

2021 Appropriation Bill [B4 - 2021]

Submission from the Children's Institute, UCT
and Centre for Child Law, University of Pretoria

To the Standing Committee on Appropriations

26 May 2021

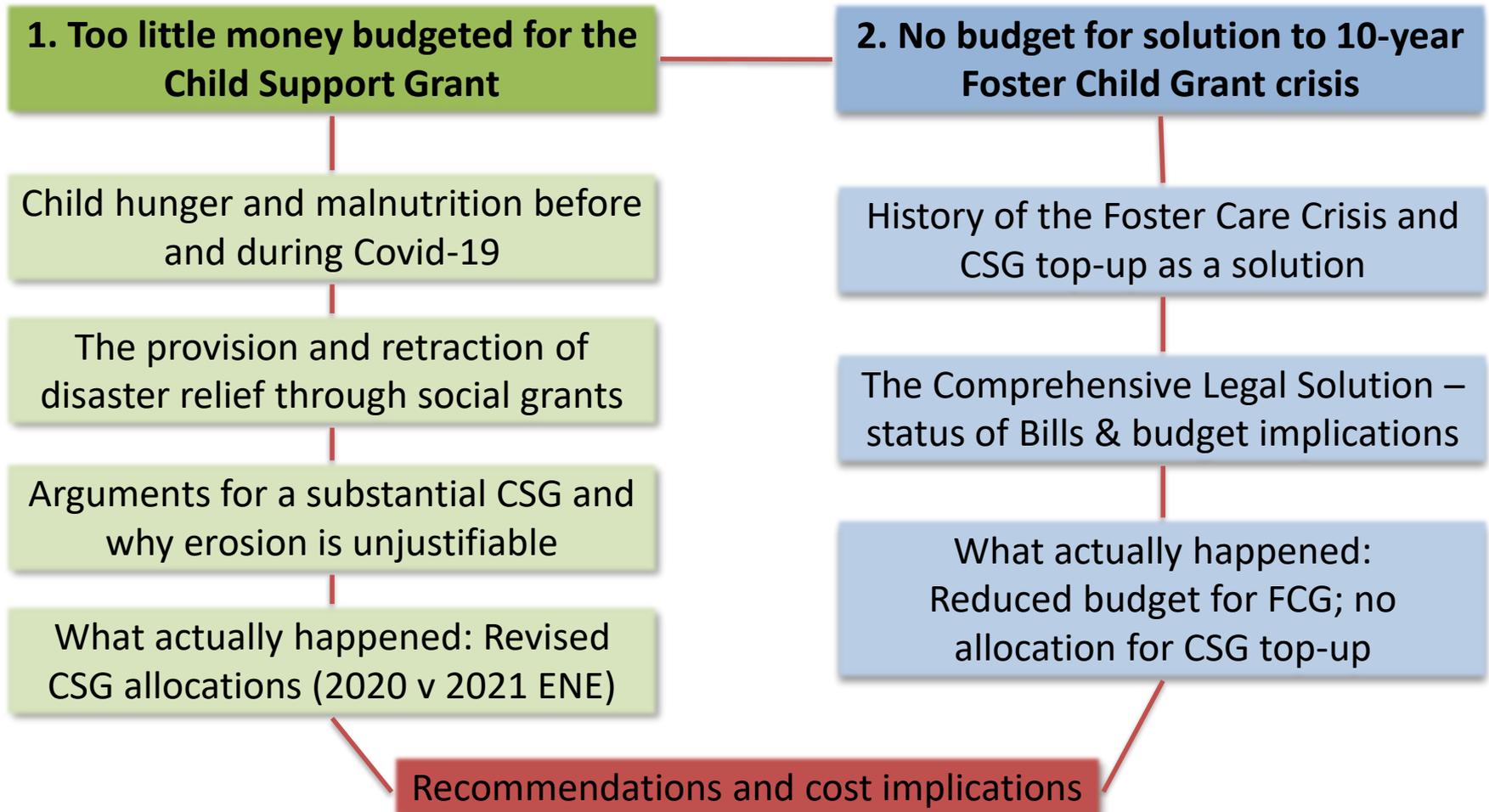
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2 problematic “decisions” in the DSD budget

Structure of submission



Full written submission is available [here](#)

Child poverty, hunger and malnutrition

Child malnutrition is a form of “slow violence” that destroys a child’s developing body and brain, damaging their health, education and employment prospects

High rates of child poverty and hunger before Covid-19

- **One in three** children lived in households below the food poverty line.
- **27%** of young children stunted due to chronic malnutrition.
- **50%** of child deaths in hospitals associated with malnutrition.



Covid-19 and lockdown increased poverty and hunger

- **Rising unemployment** breaching 40% mark in 2021.
- **Net decrease of 1.4m jobs** over 2020, with **women** worst affected.
- **Food price increases** as high as 10% year-on-year.
- **Child hunger increased** after grant top-ups & caregiver allowance stopped.
- Hunger levels at **highest rate** in over a decade



NEWS DEFEAT POVERTY

South Africa's First Lady Calls for an End to Stunting and Child Hunger

The country has failed to prevent stunting last 20 years, according to a report.



Africa

South Africa Lockdown Deprives Needy Children of Food

24 Feb 2021

Analysis: What can SA do about the 'slow violence' of child hunger and malnutrition?

spotlight Kathryn Cleary

SHARE



Children wait for food at a feeding scheme in Lavender Hill, Cape Town South Africa, Tuesday, April 21, 2020, during the fourth week of lockdown to contain the spread of coronavirus. The feeding of the children has replaced the meal a day they would normally eat on a regular basis.

#LockdownSA: Child hunger on the rise

Child hunger on rise in SA due to new Covid-19 variant

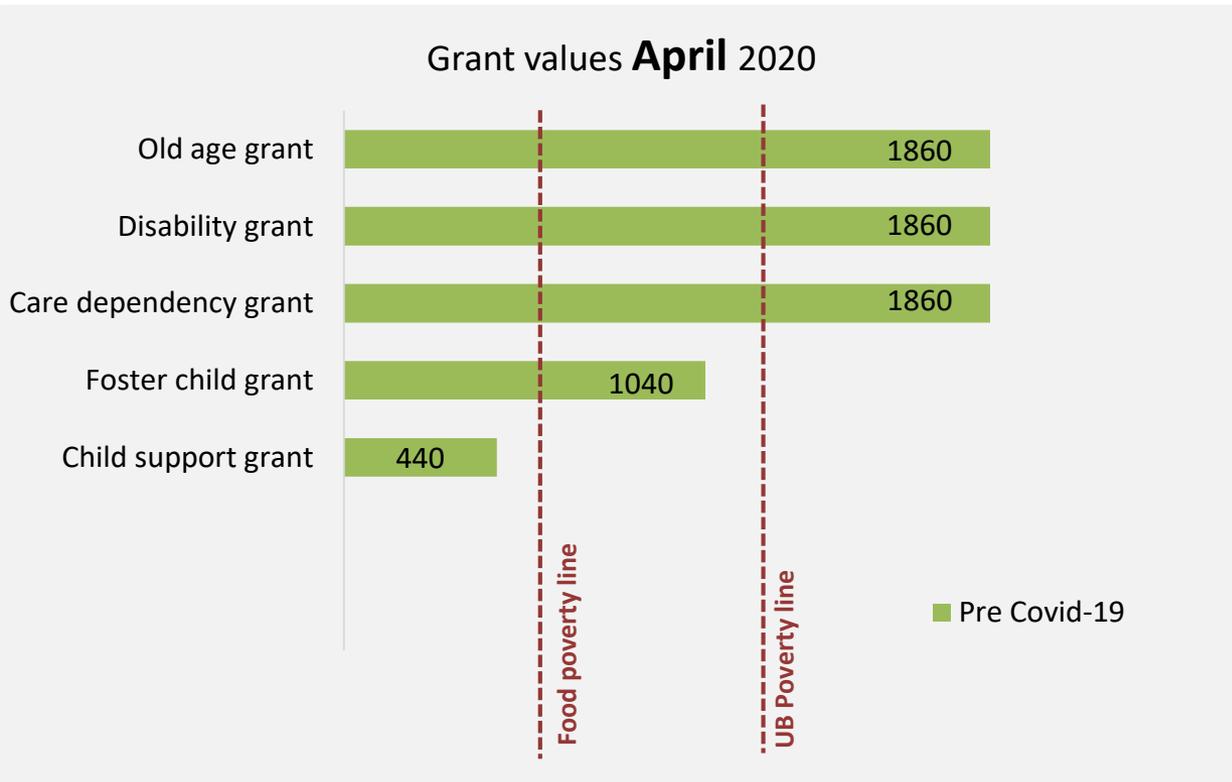
SOUTH AFRICA

'Our poor are hungrier than they have ever been': SA's food insecurity crisis

'In South Africa right now children are starving, eating wild plants to survive'

Child hunger increased despite jobs bounce-back, survey shows

Grant structure & disaster relief package



- Prior to lockdown: the CSG was the only grant below the food poverty line – just R440 per month.
- CSG was also the most pro-poor in its targeting: reaching 74% of all households in the poorest income decile, and 80% of those reliant on informal employment income.

Grant structure & disaster relief package

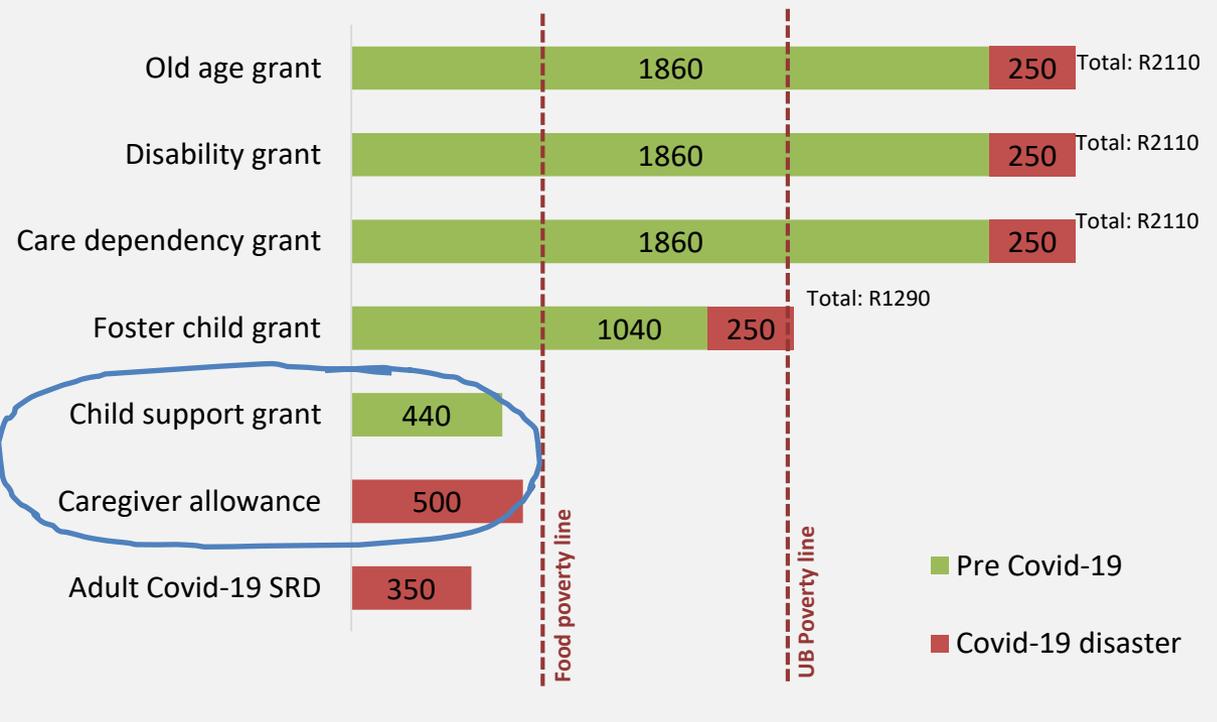
Grant values **May** 2020



- In May, each CSG received a R300 top-up – enabling quick cash transfer into millions of poor households and protecting nearly 13 million children.
- Other existing grants received a R250 top-up.
- A special Covid-19 SRD was introduced for unemployed adults without access to income / UIF / TERS

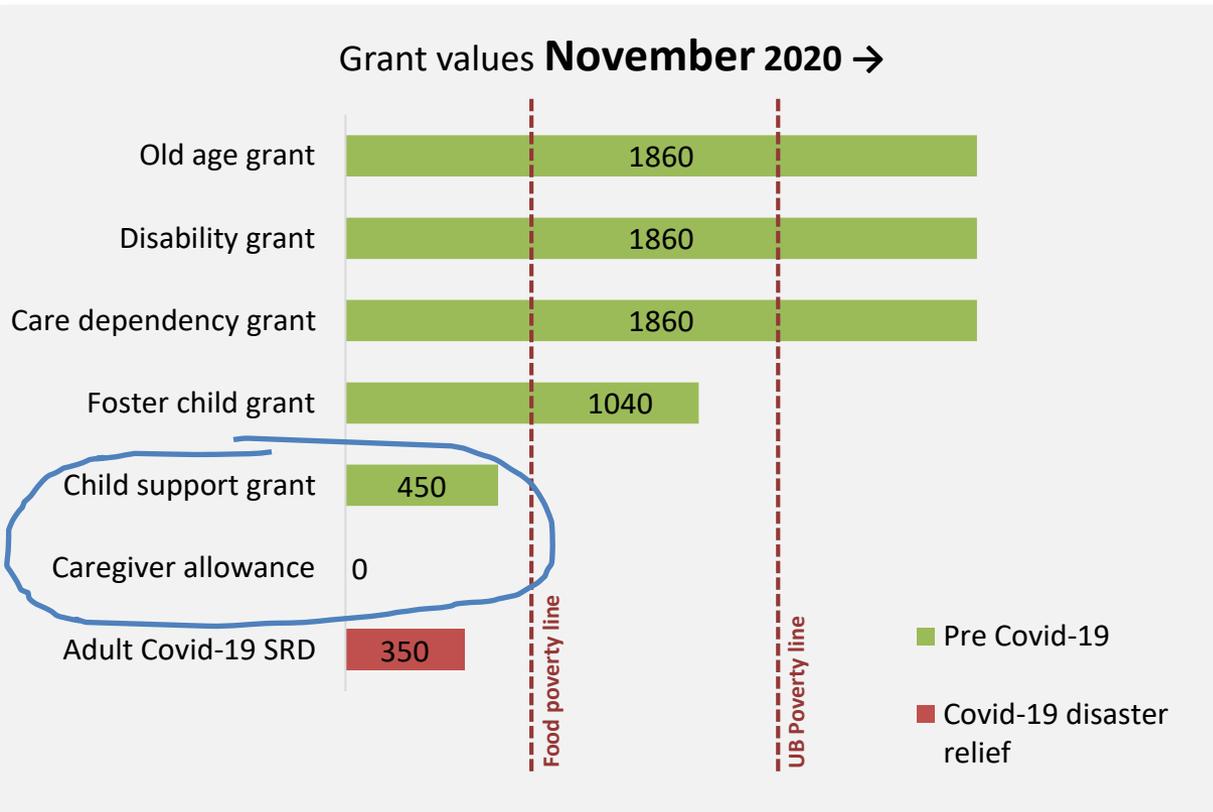
Grant structure & disaster relief package

Grant values **June-October** 2020



- From June, CSG was reverted to its pre-Covid low value.
- Caregiver allowance introduced for 5 months (CSG caregivers excluded from Covid-19 SRD).

Grant structure & disaster relief package



- From November the top-ups to existing grants were stopped.
- Caregiver allowance stopped (7.2m caregivers).
- Covid-19 SRD continued to April 2021 (caregivers excluded)
- From Oct CSG received planned 2nd increase (R10). R450 still far below food poverty line.

Arguments for a substantial CSG increase

- Urgent need to address child hunger, malnutrition and stunting.
- Existing commitments and international pressure to increase the CSG substantially:
 - **AU Committee on the Rights and Welfare of the Child** (2015)
 - **UN Committee on the Rights of the Child** (2016)
 - **UN Committee on Economic, Social and Cultural Rights** (2018)
 - Treasury-appointed **Panel of Experts on Mitigating the VAT Increase** (2018)
- **Minister Zulu** (Social Development) acknowledged that CSG is the only grant below the food poverty line and should be increased permanently.
- **President Ramaphosa** emphasised that childhood nutrition is central to the national project to rebuild the economy (2021 SONA).

The impossibility of regression / erosion



IN THE HIGH COURT OF SOUTH AFRICA

(GAUTENG DIVISION, PRETORIA)

Case Number: 22588/2020

[57] The CRC Committee in General Comment no 19 sets out that the obligation imposed on States by article 4 to realize children's economic, social and cultural rights to the maximum extent means that States should not take deliberate retrogressive measures in relation to economic, social and cultural rights. **In times of economic crisis, regressive measures may only be considered after assessing all other options and ensuring that children are the last to be affected, especially children in vulnerable situations.** Internationally thus retrogressive steps, can only be taken when all other options have been considered.

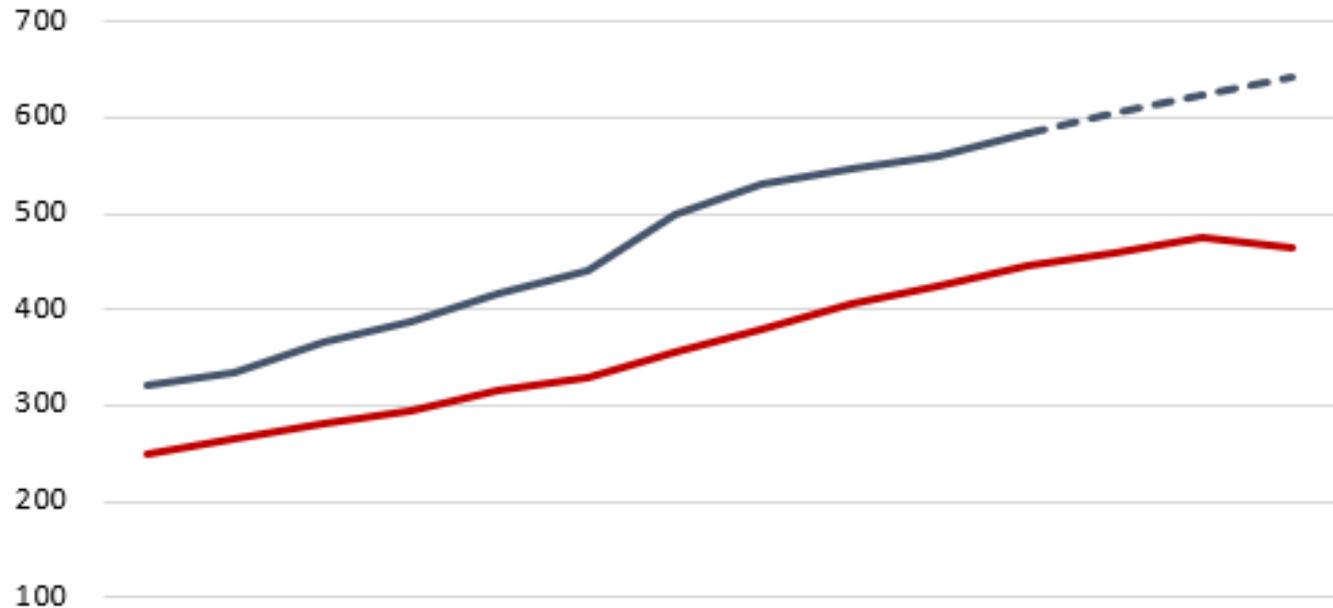
High Court Judgment in Equal Education School Nutrition Case, 2020

Comparing the 2020 and 2021 ENE

	2021/22		2022/23		2023/24
	2020 ENE	2021 ENE	2020 ENE	2021 ENE	2021 ENE
Older Persons Grant					
Budget (Rm)	90 053.5	86 486.7	97 068.3	93 145.8	95 100.2
Estimated number	3 900 000	3 900 000	4 000 000	4 000 000	4 100 000
Disability Grant					
Budget (Rm)	25 488.5	23 578.9	26 521.6	24 703.9	24 300.8
Estimated number	1 000 000	998 516	1 000 000	996 429	993 206
Foster Child Grant					
Budget (Rm)	4 829.4	4 338.1	4 795.3	4 057.1	3 574.6
Estimated number	304 375	283 718	284 844	254 611	229 440
Care Dependency Grant					
Budget (Rm)	3 808.9	3 658.0	4 077.4	3 874.8	3 889.7
Estimated number	160 851	156 417	163 882	161 623	167 027
Child Support Grant					
Budget (Rm)	74 779.8	73 317.9	80 735.4	77 224.4	77 019.1
Estimated number	13 200 000	13 300 000	13 400 000	13 500 000	13 800 000
Approx monthly value	470	460	500	477	465

CSG & cost of food: a widening gap

The gap between the monthly CSG value and the food poverty line



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
— Child support grant *	250	265	280	295	315	330	355	380	405	425	445	460	475	465
— Food poverty line **	320	335	366	386	417	441	498	531	547	561	585			

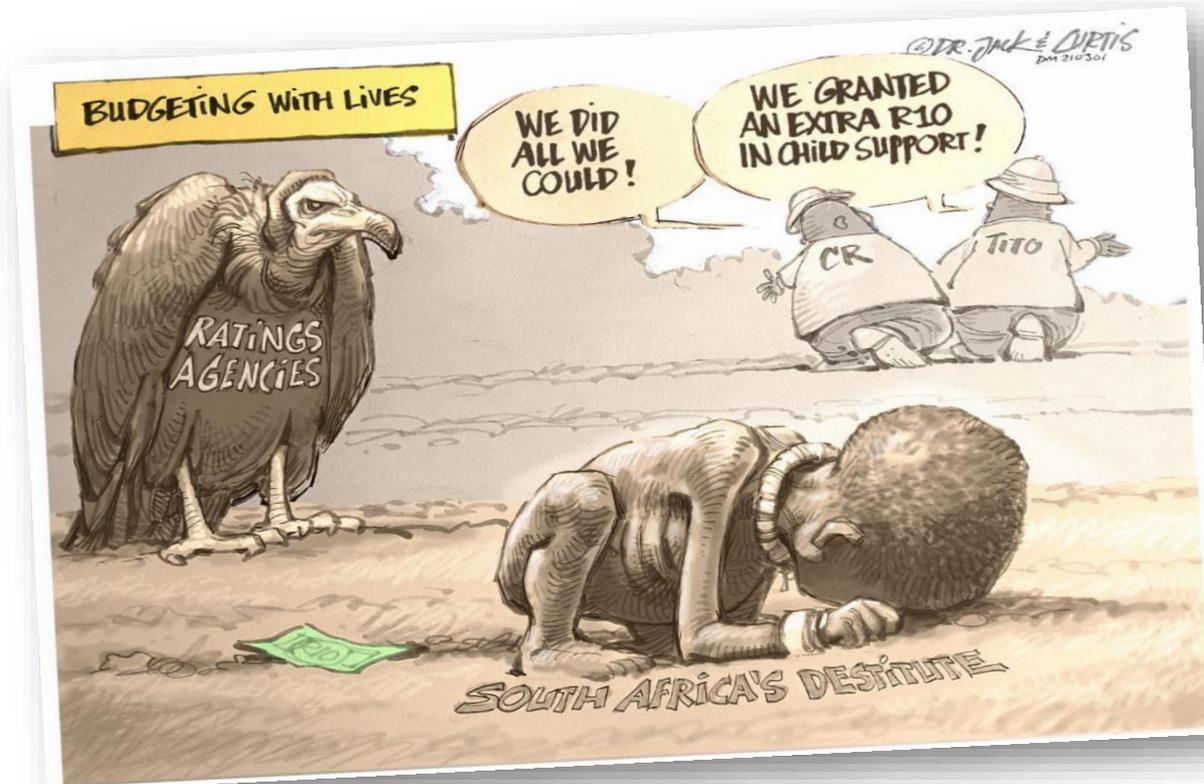
Note: CSG value is the average of April and October values for each year

An austere and regressive budget

2021 ENE describes: ***“a projected decrease in spending on social grants amounting to R36 bn over the MTEF period”***

- despite a projected increase of 300,000 in the overall number of grant beneficiaries each year.
- most of these additional beneficiaries are children, receiving the CSG.
- The value of the CSG is set to decrease. It will be even more difficult for poor caregivers to feed their children.

What the media (and civil society) thinks of the budget...



“De-funding” poor children – at what cost?

What can be done to protect children?

Urgent and possible: A small (R10) increase to the CSG in the Oct 2021 MTBPS.

Short-term target: Child Support Grant benchmarked to the food poverty line, as an absolute minimum

Interim goal: Comprehensive social protection with adequate basic income support for all, including the unemployed

Long-term ideal: Full employment and decent wages

The least that can be done as a remedy to offset inflation and prevent regression for poor children.

Strong precedent:
CSG is the only grant that usually receives 2nd increase in October:

- ✓ Oct 2011
- ✓ Oct 2013
- ✓ Oct 2014
- ✓ Oct 2016
- ✓ Oct 2018
- ✓ Oct 2019
- ✓ Oct 2020

Part 2: The Foster Care Crisis

A confusion of categories

A. "Classic Foster Care"

Children who have been removed from their families (e.g. because of abuse / neglect)

Children awaiting adoption
(abandonment, voluntary adoption)

They are wards of the State – if they were not in foster care they would be in institutions.
But preferable to place in a family home environment.

The FC placement is meant to be..

- Temporary, not permanent.
- Does not give full parental rights
- Requires regular supervision & review

Child may need therapeutic services

Number unknown
? 60,000

B. Orphans with kin

Orphaned & abandoned children living with their own family (granny / aunt / etc)

No need to be wards of the State.

They are already in a family environment
(along with 3.2 million other children who are not orphaned but live with relatives.)

No automatic reason for the arrangement to:

- Be temporary rather than permanent.
- Not allow full parental rights.
- Subject to regular supervision & review.

Child still eligible for protection and therapeutic services if needed

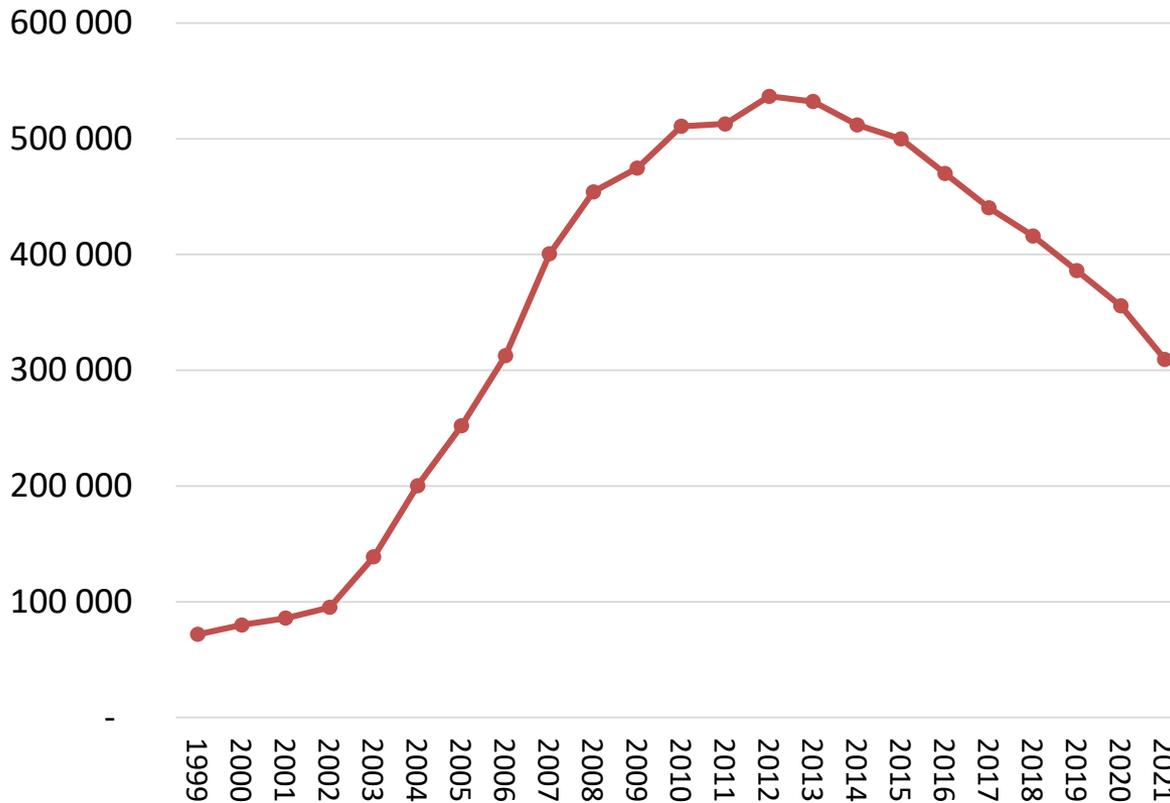
Over 80% of
current foster care

The foster care crisis

- Early 2000's: relatives caring for orphaned children were **encouraged to apply for foster care**. Foster care grant was more than 3 x value of CSG.
- Foster care system is a **labour-intensive system** with lots of checks and balances because foster care is **alternative care**.
- The **system could not cope** with the number of cases, which required regular review. In 2011 **over 120,000 FCGs lapsed** (children lost their grants) and another 300 000 were at imminent risk.
- Child protection services suffered as social workers and children's courts were focused on foster care placements and review for orphans.
- The High Court ordered DSD to design and implement a **comprehensive legal solution** by 2014. DSD delayed for many years, seeking extensions to the deadline, and using all resources to chase the foster care backlog.

Rapid decline in foster child grants

Number of FCGs at end March (1999-2021)



- FCGs grew rapidly during 2000s, then stalled.
- Numbers declined steadily since 2013:
 - Most placements are orphans – 25% age out every year.
 - Fewer new placements – little capacity for protection services.
 - Directive from DSD to
- Would need to more than double numbers to reach all orphans with kin

The Comprehensive Legal Solution

2 parts

Amendment to the Social Assistance Act to enable a top-up to the CSG for orphans living with family members

Included in Social Assistance Amendment Act 16 of 2020 (assented to by President in Dec)

Amendment to the Children's Act to change eligibility criteria for foster care to exclude orphans in the care of relatives.

Currently before parliament; national hearings completed in May.

Already possible to introduce CSG top-up, but requires Treasury concurrence & budget.

The Comprehensive Legal Solution

- South Africa has already committed to introducing the CSG top-up for orphans in 2021.

2.3 Recommendation number 57 (c) to the Government of South Africa to expedite the adoption of the Social Assistance Amendment Bill of 2018 to increase the level of child support grants for orphaned and abandoned children living with relatives, for which it has already earmarked funds:

2.3.1. The Social Assistance Amendment Bill was adopted by Parliament in October 2020. The Bill is currently with the President for assenting. Once it is assented, the Minister of Social Development will publish regulations enabling access of orphans living with family members, to a higher value Child Support Grant. This is expected to be concluded by April 2021.

State report to the United Nations Committee on Social, Economic and Cultural Rights. Submitted March 2021

Comparing the 2020 and 2021 ENE

- The budget shows clear intention to **reduce access to the FCG** in the 2021/22 financial year and over the MTEF, yet **no commensurate intention to introduce the necessary replacement grant** in the form of the CSG Top-Up in the CSG line item.
- This represents **regressive action** as it reduces the budget for the FCG for orphans before providing an alternative grant to replace it, as provided for in the Social Assistance Amendment Act that was signed by the President in December 2020.

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- The regressive action can be rectified through an **adjustment in the October MTBPS** to provide the necessary budget for the introduction of the CSG top-up for orphans living with relatives.

Combined cost implications

Child support grant	Beneficiaries	Value	Budget 2021/22 (Rm)	
Current budget (Rm)	13.3m	R460 (12 months)	73 318	Includes R10 increase to R460 from April, as budgeted and implemented.
Oct CSG increase (Rm)	13.3m	R10 (6 months)	798	Allows for additional R10 CSG increase to R470 from Oct 2021
CSG top-up for orphans	188,000	R230 (6 months)	260	Allows for introduction of 50% CSG top-up for orphans living with relatives from Oct 2021
Additional budget requirement:			1 058	

This is a small cost to the fiscus but has substantial multiplier effects:

- The additional R10 in the CSG helps to **protect 13 million children** against inflation, rising child poverty & malnutrition
- The CSG top-up is a **cost-effective reform**: the grant value is lower than the FCG, yet has the capacity to reach more orphans. It will also reduce social worker case loads, freeing up capacity to provide **better quality protection services** for all.

Summary of recommendations

- The Constitution gives very strong protection of children's rights. We call on parliament to protect the poorest and most vulnerable in our society from the erosion of the social grants that sustain them, especially in times of crisis.
- Parliament can correct the regressive steps for children in the 2021/22 budget by ensuring that just a little more than R1 billion is allocated in the October MTBPS, made up of:
 - **R798 million** to increase the CSG by R10 to R470 per month as from 1 October 2021.
 - **R260 million** to provide a 50% CSG top up for orphans living with relatives from 1 October 2021.