

Business Day 16 August 2011

Social grant 'weakened effect of recession on the poor'

UN Children Fund says 2008 global economic crisis increased the level of child poverty in SA, although SA's welfare safety net dramatically reduced the effect on the poorest

KARL GERNETZKY

Published: 2011/08/16 08:05:13 AM

THE 2008 global economic crisis increased the level of child poverty in SA, although SA's welfare safety net dramatically reduced the effect on the poorest, according to the findings of two United Nations Children Fund (Unicef) studies released yesterday.

The reports came amid proposed changes to top up child grants, to provide a financial incentive for eligible children to stay in school.

The reports were the result of a collaboration between Unicef, the Department of Social Development, and the Financial and Fiscal Commission which investigated the effect of the recession on child poverty in the country .

The studies showed the proportion of children living in poverty increased by 2% from 2007 to 2009. About 65%, or 12-million, children in SA were currently living in poverty, compared with 45% of adults.

Speaking at the launch, Unicef representative Aida Girma said the recession had a detrimental effect in many countries that were slow to implement child-sensitive policies, but SA was fortunate to have had pre-existing policies because the situation "would otherwise have been disastrous".

Social Development Minister Bathabile Dlamini said that between 2008 and 2009 nearly 1-million jobs were lost in SA, affecting 4,8- million people directly and indirectly. She said the effects of the recession had disproportionately affected the poor. The reports showed that the government's decision to extend social benefits by increasing the eligible age for the Child Support Grant to 18 in 2009 had helped provide food and basic services.

Currently 10,3-million children in 500000 households received the child support grant of R260 a month per child.

Unicef researcher George Laryea-Adjei said SA's social welfare, particularly the child grant, had prevented a child poverty surge of a "minimum" of 11%.

The deputy director-general in the Department of Social Development, Selwyn Jehoma, said the department was considering major changes to welfare provision. There was agreement in the department that the child grant should be more inclusive, although it was still considering how this would be funded.

At present, only those who earn less than R31200 a year per parent are eligible.

In order to decrease the rate of school dropouts, in future the department would "top up" child grants, providing a financial incentive to stay in school. Eventually, upon graduation children would receive a financial asset with which to begin their post-school lives.

However, Finance Minister Pravin Gordhan said yesterday that welfare spending was "not sustainable".

"We need to switch from welfare to a situation where most people in SA at working age work for their income," he told an internal audit conference. With Mariam Isa

<http://www.businessday.co.za/articles/Content.aspx?id=150765>