Chapter 11

SOCIAL PROTECTION

“We live in a country where everybody feels free, yet bounded to others. The welfare of each of us is the welfare of all.”

Introduction

As the world’s 27th largest economy, with abundant natural resources, South Africa has great potential. It is the world’s 24th most populous country, with the number of young people expected to grow from 32 million in 2010 to 39 million in 2030. This youthfulness is an asset, because the labour force will continue to make up a significant share of the population, though the proportion of the elderly is expected to increase marginally. Such demographic conditions are often associated with rising incomes, faster productivity growth, higher savings and better living standards.

South Africa’s level of human development does not reflect its natural wealth and abundance of labour. Too few people in South Africa have work, and the levels of poverty and inequality are very high. Why is it that South Africa is not able take advantage of its natural resource endowments and positive demographic features?

There is no single explanation for all South Africa’s problems. The inequitable distribution of income is partly due to low levels of formal employment that exclude a large section of the population from actively taking part in the economy. The root cause of income inequality is the socioeconomic distortion introduced by apartheid, which constrained the development of skills for the majority of the population and kept them trapped in poverty.

The mismatch between the skills of the majority and the type of work available means that South Africa is not using its greatest resource: its people. Economic exclusion has dire consequences for the welfare of individuals, communities and the country.

Unemployment exacerbates inequality, because the majority of those without work are in the poorest two deciles of the population.¹ The youth are disproportionately affected, as are women. Even education is an unreliable hedge against unemployment:

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unemployment levels are high among matriculants and even among those with tertiary education.

Structural factors make job creation difficult. Addressing structural constraints is a priority, but structural change takes time. In the interim, large numbers of South Africans will remain unable to participate meaningfully in the economy – yet have no access to other means of support.

The National Planning Commission’s *Diagnostic Report* discusses nine interconnected but distinct problems facing the country. To address these, the commission focuses on two overarching goals: to eradicate poverty and reduce inequality. These goals can be achieved by building capabilities that enable individuals to take part in the formal economy and in other parts of society. Working towards this would enable a better appreciation of how social security, social welfare, education, health, housing, energy and transport policy can coordinate to benefit individuals and communities, as well as the economy.

In this chapter, we review achievements since 1994, outline a conceptual framework for social protection, offer a comprehensive vision for 2030, discuss gaps in the current system including looking at welfare services, and propose actions that need to be taken.

**Post-1994 achievements**

By developing country standards, South Africa has built up a comprehensive social protection system. Elements of the system include: social assistance cash grants; statutory social insurance arrangements; access to free basic services, such as water and energy for poor households; free housing for people below a specified income bracket (currently R3 500 per month); subsidised housing for those earning between R3 500 and R7 000 per month; free education in 60 percent of schools in poor communities; a school nutrition programme; and free health care for pregnant women and children under six years of age. Millions of South Africans benefit from these programmes.

These policies enable South Africa to enjoy relative stability. Although service delivery protests and xenophobic attacks against foreign nationals do occur, poverty would be deeper and social unrest more widespread if these programmes did not exist. South Africa needs to pay careful attention to the design of policies between now and 2030 to ensure that the country is kept working, individuals are engaged in meaningful activity, and citizens are protected from the worst effects of poverty.

If apartheid destroyed opportunities for the majority of the population and trapped them in poverty, the challenge for the next 20 years is to rebuild the opportunity structure and help individuals develop the capabilities to live the life they wish to lead. At the centre of our social policy is the need to enable individuals to earn an income, look after themselves and their families, and build an asset base.
Conceptual framework for social protection

Employment creation is the most effective form of social protection. Efforts should always focus on creating jobs. Our social policy must create a bridge between our 2030 vision of an economy close to full employment and the current problem of high unemployment. The main thrust of social policies should be to enable and support labour market participation and provide protection against labour market risks including loss of employment. Social protection is also essential to protect the old and the young, as well as adults of working age who are unable to work because of structural unemployment, illness or disability.

The current reality is that labour markets do not work for many people in South Africa and we should not underestimate the length of time it will take to fix the problem. We should also be mindful of the fact that, given the low skills base from which we are starting, many jobs are likely to pay low wages. Social protection policies will have to enable and support participation in the labour market by narrowing the gap between wages and the cost of living for those employed in low wage jobs. It should enable a degree of security in normal times and serve as a safety net in times of crisis. For this to happen, we need to determine the type and level of support needed to keep everyone above a minimum threshold. If people fall below this threshold it will become increasingly difficult for them to build their capabilities and expand their opportunities.

For this strategy to work and enable people to build their capabilities, other policies have to work and reinforce each other. Social protection is broader than the traditional concept of social security. It “incorporates development strategies and programmes designed to ensure, collectively, at least a minimum acceptable living standard for all citizens”.\(^2\) In particular, we need to ensure that education and training, health, transport, human settlements, land use management and economic policies work together more effectively. The world is not standing still. As discussed in the chapter on the drivers of change, the economy is being reshaped by globalisation, climate change, technology and the rebalancing of the world. This means we have to accelerate the process of building capabilities if we are to become more competitive.

Five functions of social protection

- **Protective** – Measures are introduced to save lives and reduce levels of deprivation.
- **Preventive** – Acts as an economic stabiliser that seeks to help people avoid falling into deeper poverty and reduce vulnerability to natural disasters, crop failure, accidents and illness.

Promotive – Aims to enhance the capabilities of individuals, communities and institutions to participate in all spheres of activity.

Transformative – Tackles inequities and vulnerabilities through changes in policies, laws, budgetary allocations and redistributive measures.  

Developmental and generative – Increases consumption patterns of the poor, promoting local economic development and enabling poor people to access economic and social opportunities.

These functions and objectives fit well with South Africa’s developmental approach to eradicating poverty and reducing inequality.

**Social protection as a right**

Under Section 27 of the Constitution, South Africa recognises social security as a basic right: all South Africans “have the right … to social security, including, if they are unable to support themselves and their dependants, appropriate social assistance.” A human rights approach requires that an understanding is reached of what constitutes the “social floor”, or minimum social protection below which no one should fall. The floor of essential goods and services can vary between individuals, depending on their age, gender, socioeconomic status, health and abilities.

**Vision for social protection**

By 2030, the majority of working age South Africans are employed. Everyone enjoys a high standard of living. There is a defined social floor and households who have not achieved the basic standard of living are assisted. Problems such as hunger, malnutrition and micronutrient deficiencies that affect physical growth and cognitive development, especially among children have all been addressed. Vulnerable groups such as poor women and people with disabilities enjoy the full protection provided under the Constitution. Social protection also serves to protect against short-term shocks and chronic vulnerabilities caused by labour market failures.

This vision will be attained through a combination of public and private provision of services. The state will continue to bear primary responsibility for ensuring this is achieved. It will also develop an enabling environment, create conditions for social partners to contribute, and ensure vulnerable groups are protected.

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5 RSA (1996) Constitution, Chapter 2, Section 27 (1)c.
Overview of South Africa’s social protection and welfare services

Social security system

The figure below shows the basic architecture of South Africa’s current social security system. There are five major social assistance grants: the Child Support Grant, the State Old-Age Pension, the Disability Grant, the Foster Care Grant and the Care Dependency Grant. The eligibility criteria for the grants differ. Government is also responsible for three primary social insurance mechanisms: the Unemployment Insurance Fund, the Compensation Funds and the Road Accident Fund. The state regulates voluntary funds, including voluntary insurance schemes, such as medical schemes and retirement funds.

Social security in South Africa

In South Africa, social assistance grants refer to non-contributory and income-tested benefits provided by the state to certain categories of people, such as people living with disabilities, the elderly, and children in poor households. Benefits are financed by general tax revenues.

The elderly in South Africa have two main sources of income: state old-age pensions and private pensions. Many people are not able to save adequately for retirement because of low earnings during their working life and rely on government pensions.

The main goal of the Child Support Grant is to ensure that the primary caregivers of children living in poverty are able to finance the basic needs of those children. Based on the number of beneficiaries, the grant is the largest cash transfer programme in South Africa. Grant conditions include income criteria and children’s school attendance. On average, the grant accounts for 40 percent of household income in the poorest quintile.

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and about 5 percent overall. Evidence shows that, in the absence of social assistance, South Africa’s poverty and inequality would be higher.

The Compensation Funds provide medical care and income benefits to workers who are injured at work or who develop occupational diseases. These are statutory funds with mandatory membership and contributions, but they are effectively restricted to the formal economy. The Road Accident Fund provides compensation for the loss of earnings, loss of support, general damages, and medical and funeral costs for the victims of road accidents caused by the negligent or wrongful driving of another motorist. Membership is mandatory for all vehicle owners. The Unemployment Insurance Fund provides short-term unemployment insurance. It pays benefits in the event of unemployment, illness, maternity, adoption and death. Benefits are only paid in the period immediately after the loss of employment, with a maximum benefit length of 238 days. All formal-sector workers and their employers must each contribute a levy of 1 percent of the employee’s salary (up to a certain income threshold, currently R149 736 per year) to the fund. Credits are accrued at the rate of one day of benefits per six days worked. This social insurance mechanism is effectively limited to the formal sector and the 1 million domestic workers employed by private households.

In addition to the statutory funds, there are voluntary funds providing social insurance, including private health insurance (medical aid) and private retirement funds. These are generally linked to formal sector employment as a benefit of many formal employment contracts. While the medical schemes involve some sharing of risk by redistributing from the healthy to the sick, there is no redistributive component in private retirement funds.

**Social assistance**

After the end of apartheid, policies on social grants evolved in a way that maintained and modified some inherited grants such as pensions, disability and foster care. The state maintenance grant was removed and replaced with the Child Support Grant. The Old-Age Pension and the Disability Grant are regarded as quite generous, equating to 1.75 times the average per capita household income. The Child Support Grant is much smaller than the adult grants or the Foster Care Grant.

The immediate objective of cash transfer programmes is to alleviate hardship among vulnerable groups. Woolard and Leibbrandt and Bhorat and van der Westhuizen demonstrate that such grants are critical for reducing poverty. The grants also reduce inequality in an environment where unemployment worsens inequality. In terms of coverage and gaps, simulations based on survey data suggest that about three-quarters

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of the elderly are eligible for the Old-Age Pension, almost all of whom are receiving it. About 6 percent of the working-age population receives disability grants. While 60 percent of children who are within the age and income bracket covered by the Child Support Grant receive a child grant of some form. A 2008 survey estimates that 70 percent are eligible for the Child Support Grant on the grounds of household income. This indicates that there are many children who are not receiving grants to which they are entitled: some estimates put the number at 2.9 million.9

Orphans are among the most “at-risk” segments of the child population. A high proportion of paternal orphans are receiving grants, particularly the Child Support Grant, but a low proportion of maternal orphans are receiving grants. This supports evidence found in Case, Hosegood and Lund10 that the probability of a child receiving a grant decreases when the mother is absent. Unsurprisingly, orphans who have lost both parents are the most likely to be receiving the Foster Care Grant. What is unexpected is that, aside from paternal orphans, orphans are less likely to receive the Child Support Grant than children with both parents. This may be a result of the more complex documentation required without the child’s mother as caregiver.

Social insurance

The central planks of the current system of social insurance are the Unemployment Insurance Fund and the public works programmes.

The Unemployment Insurance Fund provides essential support to workers who have lost their income. For the first nine months of 2010/11, the fund received an average of 63 260 new claims per month. Average monthly benefit payments amounted to R466.8 million to 207 646 beneficiaries, according to the Budget Review 2011. The fund currently has a large and growing surplus. In 2010/11, fund expenditure was about R8.1 billion, while revenues were R14.4 billion.

Despite this, the fund’s coverage is limited. Given that there were 4 538 000 unemployed in early 2011, the implication is that less than 5 percent of the unemployed were receiving unemployment benefits at any given time. Part of the explanation lies in the fact that 55 percent of the unemployed report that they have never worked and thus have not contributed to the fund. Furthermore, 44 percent of unemployed people who have previous work experience have been unemployed for more than a year and would have exhausted their benefits if they were ever eligible for them. While the fund clearly has an important role to play in providing replacement income and a degree of security to the short-term unemployed, the vast majority of the unemployed fall outside

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this system. The fund is currently focused on giving benefits to members, but to ensure its sustainability the focus should be on helping people return to active employment.

**Proposed state coverage of lifecycle risks**

Source: Smith, 2011

A comprehensive social security system should cover people at different phases of their lives. Although South Africa has many of the necessary elements, there are critical gaps, as shown in the figure above, most notably the lack of protection for many working-age people.

**South Africa’s social protection gap**

Despite the strengths of South Africa’s social grants system, grants target people who are not expected to be economically active: children, the elderly and those with disabilities. For those who are willing and able to work, but who are locked out of the economy, there is no meaningful level of social protection. Only 3 percent of the unemployed have access to unemployment benefits at any given time.

This means that able-bodied unemployed people in South Africa have little choice but to depend on “goodwill transfers” from those with access to income through employment or some form of social grant.

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In effect, the massive economic burden of unemployment in South Africa is being borne primarily by workers and by those who have access to social grants meant for other purposes. Dependence on wage earners compounds existing wage pressure in the economy, and dependence on social grant recipients dilutes the anti-poverty effects of such grants, pushing households that are already poor even further into poverty.

Lack of social protection for the able-bodied unemployed is a critical social protection gap, exacerbating poverty and inequality and diluting the effects of other forms of social protection. The critical policy question is how to address this gap. There are a range of complementary instruments for doing so, but the focus in this section is on the vital role of public employment.

**Absence of contributory coverage of the informal sector**

The most significant omission in the reform proposals being considered by government is that the informal sector does not have a way to make payments towards contributory schemes through savings. The formula for determining contributions and benefits needs to take account of volatile and broken contribution patterns and develop an equivalent co-contribution incentive to the contribution subsidies for formal workers. A social security system that does not allow everyone the opportunity to participate in improving their basic social security entitlements through contributions implies that these individuals are denied access and left outside the ambit of essential benefits – unless they are able to migrate to the formal economy. This is inappropriate in an economy in which government tries to encourage entrepreneurship and small business initiatives. The problem cannot be addressed by formalising the informal labour market.

Occupational schemes use employer matches in South Africa, but little is known about their effectiveness, as most employers make retirement scheme membership a condition of employment. The current proposals envisage a contribution subsidy for low-income formal sector employees. This incentive should be extended to the informal sector too.

**Public employment programmes**\[^{13}\]

Income support is a vital part of social protection for the unemployed, but in South Africa’s particular context there is a bigger picture. The deeply structural nature of unemployment means that large numbers of the unemployed have never worked, or have not worked for long periods of time. This has devastating social and psychological effects and completely disrupts established social patterns.

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Where possible and appropriate, public employment programmes should provide opportunities to work. Work provides people with an earnings floor and the dignity of being productive, rather than dependent. For many, it provides the first experience of employment, introduces them to the skills and disciplines of work, provides structure in their lives, validates their ability to contribute to their communities, and provides access to social networks. For young people, working and earning is also part of the transition to adulthood.

Access to public employment opportunities provides a bridge between social grants and the sustainable employment envisaged in the New Growth Path, creating a mechanism that allows unemployed people to become a productive part of the economy while structural changes required to create sustainable employment take effect. Without this mechanism, the social tensions arising from high unemployment are likely to hinder medium- to long-term growth and development objectives.

At the same time, the impacts of the assets and services provided also contribute to wider social policy goals, particularly if there is a strong focus on food security, care and educational support.

**The role of public employment in social protection**

Despite its importance in addressing the social protection gap for unemployed people, public employment has not always been considered part of social protection. It has been thrust into the policy arena by India’s National Rural Employment Guarantee Act in 2005, through which the state guarantees 100 days of work to every rural household that needs it. Over 55 million people are now part of the scheme, which has become a central pillar of India’s social protection system.

The introduction of an employment guarantee has systemic implications:

- Introducing a right to work changes power relationships, enhances the agency of citizens and their ability to hold government accountable, which strengthens democracy.
- An employment guarantee contributes to the “social protection floor” in society providing income security to households, as well as creating a floor in labour

In many parts of South Africa, the established pattern was that when young men started working they saved to pay ilobolo, got married and started families. With current levels of unemployment, this is no longer possible for many young people. This has profound implications for the family as an institution, as well as for parenting. Unemployment potentially contributes to the growing phenomenon of absent parents, especially fathers. It is estimated that less than a third (32 percent) of children live with both their biological parents and a quarter of children do not live with either of their biological parents.
market standards that gives workers a real alternative to exploitative conditions of work. This is a substantive contribution to the progressive realisation of decent work in society.

Chapter 3 argues that unemployment will be a challenge for many years, even if the best scenarios are achieved. The extent of marginalisation, especially amongst the youth, tears apart the social fabric. The public employment programmes to date reach between 3 and 6 percent of the unemployed. These programmes need to be expanded to reach an average of 30 to 50 percent of the unemployed by 2014, and to cover about 2 million people per annum by 2020, or earlier if possible. This will require effective measures to expand the programme.

**Existing strategies to scale up public employment**

South Africa has an existing commitment to public employment in the Expanded Public Works Programme. In phase one, from 2004/05 to 2008/09, it exceeded its target of achieving 1 million work opportunities. The target was cumulative over five years. This was low relative to the numbers of unemployed people. However, the evaluations showed that the first EPWP created very short term opportunities, with falling stipends. The evaluations also called into question the highly complex set of objectives, such as training, that were largely not achieved.

A new expanded public works programme (EPWP II) was introduced in 2009. The EPWP II kept to the objective of intensifying labour use on infrastructure projects. However, the overall approach was to simplify the objectives of the programme, and to decentralise decision making. Employment incentives were introduced for municipalities and for non-profit organisations. The EPWP II targets were raised to reach 2 million opportunities per annum by 2014. This would translate into 4.5 million work opportunities, averaging 100 days per opportunity, over five years to 2013/4. The infrastructure component of EPWP is meant to double from about 185 000 opportunities in 2009 to 383 000 by 2014.

EPWP social sector and related activities, such as home-based care and early childhood development for children under five are meant to expand from about 20 000 opportunities to about 400 000 by 2014. Most of these will be stimulated by the EPWP employment incentive, bolstered by grants offered by provincial departments of social development. Non-profit organisations can apply for support to cover labour costs up to a value of an EPWP wage (approximately R60 per day in 2011).

In the new phase, a new component called Community Work Programme was added. The new programme has been simplified and decentralised. The focus of the programme was initially on testing approaches so that they could be scaled up quickly and target areas of greatest need. The Community Work Programme is very cost effective with a mandatory 65 percent labour-intensity at site level. The programme is also designed as a response to the structural nature of unemployment, and offers
participants regular access to part-time work to provide an ongoing earnings floor, which allows greater security than income from once-off, short-term employment.

**Key features of the Community Work Programme**

- Provide an earnings floor through regular part-time work – two days a week or eight days a month – on an ongoing basis.
- As a government programme put into effect by non-profit agencies, it avoids further burdening local government while strengthening developmental capacity in civil society.
- Work must be “useful work” that contributes to public goods and services in the community. The work is identified and prioritised by communities in ways that build community participation and contribute to community development.
- These assets and services contribute to poverty reduction and local development through their impact on food security, care for vulnerable people, schools assistance, and environmental rehabilitation.

The programme aims to have a presence in every municipality by 2013/14. At the July 2011 Cabinet Lekgotla, the target was increased to 1 million participants by March 2014.14

**Developmental social welfare services**

Statistical indicators paint a disturbing picture of rising violence, increasing numbers of low-income households and other social determinants requiring urgent attention. Among these social concerns are heightened levels of addiction, increasing criminality among young people, high levels of gang-related violence in schools and communities, and sexual violence against children and women, especially in economically deprived areas. Demographic trends and human development indicators point to a country with significant levels of social fragmentation, unacceptable levels of social alienation and the breakdown of social institutions. In the absence of fully functioning families, households, communities and neighbourhoods, social welfare institutions in most countries step in to provide services to improve social functioning and integration.

The combination of poor and inadequate state social welfare services and high levels of poverty and inequality produces social problems and high-risk behaviour that undermines human development and social cohesion. High levels of domestic violence are often amplified by poverty and unemployment. Alcohol abuse is another factor that is both a cause and manifestation of stresses in households and communities. Poor social services and ineffective policing reinforce the sense of powerlessness in poor communities. Poor-quality education limits social mobility, further straining basic social

relations that many societies take for granted. The impact of youth unemployment and HIV/AIDS has worsened matters.

Given the challenges of dealing with social fragmentation and the demographic context, government has adopted a developmental social welfare approach to social service provision, in line with the Constitution and the 1997 White Paper on Social Welfare. It includes a focus on the social and economic development of individuals, families and communities. This approach incorporates raising community awareness of social concerns and introducing strategies to reduce and prevent social pathologies. Responses in the social welfare field include early intervention through community development strategies and statutory intervention, including residential and alternative care arrangements for those in need, such as orphaned and vulnerable children, victims of violence and people with mental health conditions. It also includes treating perpetrators of crime and those with alcohol and substance addictions, and rehabilitating and reintegrating them into family and society. Services for victims of crime – especially crimes against children, youth and women – are inadequate, as are services for people with a range of mental health conditions.

The distribution of both public and private social welfare services remains skewed along racial and income lines, with the wealthy having access to private services. In social welfare services, the state has adopted a partnership model of service provision and relies mainly on non-governmental welfare organisations to provide professional social services. However, the funding of these organisations has declined steadily since 1994, reducing the range and compromising the quality of services at the same time as demand for such services has increased. Such organisations are unable to respond to the scale and complexities of South Africa’s poverty, social fragmentation and lack of social support systems. Increasingly, the burden of care has fallen on the poorest communities and on women and the elderly, often leading to a sense of powerlessness and social isolation.

Responding to the social breakdown of families, communities and society requires a range of generic and specialist education and training that is not available to poor communities. The inadequacy of South Africa’s social welfare services to provide the quality of care required is reflected in the inadequate supply of social work, community development, and child and youth care professionals. It is estimated that the country requires close to 55 000 social service professionals to respond to the country’s social welfare needs. Currently, there are approximately 15 000 qualified social workers registered with the South African Council of Social Service Professions. Problems in the supply of qualified social service professionals are also linked to poor working conditions and a lack of funding for social services. Efforts to increase the supply of professionals led to government declaring social work a scarce skill. However, structural conditions in the education and health sectors affect the ability of tertiary institutions to produce
social work, community development and social development professionals, as well as specialists such as school psychologists.  

South Africa needs to confront the reality that social services are critical for improving social integration and human development. The current model of shifting the burden of care, treatment and rehabilitation to the non-governmental sector and the poorest communities is not working. The scale of social fragmentation and loss of purpose requires more systematic engagement with both governmental and non-governmental social service providers. Statutory services for children, young offenders, the elderly, people with mental health problems and people living with disabilities need well-conceived state and community interventions. Complex social problems require professional interventions to deal with the symptoms and underlying causes of social pressures, most evident in schools, workplaces and neighbourhoods that are plagued by gang warfare and households afflicted by violence, including the abuse of women and children. Urgent and systematic attention is required to deal with these issues.

**The status and wellbeing of children in South Africa**

An estimated 3.6 million children are maternal, paternal or double orphans. This is expected to peak at 5 million in 2020. The number of double orphans – children who have lost both their parents – has nearly doubled from 352 000 to 701 000 in the past five years. Only 27 percent of African children live with their biological parents, compared to 48 percent of coloured children and about 80 percent of white and Indian children. Children not living with their parents are cared for almost entirely by relatives, highlighting the importance of extended kinship networks in providing family care in a context of high rates of mortality and labour migration.

The distance between biological parents and their children may have an influence on the extent to which resources such as remittances and social grants are used for their wellbeing. These children may also be at greater risk of physical, emotional and sexual abuse. The increasing morbidity and mortality rates among adults as a result of social ills, poverty, violence, crime and car accidents has resulted in growing numbers of orphans and vulnerable children. These children are society’s responsibility. The complexity of caring for this group requires a holistic approach that involves building partnerships with all individuals and organisations that can help in caring for them.

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Child-headed households

Child-headed households make up only 0.6 percent of all households in South Africa, a proportion that remained virtually unchanged from 2002 to 2009. More than half of these households had one or more of their parents living, which may indicate that such households develop due to labour migration. The spatial distributions of adult and child populations in South Africa are strikingly different, with children disproportionately represented in rural and non-metropolitan areas. The National Information Data System shows different distributions of children in households across different area types, with a greater proportion of children situated in “traditional authority areas” (42 percent of children compared to 29 percent of adults), and a smaller proportion of children living in urban formal households (41 percent of children compared to 53 percent of adults).

Child poverty

Using a poverty line of R515 per person per month reveals that 67 percent of children are defined as poor, while 54 percent of the total population is defined as poor. Child poverty rates differ greatly by population group: using the upper threshold of R949, about 88 percent of African children are poor, 60 percent of coloured children, 29 percent of Indian/Asian children and 10 percent of white children.

Child sexual abuse

Child sexual abuse is a significant problem. In later life, there is a considerable burden of disease from frequent childhood abuse. However, there is inadequate incidence or prevalence data on child abuse, because no reliable national representative surveys have been conducted. Data from the South African Police Service is not reliable, as it is only based on reported cases, in an area where there is significant under-reporting. This lack of data makes it difficult to know what services are needed.

Child protection

Alternative care refers to services and protection of orphans and vulnerable children outside their parental homes. These children become wards of the state. Alternative care encompasses temporary safe care, foster care, and child and youth care centres.

According to the Social Pension System, there were 510 766 foster children receiving foster care grants in March 2010. Foster care cases have to be supervised to support foster parents and ensure that children are well cared for. Guidelines and protocols have been developed to ensure that children receive effective foster care services.

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19 Ibid.
Child and youth care centres include government and privately operated children’s homes, temporary places of safe care, shelters for street children, secure care facilities, schools of industry and reform schools. There are 345 established and registered centres accommodating about 18 783 children under the age of 18.

Funding for services

All provinces rely heavily on not-for-profit organisations to deliver services. The average percentage of the total social welfare programme budget transferred to such organisations for 2011/12 is 51.3 percent, slightly down from 51.8 percent for 2010/11, using adjusted estimates. By 2013/14, this percentage is set to fall further, to 50.8 percent.20

The subsidies provided by provincial departments to not-for-profit organisations do not cover the full cost or scope of the services. The Children’s Bill Costing Report recommended a shift to a child-centred services model of full funding rather than the existing model of partial subsidisation, especially for not-for-profit organisations such as child and youth care centres that provide services to children placed in their care by a court order. The national Department of Social Development has completed a revision of the policy on financial awards for service providers, however it does not commit to full funding, even for services mandated by legislation.

Policy and planning priorities

There are five gaps in the system that require attention:

- General shortcomings in coordinating and implementing a number of government policies. Underperformance in education and health is among the most documented, leaving people worse off despite the existence of policy. Another example is the number of children who are eligible for income support but not receiving it.
- Lack of protection for unemployed people of working age (18 to 59).
- The need to promote youth employment.
- The social insurance system, in particular the retirement savings aspect.
- The neglect of social welfare services.

Policy coordination

Policies that affect the lives of citizens should be planned with a full understanding of their linkages and how they affect daily life now and in future. Failure to coordinate results in each department producing different plans based on their priorities without taking into account other complementary policies. This leads to further fragmentation.

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and wastes resources, and it is frustrating for those who have to implement policy and deliver services.

Better coordination of policies is needed. For example, the impact of good nutrition on a child’s physical and cognitive development has long-term impacts on health, educational performance and labour market participation. Health is also influenced by the type of dwelling people live in, access to clean water and sanitation, the type of energy they use, the levels of pollution they are exposed to, and their lifestyles. The provision of services such as water, sanitation and energy depends on infrastructure planning, but impacts on social development. The lack of coordination is often cited as a major impediment to speedy and efficient delivery of services.

**Policy implementation**

Government programmes involve both explicit and implicit transfers to households and individuals. Cash grants are examples of the former, while education, health care and security are examples of the latter. While cash grants involve a concrete transfer that can be measured, in-kind benefits depend on the quality and efficiency of a service and not on the financial cost. Poor implementation can therefore devalue the true benefits of any financial transfer far below its actual budgeted cost.

**Achieving a social floor**

Concepts such as a social wage and social floor have been used in South African debates to adjust crude distributional indicators to reflect a more balanced picture of distributional fairness. It is generally recognised that there is a need to identify a crucial “package” of social benefits capable of generating the levels of social inclusiveness to radically transform economic development in South Africa. South Africa needs to work towards defining a social floor below which no one should fall. More importantly, the country needs to make sure that policies that make up the social protection package are implemented effectively and efficiently. To achieve the required objectives, the package should be prioritised to achieve allocative efficiency and enable social inclusivity within available resource constraints. Measures should also be taken to promote operational efficiency and ensure effective and efficient implementation. Effective implementation of existing policies on school nutrition, education, health, basic services, social security, housing and transport would go a long way to provide social protection to vulnerable individuals. When one or more of these fail, the results are often devastating. The principal task in achieving the vision for 2030 is to ensure that policies are fulfilled. Those entrusted with policy implementation should be held accountable for policy failures.
Policy proposals

The commission makes eight key policy proposals:
1. Commitment to achieving a social floor – a social floor should be defined outlining an acceptable or decent standard of living.
2. Informal sector contributory scheme – Social security reforms currently considered by government should include measures to bring the informal sector into the mandatory contributory scheme.
3. Close the social insurance gap – The commission supports the social security reforms being considered by government, especially relating to mandatory retirement contributions.
4. Public employment – Expand public employment programmes that have the capacity to absorb large numbers of unemployed people.
5. Promote opportunities for youth employment.
6. Social welfare services – Expand social welfare services, review funding to not-for-profit organisations, and train more welfare professionals and community workers.
7. Social audit – Use social audits to enhance accountability in the welfare system.
8. National register – Consider integrating all databases of people who receive different forms of social security services.

Commitment to achieving a social floor

A social floor should be defined and a first measurement introduced. This will involve technical analysis and public consultation. It is envisaged that the social floor measure will be simple, and reflect the ability of households to achieve a minimum standard of living through their ability to access items such as nutritious food, public transport, shelter, educational and health services. The gap will be identified, and policy implications of closing the gap assessed. Progress will be measured by the experience of households, rather than expenditure.

This will involve:
- Specification of an acceptable social floor – in terms of outcomes in respect of health, education, transport, shelter, food and other central living costs.
- The ability of households to achieve this standard.
- The minimum package of publicly delivered transfers, goods and services that are needed to enable households to develop their capabilities and access opportunities.

Informal sector contributory scheme

Government is considering a progressive proposal to include low-income workers in the contributory retirement scheme. The proposal does not include people in the informal sector. A simplified arrangement for self-employed individuals is mentioned, but no details are given. We cannot afford to exclude this sector of the economy and modelling of the likely uptake needs to be done. One of the inherent weaknesses in any policy
decision concerning matching contributions is the lack of data to determine the impact that changes in the effective rate of return will have on contribution levels.

Close the social insurance gap

Government has embarked on an ambitious social security reform process that has been under way for some time. The reforms cover the following areas:

- Improve the non-contributory social assistance system, including better governance; higher means test thresholds; and alignment with tax benefits associated with old age, disability and child support.
- Enhance administrative coordination and benefit alignment of the Unemployment Insurance Fund, Road Accident Fund and Compensation Funds. A consolidated institutional framework should support coherent policy implementation, integrated social security administration and effective regulation and oversight of the system.
- Adopt a mandatory arrangement providing pension, death, disability and unemployment benefits, supported by compulsory contributions by all workers earning above a minimum income threshold.
- Regulatory reform of the pensions and life insurance industry to improve customer protection, strengthen financial soundness, and achieve better value for money for lower-income contributors, women and people living with disabilities.

The commission broadly supports these proposals, particularly those dealing with mandatory savings for retirement, death, unemployment benefits and disability. This will close a conspicuous gap that has led to many working people having to significantly lower their standard of living at retirement.

Public employment: a social protection measure for the working-age group

The commission proposes that the scale of public employment should be benchmarked against the scale of unemployment, achieving a countercyclical effect similar to an employment guarantee. The target should be to achieve 100-days of work opportunities for 50 percent of the unemployed, per year using the expanded definition of unemployment. The sectoral programmes in the Expanded Public Works Programme should continue to be implemented wherever the relevant outputs are required, while the Community Work Programme target should be based on a ratio of unemployment levels to population levels per municipality, so that it is targeted towards areas of greatest need.

These targets have to be assessed in relation to the absorptive capacity of public employment. If unemployment levels are extremely high, it is possible that a ceiling will be reached beyond which it is not possible to absorb greater numbers in meaningful ways. There will need to be scope for innovation in identifying forms of work that contribute to the public good, and to expand the range of work over time. Key opportunities exist in care work, where there are still high levels of unmet demand; food
security, as part of a zero-hunger approach; developing a more integrated approach to environmental rehabilitation and environmental services; and community safety.

There are many untapped areas in which public employment can significantly contribute to improving the lives of citizens. Proposals from the health sector have shown the need to massively increase the number of community health workers to between 700 000 and 1.3 million for effective primary health care. Similar proposals are made in the early childhood development sector, where the scope of expansion is much larger if the needs of children from early childhood to school-going age are to be met. Public employment can also play a role in providing security guards in schools and other community facilities. Appointing two administrators per school would lessen the administrative burden on teachers and allow them to spend more time teaching. The social welfare sector has also identified the need for auxiliary workers to undertake some of the work performed by highly trained professionals.

The 50 percent target should be phased in, with the 2013/14 targets as the first milestone. Assuming that over the period to 2030, wider economic policies start to bring unemployment levels down, the absolute numbers of people that constitute the 50 percent target should also drop.

The first priority is to achieve the current targets for 2013/14. If the recent target of 1 million for the Community Work Programme is included, the revised goal for the Expanded Public Works Programme is about 1.75 million work opportunities per year, which is close to 50 percent of unemployed people.

To achieve this target would require the institutional presence of a community work programme in every municipality. This would create an implementation platform that could expand and contract in response to the scale of need. The implementation model for boosting public employment is a crucial factor – and has been a critical constraint in the sectoral Expanded Public Works Programme. The community work model’s importance lies not only in its scalability, but also in the way social mobilisation is made integral to the rollout process, using non-profit agencies to implement the programme and creating new forms of partnership between government, civil society and communities.

The type of public employment that the commission advocates is not just income transfer in disguise. It is about inculcating a new mindset that empowers people to contribute to their communities.

**Youth employment**

Policies aimed at tackling youth unemployment need to address its specific causes. The general aim to reduce unemployment is aimed at the entire working age population. The unemployment rate for youth tends to be significantly higher than for the rest of the population. This is due to:
The formation of a queue in a context of high unemployment: older work-seekers tend to get jobs before new entrants to the labour market.

Young people lack experience and the skills needed to search for jobs.

Young people may lack the foundation skills and capabilities sought by employers.

Policies to reduce unemployment will differ depending on the location, educational attainment and age group. A large number of unemployed youth have less than a matric certificate, and our proposals focus on this group, as well as those who stopped studying after completing matric.

The central policy proposals include:

- Improve access to quality education (details are in the education, training and innovation chapter).
- Expand work opportunities and internships in the lower grades of the public service.
- Expand opportunities in community care services and public employment programmes.
- Support small-scale agriculture – already half of the subsistence producers are under the age of 29. They should be supported to expand this production to a small marketable yield.
- Financial support should be made available for social mobilisation programmes that draw young people into positive group activities.
- Some active labour market policies should be implemented over the coming years to test their impact.

Address the skills deficit in the social welfare sector

In the immediate and medium term, we need to increase the supply of four categories of social service professionals to respond to the demand for appropriate basic social welfare services. These categories include social workers, auxiliary or assistant social workers, community development workers, and child and youth care workers.

Current estimates of qualified social workers registered with the South African Council for Social Service Professionals (SACSSP) and approved to practice are set at 15 000. Universities should increase the numbers of students admitted to study social work by 5 percent each year until 2030 and provide support to assist social work graduates in obtaining employment and developing professional experience.

Auxiliary social workers require adequate levels of education and training to work under the guidance of qualified social workers. Tertiary institutions providing such training should be required to comply with the minimum standards and requirements set by the SACSSP. The accepted ratio for auxiliary social workers to social workers is 5 to 1: a social worker should not have more than five auxiliary social workers providing assistance. This is to avoid compromising the quality of supervision and the quality of care provided by the auxiliary social workers. Increasing welfare service provision to
meet current needs and demands requires a phased approach to bring approximately 75 000 auxiliary social workers into the system.

Auxiliary social workers could be recruited from unemployed youth who have passed grade 12 but not qualified for entry to university. A system needs to be designed for auxiliary training and practice as part of a credit building system that could from the basis for a social work degree after a minimum of five years practice as an auxiliary. This would help to address the shortages in social work capacity in the medium term, and also provide a career path through which the numbers of professional social workers could be increased in the longer term.

Community development professionals are needed to ensure efficient service delivery at local community levels with regard to building community structures, responding to crime prevention, youth and adult continuous learning, and the promotion of sport, recreation and the facilitation of community cohesion. It is estimated that 10 000 community development workers are employed in provincial and local government settings across South Africa. The quality of their education and training needs to be assessed and aligned with the minimum requirements for professional service delivery. Research is needed to determine the future demand and supply side issues related to community development practice.

The current supply and employment of child and youth care workers is inadequate to meet the statutory requirements required by the Children’s Act of 2005. Child and youth care professionals who meet the minimum requirements are needed to provide statutory and non statutory services. The Children’s Act of 2005 (as amended) makes provision for residential care arrangements where there are more than six children outside the child’s family environment and a range of programmes that must be offered. These include the reception, care and development of children; the reception and temporary safe care of children; the reception, development and secure care of children; the reception and care of street children; and early childhood development programmes. Training and education of child and youth care workers is necessary to ensure appropriate care and development of children with disabilities or chronic illnesses, therapeutic and development programmes, treatment interventions for addiction to dependency-producing substances and treatment of children with psychiatric conditions.

**Social audits**

An essential feature of any well functioning democracy is the ability of citizens to hold government accountable for its efficient and equitable delivery of public services, including social protection. Many social protection programmes have a grievance procedure or a complaints mechanism, which allows both beneficiaries and non-beneficiaries to raise concerns and have them addressed. Without encouraging a culture of complaint, it is important that legitimate errors are corrected, bad practices are exposed, and the rules and procedures of each programme clearly explained to avoid
unnecessary confusion. An independent complaints or grievance mechanism is recommended for all social grant programmes to improve transparency, efficiency and equity, and expose corrupt practices.

A social audit is a mechanism for decentralised, collaborative and democratic governance that involves communities directly in programme monitoring and evaluation activities. The simplest form of social audit is a public assembly where all the details of a programme are read out. More elaborate social audits include inviting citizens to scrutinise programme documents and payment records, collaboratively investigating discrepancies and following up on grievances raised, and reporting back on remedial actions taken to a specially convened community meeting.

This not only ensures greater transparency and collective accountability, but also empowers poor and vulnerable people by giving them a voice in the implementation of programmes and delivery of services. Citizens are empowered through social audits, by being included in the management of social programmes, by having access to information that is usually concealed, and by influencing the design and improving the implementation of social protection programmes.

Social grant programmes in South Africa could benefit from social audits, not only because this would enhance the effectiveness of these programmes, but also because it would empower poor and vulnerable citizens and deepen the process of democratic inclusion.

**Establish a national register of welfare and social service recipients**

A system that is integrated and captured onto one database, with all individuals and households on some form of state-supported welfare, appears to be an ideal system worth implementing. Brazil and India have developed universal information systems. We propose that such a system be developed for South Africa.

South Africa already has a significant advantage of possessing a unique identifier for almost all state administrative support systems – citizens identity numbers. This unique identifier can be used as a mechanism for capturing an individual's information across a range of state services. For example, the following systems could form part of an initial attempt to merge the different state databases:

- Labour Centre data on Unemployment Insurance Fund claimants and new job-seekers.
- South African Social Security Agency data on all grant recipients.
- Unemployment Insurance Fund data on all employed contributors and unemployed claimants.
- Sectoral Education Training Authority data on all learners benefitting from skills levy funds for training.
- Participants in Expanded Public Works Programme and Community Work Programme projects since inception.
- Indigent registers used by municipalities to provide free basic services.
- National Housing Subsidy Scheme database.

Using the identity number of the individual recipient of any of these state services, the process of identifying the scale, magnitude and reach of social protection offered by the government can begin. Although this will potentially be a fairly costly and labour-intensive exercise, it will streamline and increase the efficiency of the country’s social assistance programme and welfare provision.

**Conclusion**

If South Africa is to make real progress in eliminating poverty and reducing inequality, it will need to provide its people with the secure foundation from which they can expand their capabilities and improve their life opportunities. Social protection has a critical role to play in providing this minimal security, as do a range of social welfare services designed to provide targeted support to vulnerable groups.