for a different definition as well as a strong

140 The definition of the 'primary care-giver' includes the following persons: *parents or any other person who has legal custody over the child* and with the written permission from a commissioner of child welfare: *a grandfather, grandmother, brother, sister, uncle, or aunt of the child who is over the age of 21 years; or any other person over such age who is related to the child in the third degree of affinity or consanguinity and who is from time to time determined by the Minister by notice in Gazette.*

	<u>Centre</u>	<u>the 'primary care-giver'</u>	recommendation for a means-test which tests the means of the 'primary care-giver' in contrast to testing the household income. ¹⁴¹
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141 The seminar raised the following areas of concern: •the definition on the ground of biological relationships and marital relationship; • the age limit of 21 of the 'primary care-giver'; •the potential discrimination against same sex relationships on the ground of marital status; •the link to section 10 of the Child Care Act; • the procedure in cases of conflict. (Liebenberg and Sloth-Nielsen, 1997)

Appendix 3

Members of the Lund working group

The list entails all organisations which took part in at least one meeting.

1. Centre of Early Childhood Development
2. Institute for Democracy in South Africa (IDASA)
3. Institute for Social Development, University of the Western Cape
4. Community Law Centre, University of the Western Cape
5. Black Sash
6. Congress of South African Trade Unions
7. Women on Farms Project
8. Gender Advocacy Project
9. New Women's Movement
10. Ilitha Labantu
11. Human Rights Commission
12. Southern African Catholic Bishops Conference
13. Quaker Peace Centre
14. Cape Flats Development Association (CAFDA)
15. South African National NGO Coalition
16. Social Work Department, University of the Western Cape
17. South African Council of Churches

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Appendix II

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