

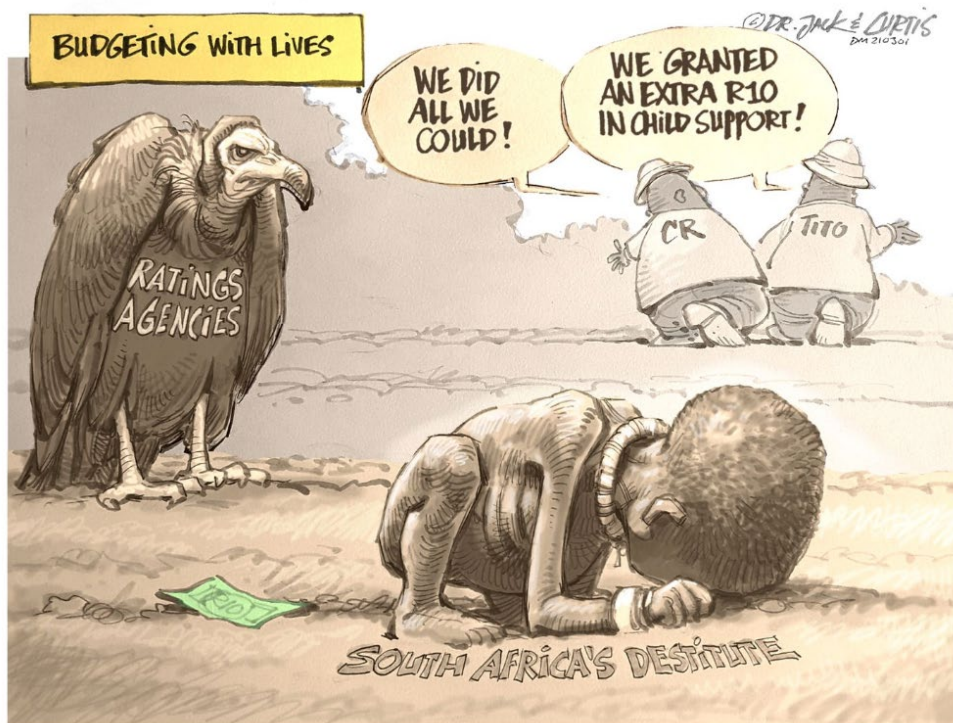
Submission to the Standing Committee on Appropriations and the Portfolio Committee on Social Development

On Budget Vote 19: Social Development (2021)

By the Children's Institute UCT, and Centre for Child Law UP

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<https://www.dailymaverick.co.za/article/2021-03-02-budgeting-with-lives/>

In light of the pressing issue of child malnutrition and the negative long-term impact this will have on the economy and the country as a whole, this submission requests Parliament to review the following decisions by National Treasury:

- (a) The decision to limit the Child Support Grant (CSG) increase to only R10, with no further increase in the 2021/22 financial year, allowing it to fall behind food inflation.
- (b) The decision to exclude unemployed caregivers in receipt of the CSG for their child, from being eligible for the R350 SRD grant.
- (c) The decision to reduce budget for the Foster Child Grant (FCG) while not budgeting for the parallel introduction of a CSG top-up for orphans living with relatives, as planned in terms of the required comprehensive legal solution to the foster care crisis.

All of these decisions are punitive to children and those who care for them. **We call on Parliament to either amend the February Budget to address these challenges, or to ask that Treasury address these challenges in the October MTBPS.**

South Africa has a huge burden of child malnutrition. This not only infringes on children's well-being and their right to survival and development, but also perpetuates the intergenerational cycle of poverty and inequality. The below-food price inflation increase to the CSG is likely to exacerbate child malnutrition.

Instead, the budget could provide for a second R10 increase to the CSG in October 2021, in line with the practice over the past eight years of splitting the CSG increase into two R10 tranches, one in April and the second in October.

It is also important that caregivers who receive the CSG for children can also be individually eligible for the Covid-19 SRD R350 grant as the CSG is a payment for the child while the SRD is for the adult.

The state of child hunger and malnutrition

Child malnutrition is a form of "slow violence" that systematically destroys a child's developing body and brain, damaging their health, education and employment prospects.¹

Even before the arrival of Covid-19, the situation in South Africa was very worrying:

- **One in ten children lived in households where children were reported to go hungry** at least sometimes because there wasn't enough food.
- Even when children do not feel the physical pain of hunger, they may not be getting enough nutrition. **A nutritious diet is more expensive** than filling the belly with starch.
- **A third of all the children in the country lived in households below the food poverty line**, where there is not enough money to provide household members with the minimum nutrition needed for survival and development.
- **Over a quarter (27%) of young children are stunted** – too short for their age.² The stunting rate is very high for a middle-income country. Stunting is a sign of chronic malnutrition, which literally stunts physical growth and cognitive development.
- Large numbers of young children suffer from **deficiencies in micronutrients** such as iron and zinc. Nearly half have vitamin A deficiency, meaning that their immunity is impaired.³
- In 2018, **50% of child deaths in hospitals were associated with malnutrition.**⁴

¹ Lawrence Haddad, Director of the Global Alliance for Improved Nutrition in his Foreword to the *South African Child Gauge 2020*. <http://www.ci.uct.ac.za/cg-2020-food-and-nutrition-security>

² South African Demographic and Health Survey 2016. <https://www.samrc.ac.za/reports/sadhs2016>

³ SANHANES & National Food Consumption Surveys, cited in *South African Child Gauge 2020*, p.109

http://www.ci.uct.ac.za/sites/default/files/image_tool/images/367/Child_Gauge/South_African_Child_Gauge_2020/Child_Gauge_2020_screen_final.pdf

⁴ National Department of Health Ministerial Committee for the Morbidity and Mortality of Children under 5 years (publication on 2018 data in progress). Children's Institute communication with Dr Cindy Stephens, Child Health Problem Identification Programme.

The impact of Covid-19

Covid-19 and the associated lockdown, thrust many households into desperate poverty, and children suffered the effects of food insecurity.

- There was a **sharp rise in unemployment** as a direct result of lockdown. Three million jobs were lost between February and April 2020. Two million of those who lost employment were women.⁵
- In the last quarter of 2020, StatsSA recorded a net decrease of 1.4 million (8.5%) in total employment numbers, compared with the same period the previous year.⁶
- **In the 2nd quarter of 2020, the expanded unemployment rate breached the 40% mark** for the first time since the Quarterly Labour Force Survey was introduced in 2008, and it remained above 40% for the rest of the year.⁷
- By the end of the year, **46.3% of women in the labour force were unemployed**, versus 39.4% of men. Most children in South Africa depend on women, not only for their daily care but also for financial support and nutrition.
- Along with the rise in unemployment and poverty, **food prices increased** (by as much as 9.8% for the period Feb 2020 to Feb 2021)⁸.
- The NIDS-CRAM recorded that **child hunger rates increased after the grant top-ups and caregiver grant were discontinued** in October 2020.⁹

Disaster relief through social grants

The disaster relief package announced by the President in late April 2020 included a R300 top-up to the Child Support Grant (CSG) for just one month (in May). This reached 13 million children on the CSG. From June the CSG top-up was discontinued and a new caregiver allowance of R500 was introduced, reaching just over 7.1 million caregivers who received CSGs for children in their care. The caregiver allowance continued for 5 months (from June to October), after which it was discontinued.

The one-month additional amount to the CSG used the most efficient available mechanism to transfer much-needed cash into millions of highly vulnerable households. The CSG is the most pro-poor of all the grants, and reaches 74% of all households in the poorest income decile.¹⁰ The CSG also reaches around 80% of households that rely on income from informal employment and would therefore not receive assistance through UIF or TERS.¹¹

⁵ NIDS-CRAM survey, Wave 1. <https://cramsury.org/wp-content/uploads/2020/07/Spaull-et-al.-NIDS-CRAM-Wave-1-Synthesis-Report-Overview-and-Findings-1.pdf>

⁶ Stats SA Quarterly Labour Force Survey, 4th quarter 2020. <http://www.statssa.gov.za/publications/P0211/P02114thQuarter2020.pdf>

⁷ Stats SA QLFA Trends 2008-2020 (Historical tables). http://www.statssa.gov.za/?page_id=1854&PPN=P0211&SCH=72942

⁸ Pietermaritzburg Economic Justice & Dignity: Pietermaritzburg Household Affordability Index February 2021. https://pmbejd.org.za/wp-content/uploads/2021/03/February-2021-PMB-Household-Affordability-Index_03032021.pdf

⁹ Van der Berg, Patel and e Bridgman, Hunger in South Africa during 2020: Results from Wave 3 of NIDS-CRAM (February 2021). <https://cramsury.org/wp-content/uploads/2021/02/10.-Van-der-Berg-S.-Patel-L.-Bridgman-G.-2021-Hunger-in-South-Africa-during-2020-Results-from-Wave-3-of-NIDS-CRAM-1.pdf>

¹⁰ Report of the Panel of Experts on Zero Ratings in the Value-Added Tax system, p.71 https://static.pmg.org.za/180806VAT_Panel_Final_Report_for_public_comment.pdf

¹¹ Barrier I, Budlender J et al (2020) Locked down and locked out: Repurposing social assistance as emergency relief to informal workers. SALDRU working paper 261. http://www.opensaldru.uct.ac.za/bitstream/handle/11090/977/2020_261_Saldrulp-v2.pdf?sequence=3

When the caregiver allowance was introduced in June 2020, the CSG reverted to its previous value of R440. The CSG already had the lowest value of all the social grants, was the only grant below the food poverty line (R585 per month in 2020 Rands), and it did not receive any subsequent top-up when all other grants were topped up by R250 for another five months.

Table 1. Grant values excluding and including disaster relief top-ups (June – October 2020)

	Monthly base value from April 2020	Value with top-up (June-Oct 2020)
Child support grant	R440	R440
Foster child grant	R1040	R1290
Older persons grant	R1860	R2110
Disability grant	R1860	R2110
Care dependency grant	R1860	R2110

The five-month caregiver allowance was an efficient way of reaching poor and unemployed adults (mainly women) who care for children. They were already registered as beneficiaries in the SASSA system because they received CSGs on behalf of their children, and so it was unnecessary to enrol them separately onto the Covid-19 SRD, which was launched through an online application platform.

The table below, taken from the notice published by the Minister of Social Development in the Government Gazette, confirms that the CSG had a zero increase after the once-off top-up in May, and that the Caregiver grant is an “allowance” for the caregiver and part of the COVID-19 Social Relief of Distress grant – not an increase to the CSG.¹²

Table 2. Disaster relief top-ups to social grants, as gazetted.

The monthly top-up amounts are as indicated in the following tables:

Type of Grant	May	June	July	August	September	October
Older Persons	R 250	R 250	R 250	R 250	R 250	R 250
War Veterans'	R 250	R 250	R 250	R 250	R 250	R 250
Disability Grant (permanent and temporary)	R 250	R 250	R 250	R 250	R 250	R 250
Care Dependency Grant	R 250	R 250	R 250	R 250	R 250	R 250
Foster Child Grant	R 250	R 250	R 250	R 250	R 250	R 250
Child Support Grant	R300	0	0	0	0	0

Furthermore, an additional form of Social Relief of Distress will be provided for the period until end of October 2020.

Type of Grant	May	June	July	August	September	October
CSG Care Givers Allowance		R500	R500	R500	R500	R500
COVID-19	R350	R350	R350	R350	R350	R350

The 2020 Estimates of National Expenditure projected total expenditure on the CSG for 2020/21 at R69.76bn.¹³ The adjusted expenditure for this line item for the 2020/21 year in the 2021 Estimates of

¹² Social Development Regulations, Government Gazette No.11107 Vol.659 No.43300, 9 May 2020.

¹³ 2020 Estimates of National Expenditure, Vote 19, p.301

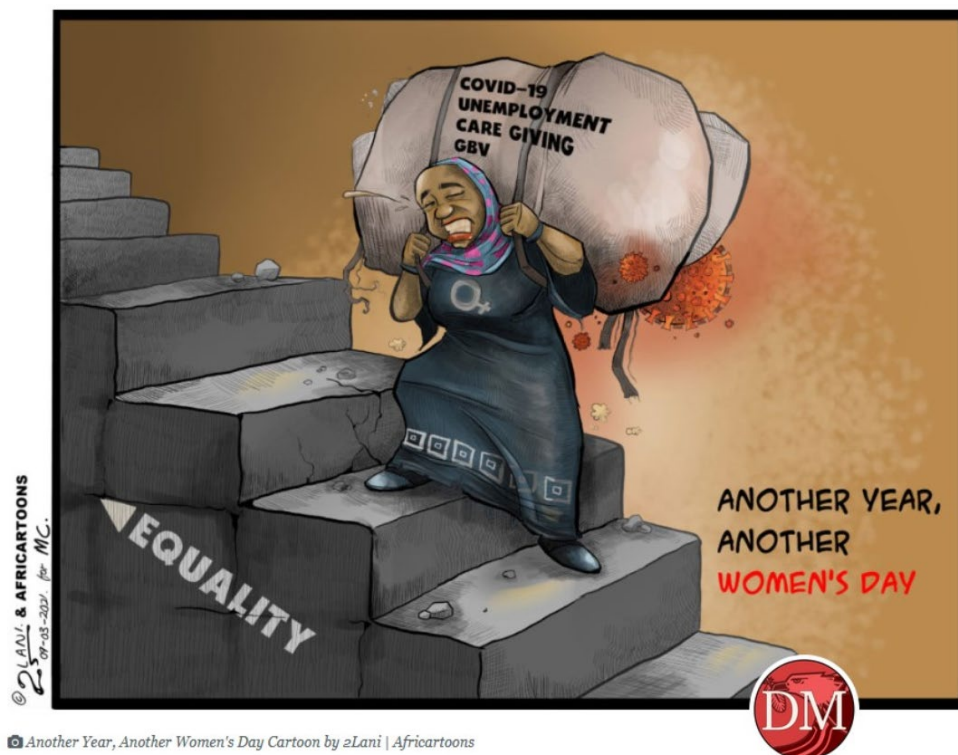
<http://www.treasury.gov.za/documents/national%20budget/2020/ene/Vote%2019%20Social%20Development.pdf>

National Expenditure was R84.86bn¹⁴ – an increase of over R15bn from the 2020 projection. In reality, around R18bn of the expenditure allocated to the CSG budget line was in fact spent on the caregivers' allowance, not on the CSG.

The package of disaster relief grants and top-ups was scheduled to last until October 2020. The October MTBPS provided for the extension of the Covid-19 SRD of R350 until January 2021, and a further extension to April was announced by the President in his February SONA address.

However, caregivers who receive the CSG for their children are now not only without a caregiver allowance (as this temporary grant was terminated in October); they are also excluded from applying for the Covid-19 SRD grant for themselves. There are over 7 million women who receive CSGs for children in their care. By definition, these women are poor (they must pass a low means test to qualify for the CSG). Many are unemployed, while others are in low-paying and precarious jobs or the informal sector. Their exclusion from the SRD means that they and their children must together survive on a child grant of R450 that is not sufficient to feed a single child.

The inequitable situation faced by women, who have borne the brunt of COVID-19 unemployment and continue to provide for children while being excluded from the SRD, was captured in the following cartoon, published in the Daily Maverick on 9 March 2021.¹⁵



Another Year, Another Women's Day Cartoon by Lani | Africartoons

¹⁴ 2021 Estimates of National Expenditure, Vote 19, p.334

<http://www.treasury.gov.za/documents/national%20budget/2021/ene/Vote%2019%20Social%20Development.pdf>

¹⁵ <https://www.dailymaverick.co.za/article/2021-03-09-another-year-another-womens-day/>

Arguments for a substantial CSG increase in the 2021 budget

There are strong arguments for increasing the CSG substantially over the medium term, and at the very least for ensuring that it is not eroded in the short to medium term, despite fiscal constraints.

- The **persistently high levels of child malnutrition and stunting need to be addressed urgently**, and young children need to be protected from becoming malnourished. The quickest and most efficient way to do this is to increase the value of cash transfers for poor children.
- Even before COVID-19, **several human rights supervisory bodies and expert committees recommended that the South African government increase the CSG amount**. These include the African Committee on the Rights and Welfare of the Child in 2015¹⁶ the UN Committee on the Rights of the Child in 2016¹⁷, the UN Committee on Economic, Social and Cultural Rights in 2018¹⁸, and the Treasury-appointed Expert Panel on Mitigating the VAT increase in 2018¹⁹.
- The UNCRC's General Comment 19 on budgeting makes it clear that **states should not take regressive measures in relation to socio-economic rights**. In the case of *Equal Education and others v Minister of Basic Education and others* the High Court, citing this international law, concluded that even "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 those in vulnerable situations**".²⁰
- Since the top-ups and the caregiver grant were stopped, **hunger levels have risen to their highest rate in over a decade**.
- The Minister of Social Development has acknowledged the inequity in the grant structure and that the CSG is the only grant below the food poverty line. She stated in May 2020 that **the CSG needed to be increased permanently** and that her Department would need to engage with Treasury.²¹ President Ramaphosa, in describing strategies to rebuild the economy, emphasised that **childhood nutrition is central to the national project**.²²
- Most recently, the UN Committee on the Rights of the Child has specifically required the South African government, inter alia, to **provide information on the measures taken "to increase the child support grant in view of growing unemployment and poverty and ensure that children without birth certificates can access it."**²³ The state will have to provide a response to this question in its next report to the UNCRC which is due by February 2022. Given the pressure to increase the value of the CSG, it will be hard for the state to justify to the UNCRC a failure to do so, let alone a real decline in its value.

¹⁶ African Committee of Experts on the Rights and Welfare of the Child (2015) *Concluding Recommendations on the Republic of South Africa's Initial Report on the Status of Implementation of the African Charter on the Rights and Welfare of the Child*. Addis Ababa: ACERWC. Para.6.

¹⁷ United Nations Committee on the Rights of the Child (2016) *Concluding Recommendations on the Second Periodic Report of the Republic of South Africa*. Geneva: UNCRC. Para 54

¹⁸ United Nations Committee on Economic, Social and Cultural Rights (2018) *Concluding Observations on the Initial Report of the Republic of South Africa*. Geneva: UNCESCR. Para 56 & 57

¹⁹ Independent Panel of Experts for the Review of Zero Rating in South Africa (2018) *Recommendations on Zero Ratings in the Value-Added Tax system*. Pg 69 – 70 Available at

https://cisp.cachefly.net/assets/articles/attachments/75659_2018081001_vat_panel_final_report.pdf

²⁰ *Equal Education and Others v Minister of Basic Education and Others* [2020] ZAGPPHC 306; [2020] 4 All SA 102 (GP); 2021 (1) SA 198 (GP) at para 57.

²¹ Lindiwe Zulu hints at bigger child grant after Covid-19 pandemic is over <https://www.therep.co.za/2020/04/29/lindiwe-zulu-hints-at-bigger-child-grant-after-covid-19-pandemic-is-over/>

²² State of the Nation Address 2021 <https://www.parliament.gov.za/president-cyril-ramaphosas-reply-debate-state-nation-address-parliament-cape-town>

²³ Committee on the Rights of the Child (2021) List of issues prior to submission of the combined third to sixth period reports of South Africa. Para 24 (c)

How the 2021 budget failed children

An austere budget that de-funded children's social grants

In presenting the 2021 budget in February, and in the press conference that followed, the Minister of Finance emphasised that this was not an “austerity budget”. But for the poorest households who depend on grants, and especially those with children, it is very austere. The single R10 CSG increase for 2021 was, in nominal terms, the smallest increase that the CSG has received in the past six years (since 2015). In relative terms it is the smallest increase it has received in two decades.

The 2021 Estimates of National Expenditure document explicitly describe a “projected decrease in spending on social grants amounting to R36 billion over the MTEF period”²⁴ despite a projected increase of 300,000 in the number of grant beneficiaries each year. This implies that grant values will lag further behind inflation in 2022 and 2023.

Table 3 below combines information from the 2020 and 2021 Estimates of National Expenditure to show the differences in the grant allocations “before” the Covid-19 pandemic and now. All grants experience budget cuts, but **the CSG has the most extreme cuts in nominal terms** as not only are the budget allocations reduced (by R1.5bn and R3.5bn respectively for the years 2021/22 and 2022/23 respectively), but the number of projected beneficiaries to be reached has been increased by 100,000 in each of those years, perhaps in recognition that more caregivers will be poor than was previously projected.

While the CSG budget has been decreased, the projected number of beneficiaries has increased, indicating that planned grant increases in the two outer years will be further reduced from what had been budgeted for the MTEF in 2020.

Table 3: Grant allocations in 2020 v 2021 Estimates of National Expenditure

	2020		2021		
	Estimates of National Expenditure		Estimates of national expenditure		
	2021/22	2022/23	2021/22	2022/23	2023/24
Old Age					
Budget (Rm)	90 053.5	97 068.3	86 486.7	93 145.8	95 100.2
Estimated beneficiaries	3 900 000	4 000 000	3 900 000	4 000 000	4 100 000
Disability					
Budget (Rm)	25 488.5	26 521.6	23 578.9	24 703.9	24 300.8
Estimated number	1 000 000	1 000 000	998 516	996 429	993 206
Foster Care					
Budget (Rm)	4 829.4	4 795.3	4 338.1	4 057.1	3 574.6
Estimated number	304 375	284 844	283 718	254 611	229 440
Care dependency					
Budget (Rm)	3 808.9	4 077.4	3 658.0	3 874.8	3 889.7
Estimated number	160 851	163 882	156 417	161 623	167 027
Child support					
Budget (Rm)	74 779.8	80 735.4	73 317.9	77 224.4	77 019.1
Estimated number	13 200 000	13 400 000	13 300 000	13 500 000	13 800 000
Approx monthly value	470	500	460	477	465
Social Relief of Distress					
Budget (Rm)	407	407	2 536	387	388

²⁴ 2021 Estimates of National Expenditure, p.328

The revised 2021/22 budget allows for the SRD grant to continue being paid until April, as announced by the President in his SONA. However, there is no allowance for further extensions to the SRD, and from 2022 onwards the SRD budget is lower than previously projected.

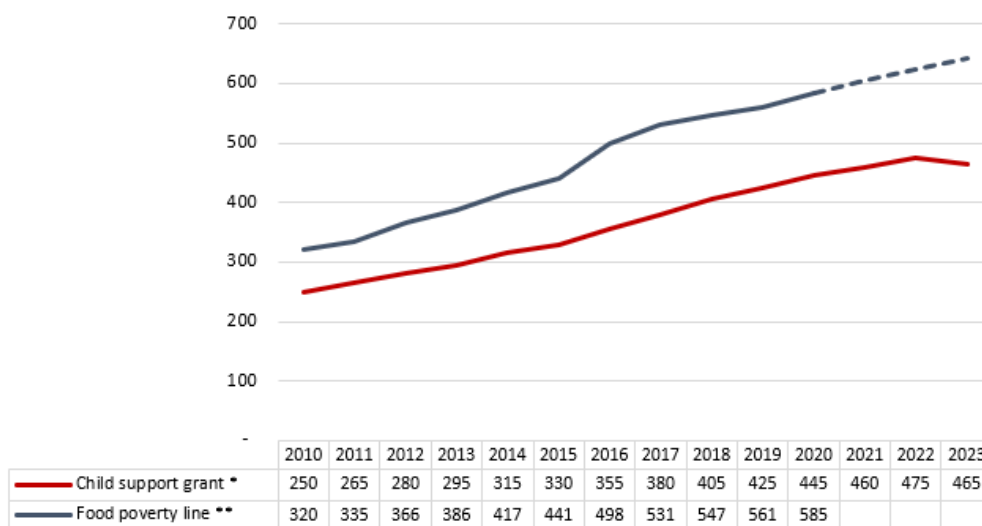
The CSG allocation provides for the grant to be increased as announced in the February 2021 budget speech: from an average of R445 in the 2020 financial year (R440 from April 2020 and R450 from October 2020) to R460 from April 2021, with no further increase budgeted for October 2021. This is an increase of 3.4%, based on the average value of the grant in each financial year. Comparing the 2021 CSG increase with inflation over the past year, the CSG has kept pace with headline inflation, which is reported as 3.2% for the year (Jan 2021 vs Jan 2020, using Stats SA’s consumer price indices).²⁵

However, headline inflation is based on the “all items” index which also includes items that are mainly incurred only by wealthier households, such as operating private cars and going to hotels (which were negatively inflated). The CSG is specifically targeted to the poor and is meant to support the nutritional costs of a child as well as other basic necessities. **It makes more sense to index the grant increase against food inflation.**

Food inflation over the same period was 5.6%, substantially higher than average inflation. To keep pace with food inflation, the CSG should be at least R470 in 2021. This is the amount that was previously allocated for the 2021/22 financial year, in the February 2020 budget. Instead, **the CSG has been de-funded by R10 per grant per month in the 2021 budget – a total of around R1.6 bn in “savings” to the state at the cost of poor children’s nutrition.**

The CSG values projected for the next three years, as per the 2021 budget, effectively increase the distance between CSG and the food poverty line, making it even more difficult for poor caregivers to provide their children with basic nutrition. This widening gap is illustrated in Figure 1 below.

Figure 1. The gap between the CSG value and the food poverty line.



* Child Support Grant monthly value for the years 2010-2020 (as average of April and October values). Projected for 2021 as announced in the 2021 February budget, and projected for 2022 & 2023 based on estimated beneficiary numbers and budget allocations in the 2021 Estimates of National Expenditure.

** Food poverty line in April prices, as reported by Stats SA, with projected modest inflation of 3.5% in 2021-23.

²⁵ Stats SA Consumer Price Index, January 2021
<http://www.statssa.gov.za/publications/P0141/P0141January2021.pdf>

Reduced budget for Foster child grants, without providing a top-up for orphans living with relatives

The 2021 budget has substantially reduced both the budget allocation and the projected number of beneficiaries of the foster child grant (FCG) for the 2021/22 year from R4.8 bn for 304,000 beneficiaries to 4.3 bn for 294,000 beneficiaries, as shown in table 5 below . Yet there is no budget for the CSG top-up for orphaned children living with relatives, despite this being a relatively small amount (estimated at R519m in 2021/22) and necessary to comply with a series of High Court orders on the same case.

Table 5 shows the projected decline in beneficiaries and budget. For the 2021/22 financial year, there is a reduction of nearly R500m in the FCG budget because the foster care numbers are projected to decline faster than they did in the previous budget. In 2022/23 the decline is even more pronounced, with 30,000 fewer FCGs than previously projected, and a “saving” of over R730 million.

Table 5: Budgeting declines in foster care numbers and foster child grants

Foster Care	2020 ENE		2021 ENE		
	2021/22	2022/23	2021/22	2022/23	2023/24
Budget (Rm)	4 829.4	4 795.3	4 338.1	4 057.1	3 574.6
Beneficiaries	304 375	284 844	283 718	254 611	229 440
Budget decline			- 491.3	- 738.2	
Beneficiary decline			- 20 657	- 30 233	

There is a clear intention to reduce access to the FCG in the 2021/22 financial year, yet we do not see a commensurate intention to introduce the agreed replacement grant in the form of the CSG Top-Up in the CSG line item.

This represents regressive action as it effectively reduces the budget for the FCG for orphans in the care of relatives 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.

This can be rectified if the appropriations committee refuses to pass this budget, or through an adjustment in the October MTBPS to provide for the introduction of the CSG top-up for orphans living with relatives. If not, then National Treasury and the Department will be open to litigation for deliberate regressive action.

THE CSG TOP-UP AS A SOLUTION TO THE 10 YEAR FOSTER CARE CRISIS

On 23 December 2020, President Cyril Ramaphosa assented to the Social Assistance Amendment Act 16 of 2020 (the Amendment Act).²⁶

The Amendment Act gives the Minister of Social Development the power to prescribe, with the concurrence of the Minister of Finance, that an additional payment is linked to a social grant. This will enable the Minister to introduce the CSG top-up for orphaned children living with relatives as opposed to this group of children having to go through the lengthy process of navigating the foster care system and obtaining a foster care order from the Children’s Court in order to qualify for a bigger grant.

²⁶ Social Assistance Amendment Act, as assented to on 20 December 2020. Government Gazette No. 44035. Available: https://www.gov.za/sites/default/files/gcis_document/202012/44035gon1414.pdf

This will in turn contribute to drastically lessening the pressure on the foster care system that is causing a crisis in the child protection system, particularly the children's courts and social workers that deal with care and protection matters involving children who have been abused and/or neglected and are in need of care and protection.

The crisis in the foster care system has been ongoing since the early 2000s. The foster care system had for many decades functioned with the number of children in foster care placements remaining around 50,000 or below. However, when the number of orphans started to increase rapidly in the early 2000s due to the HIV pandemic, relatives (often elderly relatives) sought support to obtain foster care orders for orphaned children in their care, because the foster child grant was three times the value of the CSG. The DSD actively encouraged this practice, and the Children's Act could be interpreted to allow for orphaned children living with relatives to be found "in need of care and protection". By 2010 over 500 000 foster child grants were in payment – ten times the number that had previously been accommodated by the foster care system.

Despite increases in the number of social workers over these years, the high numbers of foster care cases soon overburdened the child protection system especially the social workers and children's courts which had to do the applications and two-yearly court order extension processes, resulting in large backlogs. In 2011, the foster care system collapsed with 120 000 children losing their grants due to social workers and courts not being able to extend their foster care court orders in time.

The Centre for Child Law has, since 2011, been involved in on-going court applications to keep the foster system afloat and at the same time hold the Department of Social Development to account in developing a comprehensive legal solution to the foster care crisis. The comprehensive legal solution must ensure that the foster care system is able to provide services to children in need of care and protection and at the same time ensure that orphaned children in the care of relatives receive adequate financial support through another source instead of the foster child grant. The latest court order was obtained in December 2020.

The Amendment Act is part of the comprehensive legal solution to the foster care crisis because it allows for the CSG top-up. Now more than ever it should be a priority to ensure that the families caring for orphans have access to adequate income support and that social workers and children's courts are freed up from chasing foster care backlogs to enable them to respond to the social consequences of the COVID-19 pandemic; especially the high rate of violence against children and women and rising levels of desperation due to loss of livelihoods.

For further information on the impact of reduced income on vulnerable children's livelihoods, see the South African Child Gauge 2020.²⁷

²⁷ Children's Institute, UCT (2020) South African Child Gauge 2020: Food and nutrition security. Available at: <http://www.ci.uct.ac.za/cg-2020-food-and-nutrition-security>

Recommendations for the Appropriations and Social Development Committees:

We provide rough estimates of the cost implications for remedying the immediate defects of the 2021 budget and ensuring that social assistance for all poor children is not eroded and there is no further regressive action with regards to orphans' access to social grants.

CSG cost implications

- (a) Provide for a further R10 increase to the CSG from 1 October 2021, and
- (b) Allocate a further R260 million to the CSG line item to enable the CSG top-Up to be implemented from 1 Oct onwards.

Table 6. Budget implications of recommendations for CSG (Option B)

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

We recommend that the Committee request National Treasury to ensure the October MTBPS includes a R1,058 billion increase to the CSG line item, and that future budgets allow for inflation of the CSG so that it maintains its real value. This would be the absolute minimum requirement to avoid being regressive.

Caregivers:

The budget implications of allowing caregivers to access social assistance for themselves (through the special COVID-19 SRD) will depend on decisions to extend the COVID-19 SRD or replace it with some other form of basic income support. If the COVID-19 SRD is extended beyond April, a special adjustment budget will be needed in June.

If caregivers who receive the CSG for children were to qualify automatically for the SRD it would cost approximately R2.2 bn per month. This is assuming that:

- a) The number of caregivers who receive CSGs on behalf of their children remains at around 7.2 million and that the SRD remains at R350 per month.
- b) 1 million CSG caregivers who already receive the Older Persons Grant are not eligible for the caregiver grant in addition.
- c) The remaining 6.2 million CSG caregivers are all considered eligible for the SRD on the basis that they are poor (have passed the low CSG means test). This is a different income threshold from that used for SRD beneficiaries who are required to have zero income.

Conclusion

In February 2020, when the 2020 budget and MTEF was presented to parliament, nobody foresaw the public health crisis that was about to unfold, let alone the devastating effect it would have on the economy and the need for urgent budget reprioritisation. **But the changes between the 2020 and 2021 MTEFs show that budget has been taken from grant recipients**, who are by definition those identified as most in need of social protection during a crisis.

It is untenable that the poorest and most vulnerable children should have to foot the bill for budget reallocations by making grant sacrifices, especially when South Africa is also battling an ongoing epidemic of child malnutrition.

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. We especially call on parliament to protect poor children from having to make grant sacrifices. They are already at risk of malnutrition and are not easily able to mobilise in protest or make demands for themselves.

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