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THE IMPACT OF THE SOUTH AFRICAN CHILD SUPPORT AND OLD AGE GRANTS ON CHILDREN'S SCHOOLING AND WORK

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Abbreviations

ASSA	Actuarial Society of South Africa
CCT	Conditional cash transfer
CDG	Care dependency grant
CRC	Convention on the Rights of the Child
CSG	Child support grant
DG	Disability grant
DHS	Demographic and health survey
DSD	Department of Social Development
DSS	Demographic surveillance system
FCG	Foster care (child) grant
GHS	General household survey
HAZ	Standardised height for age
ILO	International Labour Organisation
IPEC	International Programme on the Elimination of Child Labour (ILO)
KIDS	KwaZulu-Natal Income Dynamics Study
LFS	Labour force survey
OAP	Old age pension
OHS	October household survey
PCG	Primary caregiver
PPA	Participatory poverty assessment
PSLSD	Project for the study of living standards and development
PSNP	Primary school nutrition programme
RDP	Reconstruction and Development Programme
SALDRU	Southern Africa Labour & Development Research Unit
SAYP	Survey of activities of young people
SMG	State maintenance grant
TECL	Programme Towards the Elimination of the worst forms of Child Labour

Preface

In recent years, the perceived success of several large-scale conditional cash transfer (CCT) programmes has provoked substantial interest in and support for their replication. CCT programmes provide cash to poor households (often women in the household) in exchange for sending children to school and/or participation in nutrition and health programmes.

Most CCT programmes are aimed at reducing current and future poverty, the latter by promoting the development of human resources through education, better health and improved nutrition. The reduction of child labour as such is rarely an objective in its own right. Nonetheless, various evaluations have shown that some such programmes have indeed been effective in reducing child labour as well, even when this was not an explicit objective.

The potential role of CCTs in reducing child labour is an issue of great interest to ILO's International Programme on the Elimination of Child Labour (ILO/IPEC). Accordingly, IPEC is in the process of developing a programme of work on CCTs and child labour that will comprise information collection, research, advisory services, and technical cooperation. Early efforts in this direction are largely focused on the documentation of existing knowledge and experiences in selected countries around the world, including South Africa.

In South Africa, the two most important social assistance programmes are the state Old Age Pension (OAP) and the Child Support Grant (CSG). These means-tested, unconditional cash transfer programmes reach millions of households and are widely believed to have made substantial contributions to reducing poverty in general, and child poverty in particular. Several recent studies have been concerned with the impact of these programmes on children. For example, the extension of OAP to black households in South Africa – which are typically multigenerational – has been associated with increases in school attendance and declines in hours worked by children, which are in turn associated with higher school attainment and primary school completion rates. Similarly, the CSG has been found to have bolstered early childhood nutrition (as measured by the children's height-for-age), which could contribute to higher productivity and wages later in life.

The main purpose of this study is to examine the schooling and child labour impact of the CSG and OAP, a research issue that appears not to have been extensively studied to date. The CSG was launched in 1998 and was initially limited to children under seven years of age. The age limit has gradually risen to the present 14. The monthly grant of R190 (in 2006), or US$31, per child is given to the "primary care giver" and about half of the age-eligible children are currently in receipt of the grant. It is therefore potentially a powerful means of improving schooling and child labour outcomes in the country, even if unconditional. The key question is whether this potential is being realised and whether the outcome may be improved and, if so, how.

There is further the issue of whether the CSG should be extended to cover all children under the age of 18, instead of 14 as at present. The South African Child Labour Programme of Action, which is supported by key government actors and by civil society, provides that by 2006 the CSG should be extended to children up to the end of the school year in which they turn 15 years; and that in the medium term consideration should be given to the extension of

the CSG to those aged 16 and 17 years to encourage children to remain in school and avoid engagement in hazardous work activities. This research could thus be of more immediate use as well in elaborating the potential benefits of extending the grant to children above 14 years of age. This is a topic of policy debate at present, especially because of the substantial burden of the CSG on the national budget.

The study is a collaborative effort between two ILO/IPEC projects: the Networking project in Geneva (DPNet component) and the programme Towards the Elimination of the worst forms of Child Labour (TECL, a time-bound programme support project covering South Africa, Botswana, Lesotho, Namibia and Swaziland). A draft of this study was presented at the Regional Conference on Reducing Exploitative Child Labour in Southern Africa, which took place during 4-6 July 2006 in Johannesburg, South Africa.

Abstract

This paper explores the link between conditional cash transfer (CCT) programmes and child labour. This should inform the debate on whether such programmes are appropriate for consideration in policies in the SACU region.

The perceived success of several large-scale CTT programmes in Latin American countries has provoked substantial interest in their replication in other parts of the world. The United Nations agencies and development banks promote CCT programmes as an effective approach to extending social assistance to those in need.

As the name implies, CTTs are social assistance programmes that provide cash grants to poor households on a regular basis on condition that the beneficiaries fulfil some obligation(s) aimed at human development, such as sending their children to school or participating in health programmes.

The reduction of child labour is rarely an explicit objective in the current CCT programmes. Nonetheless, evaluations have shown that some of them are indeed effective in reducing child labour, although this was not an explicit objective.

Numerous evaluation studies have assessed the impact of the CCTs on a broad range of positive outcomes: poverty and food consumption, school attendance and performance, gender disparities, demographic effects, intra-household relations, community social relationships, and, not least, child labour. The findings are broadly similar and positive, suggesting that the CCTs do yield promising results with respect to their key objectives.

From the standpoint of child labour, the main strength of the CCT approach lies in the fact that it tends to address the roots of the problem: chronic poverty, vulnerability to economic shocks, absence of schooling alternatives, labour market conditions, and cultural factors. Numerous studies have also found CCT's to be effective increasing time in school and improved academic success on the one hand, and reduced labour force participation and hazardous work on the other.

Executive summary

In recent years, the perceived success of several large-scale conditional cash transfer (CCT) programmes has stimulated interest in the potential of cash support programmes to encourage children's school enrolment and other benefits. South Africa has for many years had large-scale cash transfer programmes which form the basis of social assistance in the country. These programmes are for the most part not conditional, but nevertheless exhibit other characteristics similar to CCTs. In particular, the child support grant (CSG) is intended to benefit children and is provided through primary caregivers (PCGs) who are overwhelmingly women. Previous research of the most long-established programme, the state old age pension (OAP), has also revealed beneficial results for children living in households with pensioners. This study explores what existing data sources can tell us about the impact of these programmes on children's school-going and participation in work activities.

The paper first summarises relevant findings in the existing literature as well as identifying gaps. It then attempts to build on this literature through analysis of two data sources from 2004, the general household survey (GHS) conducted by Statistics South Africa, and the third round of the KwaZulu-Natal Income Dynamics Study (KIDS).

The tabulations presented in the paper suggest that the CSG is probably having some effect in encouraging school attendance among the children who are the direct beneficiaries. The effect is small in terms of percentage points, but this is to be expected given the already high overall enrolment rates. If expressed as the relative change in the number of non-attendees, the apparent impact is much larger. The modelling confirms that receipt of a CSG has a statistically significant, although small, impact on enrolment. Modelling also confirms that enrolment of children who are not direct CSG beneficiaries is more likely when another child in the household is a direct CSG recipient. These impacts exist despite the absence of any explicit conditionalities for the CSG.

The tabulations also confirm findings of others that receipt of an OAP by someone in the household tends to result in increased school attendance among children. Again, the effect is small in terms of percentage points. Adding to previous findings is the fact that the impact is found in skip-generation households and households where no parents of the child are present as well as three-generation households. Some of the tabulations also suggest, as found in previous research, that the impact of grants on school attendance might be stronger for girl children than boy children. This pattern is, however, not consistent across all tabulations and across both data-sets.

The tabulations in respect of economic activity suggest that CSG receipt may tend to decrease the likelihood of older children in the household working. These findings must be treated with great caution as the percentage reported to be working is very small.

The paper aims to provide analysis rather than policy recommendations. However, the final section includes recommendations for improvement of data collection methods that would increase the possibilities of useful analysis in the future.

1. Introduction

In recent years, the perceived success of several large-scale conditional cash transfer (CCT) programmes such as Mexico's *Progresa* (now *Oportunidades*) and Brazil's *Bolsa Escola* (now *Bolsa Familia*), has stimulated interest in the potential of cash support programmes to encourage children's school enrolment and other benefits. Interest to date has focused primarily on education- and health-related benefits. Because cash transfers relieve poverty one can also expect an impact on child work, to the extent that this work is often driven by the poverty of the child's family.

South Africa has for many years had large-scale cash transfer programmes which form the basis of social assistance in the country. These programmes are for the most part not conditional, but nevertheless exhibit other characteristics similar to CCTs. In particular, the child support grant (CSG) is intended to benefit children and is provided through primary caregivers (PCGs) who are overwhelmingly women. Previous research of the most long-established programme, the state old age pension (OAP), has also revealed beneficial results for children living in households with pensioners. This study is concerned with the impact of these programmes on children's school-going and participation in work activities. The fact that the programmes are non-conditional provides an opportunity to question to what extent it is the conditionality, rather than other characteristics of such grants, that results in beneficial outcomes for children. The research could also be of more immediate use within South Africa itself in elaborating the potential benefits of extending the grant to all children up to the age of 18 rather than having the age limit set at the child's 14th birthday, as at present. Such an extension is recommended in the county's Child Labour Programme of Action, is supported by civil society and some government actors, but would incur significant budget cost.

Over recent years a significant literature has emerged examining the impact of the OAP on various indicators of well-being in poor communities. This literature has helped establish the important role played by the grant system within South Africa's overall strategy of poverty alleviation. Indeed, the grant system is generally recognised as the cornerstone of South Africa's poverty alleviation strategy.

There is less research on the impact of the CSG. The more limited literature is explained by the relative newness of the grant, as well as the fact that until recently it reached fewer people. However, over recent years a literature on the reach and impact of the CSG has emerged. This literature is especially important given ongoing debates within the country about this grant. One debate – as noted above - concerns whether the grant should be further extended age-wise so as to cover all children up to their eighteenth birthday. Another debate relates to the relationship between the CSG and other child grants and, in particular, the role that the various grants can play in addressing the needs of orphans and other vulnerable children. A third debate relates to the possible perverse incentives which grants might generate, with subsequent misuse of grant money by beneficiaries.

This paper examines existing literature on the impact of the CSG, OAP and other grants on children's education and labour force participation. The literature review summarises relevant findings in the literature as well as identifying gaps. The paper then attempts to

build on this literature through analysis of two data sources from 2004, the general household survey (GHS) conducted by Statistics South Africa, and the third round of the KwaZulu-Natal Income Dynamics Study (KIDS). The paper aims to provide analysis rather than policy recommendations. However, the final section includes recommendations for improvement of data collection methods that would increase the possibilities of useful analysis in the future.

The data on which the analysis is based relate to a period in which the CSG had not yet been fully extended age-wise. This limits what analysis can tell us about the impact on education, given that children in South Africa start formal schooling in the year they turn 7. In respect of impact on direct beneficiaries, the analysis thus focuses on a very small age group. For older children, analysis examines the possible impact of receipt of the grant by a younger child in the household.

Possibilities in respect of analysis of child work and labour are even more constrained than those in respect of education given that the data sources generally only ask questions about work of children aged 15 years and above. As a result, in respect of work analysis is confined to the impact of grant receipt by someone else in the household on a child's labour force activity. This analysis is, however, further constrained by the fact that the data sources tend to undercount children's work activity even in this older age group. As such, the paper is intended as a first step that might raise questions and encourage better data collection that might, in turn, facilitate further research.

Section 2 of this study describes the CSG, OAP, other grants and other programmes focusing on children's education. This provides a background against which subsequent discussion and analysis can be understood. Section 3 then provides a summary of the issues covered and not covered in existing research. This section is supplemented by two appendices. The first appendix discusses in some detail the findings of a range of different papers in relation to the main topics covered by this paper. The second appendix consists of an annotated bibliography which summarises the overall focus and findings of the different studies.

Section 4 describes the two main data sources used for the analysis in this paper. Section 5 then describes and interprets the results of the analysis. This section is divided into three parts. The first describes the results of simple tabulations using the GHS. The second does the same in respect of simple tabulations using KIDS. The third sub-section presents more complicated modelling using GHS 2004 data.

Finally, section 6 concludes by summarising both the limitations and findings of this paper, and providing recommendations in respect of improving data sources and taking investigation of these issues further.

2. Description of the CSG and similar programmes

This section provides a history of the CSG as well as, more briefly, of the OAP and, even more briefly, of other grants. The description focuses on the period since 1998, when the CSG was introduced, but provides some information on the earlier period. The section ends

with a description of two other government programmes which can be expected to encourage school enrolment and attendance.

2.1. Child grants

Prior to the establishment of the CSG, the main grant in respect of children was the state maintenance grant (SMG). This grant was available to a parent or guardian living with a child under eighteen years of age if the applicant was unmarried, widowed or separated; had been deserted by their spouse for more than six months; had a spouse who received a social grant or had been declared unfit to work for more than six months; or had a spouse who was in prison, a drug treatment centre or similar institution for more than six months. Applicants had to prove that they had made efforts to apply for private maintenance from the other parent but been unsuccessful in doing so. There were several conditions attached to receipt of the grant, including ensuring that school-age children were in school. There were limitations not only on non-parents' receipt of the grant, but also on eligibility in respect of children born outside of marriage. As a result of significant differences in both rules and how the rules were applied, very few African children and their caregivers received the grant. In some African areas, there were simply no grants for the caregivers. Overall, coloured and Indian recipients were over-represented as most whites who satisfied other conditions did not pass the means test.

The post-apartheid government was clear that it could not continue with a grant that was so obviously biased against those who needed it most. However, it also felt that it could not afford to extend the grant to Africans under the existing rules as this would have increased the budget for the grant from around R1.2bn per year to somewhere between R5bn and R10bn per year. Additional reasons for government's reluctance to extend the grant were its attempts to move towards a "developmental social welfare" approach, and thus less reliance on grants, as well as a tighter overall macro-economic policy which had a reduction in the budget deficit as one of its primary aims. One option was simply to abolish the grant. In the face of opposition to this option, the government established the Lund Committee on Child and Family Support. The task of this committee was to review the existing system of state support to children and families, and come up with a proposal for a new system that was equitable but did not exceed the budget allocated to the SMG.

Drawing on both international experience and local knowledge and research, the Lund Committee proposed a new "child support grant". This grant would reach a far smaller age group – only children up to the age of seven – and be a much smaller monthly amount. The Committee originally proposed R70[1], reflecting the cost of food and clothing attributable to a child according to the calculations underlying the Household Subsistence Level calculated by the University of Port Elizabeth. By the time of implementation, the amount had been increased to R100 as a result of pressure from civil society. What was lost in this change was the idea that the grant should be based on some objective measure that would increase on an annual basis. For the first three years there was no increase in the absolute amount of the grant. In April 2001 it was increased to R110, and has been increased regularly since that time.

[1] Approximately R113.40 if converted from 1997 to 2006 rands.

The SMG consisted of two parts – a child grant in respect of each of a maximum of two children, and a parent grant for the parent or guardian. At the time the CSG was introduced, the child grant was R135 and the parent grant was R430. The CSG amount was thus far smaller than that for the SMG.

The CSG introduced the concept of the "primary caregiver" (PCG) in the place of the parent or guardian for the SMG. The PCG is defined as the person who takes primary responsibility for meeting the daily care needs of the child, but excludes caregivers who are paid to do this, or who give care without the consent of the child's legal caregiver. Because the caregiver has to have an identity document, s/he cannot be under 16 years of age as the children below this age do not have this document in South Africa.

The PCG concept was introduced in recognition that the majority of South African children – and poor children in particular – do not live in a nuclear household. Many live apart from a biological parent, sometimes with a grandparent, but sometimes with someone else. The grant was thus designed to "follow the child" and be given to the caregiver most appropriate for a particular child.

In introducing the grant, government acknowledged that the small amount involved could in no way meet all the needs of a child. However, government argued that the grant had to be seen alongside a range of other programmes and policies that provided for the child. In particular, the Lund Committee held workshops with those involved and made detailed recommendations in respect of improvement of the private maintenance system so as to provide another source of funding for children with parents with income. The focus on children aged 0-6 was justified on the grounds that these children, because they were not in school, were more difficult to reach through other means, such as school feeding. Further, under-nutrition in the first years of life can negatively affect the person for the rest of their life.

In recognition of the contribution that the SMG was making to the well-being of those it reached, this grant was not stopped abruptly but rather phased out over a period of three years during which the size of the grant was progressively reduced. Over this period no further SMGs were awarded. By April 2001 no SMGs were being paid.

When the CSG was introduced, it included several conditionalities. Applicants were initially expected to participate in "development programmes" and to have proof that the children for whom they were applying were immunised. The requirement in respect of development programmes was dropped after it became obvious that such programmes simply did not exist in many areas. The requirement in respect of immunisation was dropped out of recognition that it often discriminated against children who were already disadvantaged in terms of access to services.

Take-up of the grant was at first slow. This was partly a result of the various conditionalities and the nature of the means test. It was also the result of limited efforts in some parts of government to roll out the grant. Once the regulations were changed and real effort was put into rolling out the grant, numbers increased rapidly.

As noted above, the CSG was initially available only for children up to their seventh birthday. In early 2003 both President Mbeki and Minister of Finance Minister Trevor Manuel announced that the grant would be extended to children up to their 14th birthday. This extension was phased in over three years. Thus from 1 April 2003, children qualified up to their ninth birthday, from 1 April 2004 children qualified up to their 11th birthday, and from 1 April 2005 the child's 14th birthday became the age limit. There is currently debate both within children's rights circles and within government about further extensions. Many favour the extension to the eighteenth birthday, as this matches the constitutional definition of children. The current cut-off contradicts government policy in respect of work in that children may only be legally employed after the last school day in the year that they turn fifteen or have completed compulsory schooling. Children of fourteen and many aged fifteen thus cannot receive the grant but also cannot legally enter into employment to raise the necessary money in this way.

At the time of writing (May 2006), the CSG is R190 per month, and children up to the age of 14 years are eligible. In mid-2004, at the time the GHS and KIDS 2004 were conducted, it was R170 per month, and was available for children up to the age of 11 years.

The means test has remained unchanged in terms of cut-off points since the grant was introduced in 1998, despite significant increases in inflation, especially in the early years. The cut-off is R800 per month for children and PCGs living in formal housing in urban areas and R1,100 per month for children and PCGs living in rural areas or in informal housing in urban areas. This income distinction was made on the basis that children in rural areas and in informal housing tend to be disadvantaged in relation to access to services and in other respects.

The means test was at first applied to household income. In June 1999 this was changed, and since that date it has been applied to "personal income". The latter is defined as the income of the PCG plus, if the PCG is married, the income of the spouse.

2.2. Other child-related grants

There are two other child grants which have been in existence since the CSG was established and which still exist. Both have seen marked increases in take-up over recent years. This can be partly attributed to an increase in general awareness of grants, but is also related to the HIV/AIDS pandemic as both grants are used in some cases to provide for children affected or infected by AIDS.

The foster child grant (FCG) (sometimes called the "foster care grant") is paid to those who have gone through a court process to become registered as foster parents of the child. The grant is intended for children up to the age of 18 years "in need of care" and who are not receiving such care from their biological parents. This includes children who are abused as well as children in trouble with the law. The grant is not primarily intended to deal with poverty, and thus has no means test except if the child has independent income, for example in the form of a trust. The FCG is, however, currently being proposed – including at times by the Department and Minister of Social Development – as the appropriate grant for children orphaned by HIV/AIDS, even though these children are arguably more in need of money than in need of "care" in the sense intended by the grant (Meintjes et al., 2003).

Because the grant is several times larger than the CSG, there is a clear incentive to caregivers to choose the FCG over the CSG if they have the opportunity to do so. The significant difference between the two amounts is a legacy of the haphazard way in which the grant system came into being. The Lund Committee was aware of this problem when it deliberated, but could not propose a higher amount for the CSG if it was to keep within the budget limit in its terms of reference and also did not want to recommend lowering of the amount of the FCG.

The care dependency grant (CDG) is given to caregivers of children who are severely disabled to the extent that they need full-time care. Thus, if such care were not available in the home, they would need to be institutionalised. The grant is available for children from one to 18 years. Officially any child who attends a school, even if the school is for disabled children, is disqualified from receiving the grant. In practice, in Gauteng province at least, this condition is not observed. The grant is sometimes awarded in respect of children disabled through HIV/AIDS.

2.3. Old age pension

Unlike the CSG, the OAP has existed for decades. It was originally introduced in 1928 primarily to address poverty among elderly white people, but was gradually extended to other population groups. During the apartheid years both the amount of the grant and some of the conditions were discriminatory. Nevertheless, already by the 1970s significant numbers of African elderly were receiving the OAP as it was used as an enticement to get old people to live in and accept the "homelands". The 1992 Social Assistance Act finally did away with all discriminatory provisions.

Unlike the CSG, the pension amount has been increased each year, although until the early 2000s the increase was not always in line with inflation. The Minister of Finance several years ago made a commitment that in future increases would always, at the least, compensate for inflation.

The OAP is available to women at the age of 60 years and to men at the age of 65 years. It is subject to a means test which is based on the income and assets of the applicant plus, if the applicant is married, the income and assets of the spouse. The means test is based on a formula which differs for single and married people and which is based on the grant amount at the time. Unlike the CSG, which is paid at a flat rate, the OAP and disability grant have a sliding scale at the upper end of income eligibility where the amount of the grant is progressively reduced for each additional rand of income. At the time of writing the maximum amount of the grant is R840, and this maximum is received by the overwhelming majority of beneficiaries. In mid 2004, the grant amount was R740.

2.4. Other adult grants

The disability grant is the other large grant in terms of take-up. It is intended for those aged 18 and above but below the age when they would be eligible for the OAP. The means test is the same as for the OAP. The main criterion is that the person should be disabled to the extent that they are unable to support themselves. Permanent grants are awarded to those who are permanently disabled. Temporary grants are awarded for a shorter period, for example six months, to those who are expected to regain the ability to support themselves.

Numbers for the disability grant have increased significantly over recent years, partly as a result of the HIV/AIDS pandemic. For example, permanent disability grant numbers increased from 399,924 in October 2001 to 970,143 in September 2004, while temporary disability grant numbers increased from 233,015 to 375,476 over the same period. Numbers have more recently levelled off, partly as a result of measures taken to prevent fraud.

The war veterans' grant is paid to those who served the country militarily in early and mid-20th century wars. There are thus few remaining recipients. In February 2006 fewer than 3,000 people were receiving the grant.

Finally, a temporary grant-in-aid can be paid to those in distress, for example those who are waiting for the application for another grant to be approved. In February 2006, 26,528 people received grants-in-aid.

2.5. Budget and take-up

The 2006 budget allocates a total of R61,535m for 2006/07 for the social security transfers and administration programme of the national Department of Social Development (National Treasury, 2006: 398). Of this amount, R57.72bn is for social assistance transfers, and thus constitutes the money that will be transferred to individuals. Other parts of this budget provide for administration, establishment of the South African Social Security Agency, and measures to ensure "integrity" of grant administration.

The budget does not distinguish amounts for particular grants. However, the discussion of the budget of previous years notes that R1.2bn was allocated in 2003/04 and R3.7bn in 2004/05 specifically for the extension of the CSG.

In the past grants were budgeted for and administered at provincial level. Theoretically this gave provinces the flexibility to decide how much of their block grant ("equitable share") they would allocate to grants. In practice, they had limited flexibility given that grants are a right and the amount to be paid is laid down by national government. The system changed in the 2005/06 budget when the transfer amounts were recorded as conditional transfers, in anticipation of grants becoming a national function. The first steps in establishing a central agency, the South African Social Security Agency, were taken during 2005/06, and from April 2006 three provinces' grants are being administered by the agency, with the rest of the provinces to be phased in. One of the claims made in respect of the agency is that it will reduce fraud and increase efficiency.

Since budget year 2003/04, social assistance has accounted for 92 per cent or more of the total social development budget of provinces (National Treasury 2005: 52). Total provincial social development spending increased from R32bn in 2002/03 to R60bn in 2005/06, i.e. it almost doubled (National Treasury 2005: 49). Higher take-up of the CSG combined with the age extension accounted for a significant part of this increase. Table 1 shows the increase in the number of child beneficiaries over the period September 2003 to February 2006 – an increase of approximately 92 per cent. The increase in numbers, combined with annual increases in the grant amount, resulted in an increase in spending on the CSG from R2.4bn in 2001/02 to a projected R17.8bn in 2007/08 (National Treasury 2005: 55).

In 2007/08 the total projected for the CSG is still smaller than the R23.1bn projected for the OAP. However the CSG reaches far more beneficiaries as the size of the grant is only just over a fifth of the size of the OAP. In April 2005 Treasury reported 5,633,647 child beneficiaries of the CSG as against 2,093,075 beneficiaries of the OAP and 1,307,459 beneficiaries of the disability grant (National Treasury 2005: 57). While take-up of the disability grant has also increased significantly over recent years, partly as a result of the HIV/AIDS pandemic, the increase in CSG beneficiary numbers has been steeper. By February 2006, SOCPEN, the computerised management system for grant distribution, recorded 6,980,088 child beneficiaries, 2,247,254 OAP beneficiaries, and 1,306,092 disability grant beneficiaries (personal communication, Annie Leatt).

Table 1. Increase in take-up of CSG, September 2003 to February 2006

Date	Number	Date	Number	Date	Number
Sep-03	3,622,479	Sep-04	5,161,738	Sep-05	6,405,533
Oct-03	3,771,876	Oct-04	5,285,607	Oct-05	6,559,330
Nov-03	3,890,161	Nov-04	5,404,684	Nov-05	6,697,937
Dec-03	3,963,888	Dec-04	5,467,619	Dec-05	6,832,206
Jan-04	4,050,892	Jan-05	5,541,820	Jan-06	6,894,428
Feb-04	4,194,780	Feb-05	5,612,440	Feb-06	6,980,088
Mar-04	4,282,645	Mar-05	5,595,627		
Apr-04	4,407,415	Apr-05	5,670,737		
May-04	4,537,655	May-05	5,780,047		
Jun-04	4,745,846	Jun-05	5,908,193		
Jul-04	4,889,915	Jul-05	6,043,111		
Aug-04	5,033,428	Aug-05	6,217,622		

Source: Annie Leatt, Children's Institute, University of Cape Town.

Table 2 shows CSG take-up as recorded in June 2004, at around the time the GHS and KIDS 2004 were implemented. The table is disaggregated by province as well as by age group. The latter disaggregation corresponds with the age groups used in the annual extensions. At this point in time, 73 per cent of the children benefiting were in the originally targeted age group, 20 per cent in those to whom it was extended between April 2003 and March 2004, and only 6 per cent in the group to whom it was extended from April 2004 onwards.

In 2002, the Department of Social Development commissioned the development of a demographic and financial model for projecting eligible grant beneficiaries and the related costs. The model uses the 2000 Income and Expenditure Survey combined with the September 2000 labour force survey as the sources of the underlying data on household income and household structure. Adjustments are made to the population figures based on the AIDS demographic model of the Actuarial Society of South Africa (ASSA). In 2006, the model was updated to take account of Statistics South Africa's re-weighting of the 2000 household survey data. The current model projects up to 2010.

Table 2. CSG take-up as at 30 June 2004

Province	0 to 7 yrs	7 to 9 yrs	9 to 11 yrs	0 to 11 years
Eastern Cape	575,929	170,866	40,464	787,259
Free	195,684	54,930	25,028	275,642
Gauteng	433,365	111,734	46,506	591,605
KwaZulu-Natal	855,357	229,863	39,394	1,121,614
Mpumalanga	281,876	83,039	31,541	396,456
Northern Cape	56,873	16,492	4,448	77,813
Limpopo	570,021	172,408	90,912	833,341
North West	281,605	77,535	16,186	375,326
Western Cape	218,342	54,139	11,309	283,790
National	**3,469,052**	**971,006**	**305,788**	**4,745,846**
% of total	73.1%	20.5%	6.4%	100.0%

2.6. School fees and school feeding

Mention may also be made of other government social assistance programmes "similar" to the CSG. We focus here on policies in relation to school fees and school feeding that might influence school enrolment, attendance and achievement. The descriptions draw on policy analysis prepared as part of the Means to Live Project of the Children's Institute of the University of Cape Town. This project aims to evaluate targeted programmes which endeavour to realise various socio-economic rights of (poor) children. The CSG is the focus of one of the papers (Rosa et al., 2005), alongside other programmes such as school fees, school nutrition, housing and health.

Veriava (2005) notes that section 29(1)(a) in the Bill of Rights of the South African Constitution states that, "Everyone has the right to a basic education…" while article 28(1)(a) of the Convention on the Rights of Child (CRC) states that state parties must "make primary education compulsory and available free to all". Article 28(1)(b) states that state parties must make secondary education "available and accessible to every child, and take appropriate steps such as the introduction of free education and offering financial assistance in the case of need". The CRC is binding on South Africa as the country has ratified it.

The South African Schools Act states that funding for public schools must happen in accordance with the principles of equality and redress. However, it also states that school governing bodies should supplement state-provided funds by charging fees or in other ways. Veriava quotes 2004 estimates of public school fees that vary from as little as R50 to as much as R15,480 per year per child. The government's National Norms and Standards for School Funding provide for some bias in favour of equity by stating that 60 per cent of recurrent, non-personnel expenditure should be allocated to the schools in quintiles 1 and 2. The impact of this is limited by the fact that non-personnel expenditure accounts for only 8-10 per cent of school budgets.

The setting of school fees by voting at meetings of parents, together with provision for exemptions, are meant to ensure that no child is denied schooling on account of their family situation. At the meetings parents are meant to determine whether the school charges fees, what the amount of the fees should be, and criteria for exemption. Regulations also specify the means test for full and partial exemption. The specification is done relative to the fees at a particular school. Thus where the combined annual gross income of the parents (or guardians) is less than ten times the annual school fees for a child, there is meant to be full exemption, while if the combined income is less than thirty times the school fees, there should be partial exemption. Unfortunately it seems that the exemption policy does not work as effectively as hoped. Veriava quotes research in 2004 which found that only 2.5 per cent of families of primary school children and only 3.7 per cent of families of secondary school children received fee exemptions. One reason for poor compliance is that schools are not compensated for money lost through exemptions.

In 2002, the Department of Education announced that school fees would be abolished in the lowest two quintiles of schools, and that there would also be controls over other costs such as uniforms. The determination of quintiles would be based on national rather than provincial ranking to account for the very different poverty situations in the nine provinces. The ranking would be based on the poverty levels of the communities living in the area surrounding the school and the physical condition, facilities and level of crowding of the particular school. (Critics note that this approach could cause difficulties for children living in areas where there are not sufficient schools to meet needs.) Later announcements suggested that fees would be abolished only for Grades R through 9. The abolition of school fees is being implemented for the first time in 2006, and not yet in all provinces.

A 2004 amendment to the exemption policy states, among others, that where a grant is paid in respect of a child, this child should automatically be exempt from fees. The amendments were only expected to be implemented in 2006, and would thus not affect the analysis in this paper.

In respect of nutrition, Kallman (2005) notes that sections 17(1)(b) and 28(1)(c) of the South African Constitution grant children the right of access to sufficient food and to basic nutrition respectively. Unlike some other constitutional provisions, the latter section is not qualified in respect of the available resources being available to the state.

The Primary School Nutrition Programme (PSNP) constituted one of the programmes of the Reconstruction and Development Programme (RDP) which was the guiding policy of the first post-apartheid government. The RDP document described the programme as involving "provision of an early snack, meeting 30 per cent of the energy requirement, to 3.8 million children (50 per cent of primary school children), in areas targeted on the basis of poverty criteria, particularly rural areas and peri-urban informal settlements" (quoted in Kallman, 2005: 4). The programme was to be implemented in 50 schools in each province.[2] Beyond the constitutional obligation, the school feeding scheme was seen as promoting efficiency, in that hungry children were likely to perform poorly at school.

[2] Presumably the figure of 50 schools per province was the target for the first year since far more schools would need to be included if the target of 3.8m children were to be reached.

In 1995 government introduced the Integrated Nutrition Programme, which encompassed the PSNP as one of its components. Over time the programme came to include nutrition education, parasite control and micronutrient supplementation as well as provision of food to children in schools. When the PSNP was transferred from the Department of Health to the Department of Education in 2004, it was renamed the National School Nutrition Programme.

Provincial departments are responsible for determining which schools are targeted. Each province has its own criteria for identifying schools and for identifying children at those schools who should receive the food. In Free State, for example, all children in targeted schools receive the food. In contrast, in Gauteng, teachers in the targeted schools identify children who they think need to be targeted. In Western Cape, the proportion of children to be fed depends on the poverty ranking of the school.

In 2005, Eastern Cape and Western Cape were providing brown bread, margarine, peanut butter and a nutritious drink. The other provinces were providing pap (maize porridge) and beans or soya, samp and beans or soya, sometimes accompanied by vegetables. Often local communities are contracted to provide the food. Evaluations commissioned by government have revealed that the food provided sometimes does not meet the specified minimum requirements, for example that the snack should provide for 25 per cent of the child's minimum daily nutrition requirements.

An evaluation conducted in 2004 found that over the period 1995-2000/1, the programme reached an average of 85 per cent of primary schools each year. In 2004, the Department of Education reported to parliament that the programme was reaching 40 per cent of the 12 million school learners. One can perhaps reconcile these two figures through the observation that (a) the programme focuses mainly on primary schools and (b) not all children in targeted schools receive the food. However, while the 2004 evaluation gives an overall reach of 85 per cent of schools, the same evaluation report shows a decrease in the number of children reached by 20 per cent, as well as a decrease in the targets. Despite these shortcomings, the programme probably constitutes an incentive for poor households to have their children attend school regularly, as well as an incentive to the children themselves.

3. Review of existing research

An appendix to this paper provides a detailed review of existing literature on the impact of grants on education and child work. This is supplemented, in another appendix, by an annotated bibliography of the key literature. This short section summarises what the literature tells us about the questions which underlie this paper, as well as pointing to gaps in our knowledge. Some of these gaps we attempt to address through this paper. Others will only be able to be addressed with improvements in data sources and when data covering the period during which the grant has reached older children are available.

It is trite to try to prove that grants help to lessen the poverty of households which receive them. Whether or not receipt of a grant lifts a household above some theoretical poverty line, more money in a household obviously lessens income poverty. More interesting questions which have been investigated include whether there is a difference in the way grant

money and money from other sources are spent, and the extent to which grant money is used for the benefit of those who are not direct recipients. This paper does not investigate these questions directly.

There are a range of studies, both qualitative and quantitative, showing that the OAP is often used for the benefit of others in the household and, in particular, for the benefit of children. Several of these studies reveal that this "altruistic" spending of the grant is more common where the old age pensioner is female. There is also some evidence that girl children are likely to benefit more than boy children.

Much of this literature, whether qualitative or quantitative, notes that it is common for part of the grant money to be spent on children's education. This pattern is found even when the grant is not directed at children. The tendency to spend on education is explained, in part, by the fact that a large percentage of households which benefit from the OAP are three-generation households that include children.

Several of the modelling papers restrict analysis to three-generational households so as to avoid confounding factors. In this paper we explore a range of different household types to investigate whether similar effects are found to those which occur in three-generational households.

Very little work has been done on the extent to which the CSG is used for the benefit of others than the child directly targeted. This paper attempts to address that gap by investigating the impact on non-targeted children in the household.

There are also relatively few studies which assess the impact of the CSG on schooling, hence the need for this paper. The lack of studies is not surprising given that the grant has only recently been extended to children of school-going age. One weakness of previous studies and this one is the difficulty in distinguishing between enrolment and attendance. As discussed below, enrolment rates in South Africa are relatively high when compared to many other developing countries. However, high enrolment rates do not necessarily translate into regular attendance at school. Further, neither enrolment nor attendance rates reflect the quality of the education that children receive. Given weaknesses in the way questions are asked in the general household survey (GHS) which is used for most of the analysis in this paper, our analysis cannot distinguish between enrolment and attendance. We do, however, provide some tabulations in respect of dropout.

While the number of studies looking at the CSG has increased over recent years as the grant has become more significant in terms of the number of children reached, many use datasets which are limited to a relatively small geographical area. In particular, many of these studies use data from the longitudinal demographic surveillance system (DSS) of the Africa Centre for Health and Population Studies in the Umkhanyakude District of KwaZulu-Natal. Others use the KwaZulu-Natal Income Dynamics Study (KIDS), which covers only one of the country's nine provinces. Both these datasets have the advantage of being longitudinal, and thus allowing examination of impact over time. KwaZulu-Natal is also the most populous province in the country, and one of the poorest. The disadvantage of focusing on limited geographical areas is the danger that patterns in KwaZulu-Natal, or in the Umkhanyakude District, differ from those elsewhere in the country.

A further limitation of the available literature in terms of source data is that many of the studies are based on analysis of data from the 1993 Project for Statistics on Living Standards and Development (PSLSD). While these data cover the full country, they are now more than a decade out of date. In addition, studies based on this dataset are also not able to investigate the impact of the CSG as the grant had not yet been established in 1993.

The current paper is based primarily on analysis of the national general household survey (GHS) conducted by Statistics South Africa, but also provides some analysis of the KIDS 2004 round. As discussed below, this has its own limitations as in 2004 the grant was still in the process of being rolled out to older age groups who might be expected to be in school.

This paper was not intended to examine health impacts of the grants. These are, nevertheless, interesting to the extent that health is related to the development of human capital. Improvements in health can also be understood as a measure of poverty impact to the extent that poverty is understood as involving more than income. Finally, health is important when considering conditionalities as in some countries grants are accompanied by conditionalities such as that the child must have immunisation and other health records up to date.

There are a number of papers which show that the grants – both the OAP and CSG – contribute to an improvement in health indicators such as height for age and weight for height. Again, there is some evidence that the impact is greater where the OAP recipient is female and where the child is a girl.

There are a number of papers which analyse the impact of the grants on household composition. These are important to the extent that patterns found in terms of benefit could, to some extent, be a reflection of movements in response to grant receipt. Questions about household composition are also important to the extent that they reflect migration for work purposes. This is particularly important in the South African context, where migration from rural to urban areas has been common for adult men for many decades and is becoming increasingly common for adult women. It is relevant in relation to children to the extent that mothers are expected to be primary caregivers for children.

As noted above, there is widespread agreement that a large number of children live in households containing old age pension recipients. Many of these households do not contain the children's parents. It is not clear from the evidence to what extent grant receipt results in children moving to the homes of grandparents. There is some evidence, however, to suggest that working age women are more likely to migrate away from the household where an older person receives the OAP. These issues are not investigated in this paper except to the extent that we examine households with differing composition.

There seems to be very little literature that examines the impact of grants on child work or labour. There is, however, some literature which examines the impact of grants on adult labour market participation. The literature reveals contradictory findings. For example, Bertrand et al. (2000) find a decrease in working hours[3] of members of working age when

[3] Other analysts have avoided using the data on working hours because of doubts about its accuracy.

another member of the household reaches pensionable age whereas Posel et al. (2004), by including non-resident household members in the analysis, find an increase in migrant labour with pension receipt. Several authors find gender differences in the impact of adult labour market participation.

There is very little literature available in South Africa on conditionalities. We can distinguish between two types of conditionalities. The first type relates to conditions that must be met *initially* to be eligible to participate in the grant programme. These include conditions such as age and the means test. The second type relates to conditions that must be met in return for the *continuation* of the grant. These could include conditions that a child attends school a certain percentage of the time, or that the health card is kept up to date, or that the caregiver undertakes some form of community work. The available literature focuses on the first type of conditionality as the latter type is not part of the OAP or CSG and tends to be more qualitative than quantitative. One important finding is the inconsistency as to how the conditions are applied across offices, even within one province. This paper is not able to compare situations with and without conditions as the same conditions apply across the country.

4. Description of data

Two data sources are used for the quantitative analysis in this study. The first is the general household survey (GHS) conducted by Statistics South Africa in mid-2004. This survey is conducted annually, but at the time of writing the 2005 results had not yet been published and the data were not available. The second source is the 2004 round of the KwaZulu-Natal Income Dynamics Study (KIDS) survey. Both surveys have the advantage that they are part of an ongoing series. This is useful as enhancements in data gathering instruments suggested later in this study could be implemented to allow more refined analysis in the future. Both surveys ask questions about both schooling and grant receipt. Questions about grant receipt, in particular, are found in few other large-scale surveys. Without this variable, analysis of the OAP would have to rely on age-eligibility, which is a relatively good proxy if one restricts analysis to African households given that the overwhelming majority of older African people receive the pension. The age-proxy approach is, of course, not a feasible option for analysis of the impact of the CSG as this grant reaches only around half of all age-eligible children.

The fact that the GHS and KIDS were implemented at a similar time facilitates comparison of findings across the two surveys. This is especially important given that the CSG was in the process of being extended in age terms over the last few years making comparison at different points in time difficult. Unfortunately, neither the GHS nor KIDS asks questions about work-related activity of children of younger ages. In particular, neither asks questions about work-related activity of children age-eligible for the CSG.

4.1. General household survey

The GHS has been conducted in June each year since 2002, but the results and data are only available about 12 months later. The survey covers a nationally representative sample of approximately 30,000 households spread across the nine provinces. Weights are provided

with the data-set so that the results provide estimates for the population as a whole.[4] This study uses only the 2004 data as these were collected when the CSG had started to be extended to older age groups. Earlier rounds would therefore have captured even fewer children of school-going age than this one did.

The GHS has a range of education-related questions beyond enrolment, including distance from the school, tuition fees, problems experienced, repetition, free food, and textbooks. These can be used both in looking for relationships and in refining analysis when looking at potential patterns. The GHS also has several other questions, for example about the presence of parents in the household, which help to refine the analysis and control for confounding factors.

The section of the GHS dealing with employment asks questions only in respect of household members aged 15 years and above. This limits the extent to which child work-related activities can be investigated, especially as the CSG does not reach children in this age group.

The data and metadata for the GHS are available from Statistics South Africa (info@statssa.gov.za).

4.2. KwaZulu-Natal Income Dynamics Study

KIDS is a longitudinal study which attempts to follow-up "core" members of households in KwaZulu-Natal that were first interviewed in the PSLSD of 1993. In 1998, the KIDS study re-interviewed all PSLSD households located in KwaZulu-Natal that could be identified. A third round of surveys was undertaken in 2004 and it is the data from this third round that are used in this study. The 2004 survey captured information on at least one core person from 71 per cent of the PSLSD households in KwaZulu-Natal, as well as information on households subsequently established by children of core people.

The third wave of the KIDS survey contained a "child" section which included modules on schooling and the CSG. In total, there is information for 2,675 children under the age of 13, of whom 911 had been enrolled for the CSG at some point. The CSG module was answered only in respect of children under age 13 because the CSG, having been introduced in 1998, should not have reached any children above this age by 2004. (It was, in fact, only extended to children up to age 11 years in April 2004.) The CSG module included detailed questions about the date of application for the CSG and the success of the application, date of enrolment for CSG, reasons for not applying and reasons for payment ceasing. Because this data-set permits one to calculate the exact period for which the child was "exposed" to the CSG, it permits more sophisticated econometric analysis than the GHS. The KIDS data-set also contains information about the person to whom the CSG is paid as well as the child's caregiver's characteristics (since these may not be the same person in practice). The schooling module includes information about past pre-school/crèche attendance, year of first enrolment in primary school, grade completion, number of grades repeated and reasons why the child is not currently enrolled. Unfortunately schooling questions are asked only of children aged seven years and above at the time of the survey.

[4] The mean individual weight is 478. Any findings related to numbers less than 10,000 should thus be treated with great caution.

The sections of KIDS 2004 dealing with work focus on household members aged 15 years and above, apart from a set of questions relating to casual or temporary work which are asked in respect of all household members aged 10 years and above. As discussed below, these questions record minimal child work. Further, the age groups covered by these sections were not reached by the CSG in 2004.

The KIDS data will be available shortly at http://sds.ukzn.ac.za/.

4.3. Other data sources

The analyses described in the literature review use several sources beyond the two chosen for this study. Here we describe our reasons for not utilising these sources for this paper.

A lot of the quantitative analysis in South Africa has used data from the 9,000-household Project for Statistics on Living Standards and Development (PSLSD) survey conducted by the Southern African Labour & Development Research Unit (SALDRU) of the University of Cape Town and the World Bank in 1993. The study was conducted before the formal constitution of the "new" post-apartheid South Africa. It attempted to cover the full area of the country, but was venturing into difficult territory when sampling in the "homeland" areas as the base data for constituting samples were not available. The PSLSD provided a very important impetus into evidence-based research into social policy. It also provided a useful baseline for assessing the impact of post-apartheid policy. Extrapolations of findings from PSLSD data to the present situation must, however, be treated with great caution given the enormous changes in the country over the last 13 years. In particular, the grant system has changed radically. The OAP now has even greater reach than before. The CSG did not exist in 1993 and its predecessor reached only a very small, and racially biased, proportion of poor children in the country. We use the PSLSD for this study to the extent that KIDS constitutes a follow-up of households covered by the PSLSD.

Statistics South Africa's labour force survey (LFS) would seem a potential data source in that it focuses on work, which is one of the topics of interest for this paper, and is also an ongoing series. However the LFS usually asks work-related questions only about children aged 15 years and above. Children of this age are out of the age range currently covered by the CSG. No other part of the standard LFS questionnaire records grant receipts, thus precluding analysis of the possible impact of household grant receipt on child work-related activities. The March 2006 round of the LFS includes a special set of questions relating to child work and the standard questions will also be asked in respect of children aged 10 years and above. However, the questionnaire for this round also lacks questions relating to grants. Further, the results and data from the survey are not yet available at the time of writing.

The Survey of Activities of Young People (SAYP) constituted the first national quantitative survey relating to child work-related activities. The survey was conducted in 1999, only one year after the CSG was introduced. At that stage the CSG was available only for children under seven years of age, and the take-up rate was still extremely low. The survey asked work-related questions only for children aged five years and above, giving very little overlap with the CSG age group. It also did not ask questions about the CSG.

5. Results and interpretations

This study is an exploratory one in that it is as much about finding out the possibilities for analysis as about actual findings of a relationship between the grant and education or engagement in work. Our first step is thus to explore possible correlations by means of tabulations across available relevant variables. We report on this step in some detail so as to lay the basis for further research as data become available on years in which the grant reaches older children. Our second step is then to use econometric analysis to ascertain the strength of a number of apparent relationships. We report separately on findings in relation to the two different data sources, the GHS 2004 and KIDS 2004.

For the analysis of the CSG, we generally use the term (direct) "beneficiary" to refer to the child and "recipient" to refer to the PCG. There can, however, be further indirect beneficiaries, such as other children living in the household.

5.1. Analysis of GHS 2004 data

5.1.1. CSG beneficiaries

The GHS 2004 records a total of 4,381,133 CSG beneficiaries. This is relatively close to the 4,745,846 grants recorded on SOCPEN as at June 2004. (35,354 respondents for whom information on the CSG is not specified and the 2,790 for whom the respondent did not know about CSG receipt are taken, for purposes of analysis, as non-beneficiaries. The numbers in these two categories are not large enough to skew the analysis.)

There is, however, an inconsistency in relation to recording of CSG receipt. Thus while most CSGs are recorded in respect of children, some appear to be recorded in respect of the PCG. As noted above, at the time the GHS was implemented, the grant was available for children up to (but excluding) the age of 11 years, but it had only been available to 9- and 10-year olds for a few months. Of the total 4,381,133 beneficiaries recorded in the GHS, 79 per cent (3,869,401) are under the age of 9 years, and 96 per cent (4,205,409) are under the age of 11 years (Table 3). The remaining 4 per cent were presumably mostly recorded in respect of the PCG rather than the child. Virtually all the CSGs falling out of the child age-range are recorded for people in their twenties or early thirties.

Table 3 confirms that take-up as measured by the percentage of a particular age group benefiting from the grant is much lower for 9 and 10 year olds, at 24 per cent and 8 per cent respectively, than for younger children. Among 8-year-olds take-up is 36 per cent, for those aged 1 to 7 years take-up is 41 per cent or higher – as high as 49 per cent for 2-4 year olds. Take-up is low for those under one year, at 20 per cent, reflecting the delays in accessing the grant noted in the literature. Lower take-up for the 8-year-olds presumably reflects delays in rollout of the extension.

The relatively low take-up rates for those aged 9 and 10 reflect the fact that the extension to these ages happened only in April 2004. Given administrative delays in awarding grants after application, it is not surprising that the rates are low in June 2004. For the purposes of the schooling analysis we exclude the 9- and 10-year-olds as the South African school year starts in January, and receipt of a grant in April or later in a particular year is unlikely to affect schooling for that year in a significant way. Among those on whom we focus for most of the

schooling analysis, take-up rates are 47 per cent for 6-year-olds, 45 per cent for 7-year-olds, and 36 per cent for 8-year-olds.

Table 3. Receipt of CSG by age

Age	% of age receiving	Cumulative %
0	20%	5%
1	41%	13%
2	49%	24%
3	49%	36%
4	49%	48%
5	48%	58%
6	47%	68%
7	45%	79%
8	36%	88%
9	24%	94%
10	8%	96%
11-17	0%	97%

Of all children aged 6-8 year old, 84 per cent are African, 8 per cent coloured, 6 per cent white and 2 per cent Asian. The overwhelming dominance of Africans results in their patterns significantly influencing the overall patterns for the population. However, because significant socio-economic differences persist between African and other population groups, we often restrict analysis to the African group so as to minimise the impact of confounding factors such as differences in parents' education, presence of parents, etc. Other groups are, unfortunately, too small to allow for reliable separate analysis.

CSG take-up rates differ substantially across population groups. While the overall rate for this age group is 43 per cent, it is 48 per cent for Africans, 26 per cent for coloureds, 6 per cent for Asians, and 1 per cent for whites (Table 4). This pattern is fortuitous for our analysis as it means that comparison of beneficiaries and non-beneficiaries among Africans compares groups of relatively equal size. Overall, 95 per cent of recorded CSG beneficiaries are African.

Under half (47 per cent) of children aged 6-8 years are female. The female percentage is higher, at 48 per cent, among coloured children and lowest (at 45 per cent) among the small Indian group. CSG take-up rates for male and female children are very similar, at 42 per cent and 43 per cent respectively.

5.1.2. Schooling of beneficiaries

Section 3 of the South African Schools Act states that the official age for starting school in South Africa is the year in which a child turns seven years. The GHS attempts to cover all attendance at schools, including attendance at preschools. Because of limited and uneven distribution of facilities, and because it is not compulsory, patterns of attendance at

preschool are likely to be affected by a wide range of factors that would frustrate analysis of the impact of a single factor such as CSG receipt. The GHS records an attendance rate of 54 per cent among five-year olds, and 83 per cent, 97 per cent and 98 per cent among 6-, 7- and 8-year olds respectively (Table 5). Among five-year olds reported as attending educational institutions, only 19 per cent are said to be attending 'proper' school, For 6-, 7- and 8-year olds the respective percentages are 72 per cent, 97 per cent and 100 per cent. These patterns again support our decision to focus on 6-8 year olds for the purpose of analysis. This obviously constitutes a significant limitation on the analysis. It poses a particular limitation in respect of examining linkages with child work or labour. The lower cut-off is not very serious in this respect as work burdens of children under six years of age are usually not significant. However, as age increases, one can expect pressure on children to do either household or paid work to increase, with possible implications for school-going or performance.

Table 4. Receipt of CSG by population group

Group	% of group receiving	% of recipients
African	48%	95%
Coloured	26%	5%
Indian	6%	0%
White	1%	0%
Other	0%	0%
Total	**43%**	**100%**

Table 5. Current school attendance

Age	% attending
0	1%
1	3%
2	8%
3	17%
4	28%
5	54%
6	83%
7	97%
8	98%
9	99%
10	99%
Total	**54%**

Reported attendance rates are fairly similar, and consistently high, across all population groups.[5] The highest rate is recorded for Indian children aged 6-8 years, at 97 per cent. The lowest rate is recorded among Africans, at 93 per cent. The generally high rates mean that the impact of the CSG on attendance cannot be large when expressed as a comparison between attendance with and without the grant. If however, we express the impact as the decrease in non-attendance, the relative change appears much more dramatic. This alternative way of expressing the impact is perhaps the more relevant one given that the children who are not attending in a situation of high overall attendance are generally the most difficult children to bring into the education system.

School attendance differs only slightly between girls and boys – standing at 94 per cent for girls and 93 per cent for boys.

5.1.3. Impact of CSG on schooling of beneficiaries

Cross-tabulation of school attendance and CSG receipt reveals that 93.7 per cent of CSG beneficiaries are recorded as attending school as against a very similar 93.0 per cent of non-beneficiaries. When analysis is restricted to Africans, attendance is 93.7 per cent for CSG beneficiaries and 92.4 per cent for non-beneficiaries (Table 6) While the differences are small, given that CSG beneficiaries are likely to come from poorer households than non-beneficiaries, this suggests the possibility of some schooling impact of the CSG.

Table 6. Attendance by CSG receipt and type of school

		CSG	No CSG
Proper school	% all	86.0%	84.4%
	% African	85.6%	85.2%
Any school	% all	93.7%	93.0%
	% African	93.7%	92.4%
Urban	% all	91.9%	91.4%
	% African	90.9%	90.4%
Rural	% all	91.6%	87.7%
	% African	91.8%	87.8%

If we restrict the analysis to "proper" school (Grade 1 and higher), 86.0 per cent of CSG beneficiaries as against 84.4 per cent of non-beneficiaries attend. Restricting analysis to Africans, the differential is smaller, at 85.6 per cent for CSG beneficiaries and 85.2 per cent for non-beneficiaries. In further analysis we do not make the distinction between preschool and "proper" school beyond the age restriction described above as the GHS is meant to record the grade completed rather than the current grade. Thus those recorded as Grade R (the preschool or "reception" grade below Grade 1) should, in fact, be in Grade 1 at the time

[5] The relevant question in the GHS (Q1.10) asks whether an individual is "currently attending school or any other educational institution". "Attendance" can be understood in two ways – as enrolment, or physical attendance at the institution. The way the question is phrased does not allow us to distinguish these two different interpretations. The KIDS questionnaire asks the first question in terms of current "enrolment" in school, and asks subsequently about prolonged non-attendance.

of the survey. In practice, however, it seems that both fieldworkers and respondents often respond incorrectly giving current rather than completed grade.

Just over half (55 per cent) of all children aged 6-8 years and a higher 63 per cent of African children of this age are recorded as living in non-urban areas. The impact of the CSG in respect of school attendance seems to be stronger for rural than urban areas. In the latter areas, 91.9 per cent of CSG beneficiaries versus 91.4 per cent of non-beneficiaries attend school. In the former areas, 91.6 per cent of CSG beneficiaries but only 87.7 per cent of non-beneficiaries attend school. When analysis is restricted to African children these percentages change only marginally.

Beyond attendance, the GHS includes a range of questions about other aspects of schooling. It asks of those who are attending whether they are repeating a grade. For the full set of children aged 6-8 years there is very little difference in this respect between those receiving the CSG and those not receiving. The repetition rate is 4.3 per cent for beneficiaries and 4.0 per cent for non-beneficiaries. When analysis is restricted to Africans, the repetition rate is 4.5 per cent among CSG beneficiaries and 4.9 per cent among non-beneficiaries. While this latter pattern suggests a possible effect, it should be treated with caution as for 7 per cent of children attending school it was not known whether they were repeating or not. The questionnaire includes a question as to the reason for repeating grades. For 1 per cent of children repeating lack of money for fees is given as a reason. Unfortunately for analysis, but fortunately for South Africa, the number of children repeating is too small to allow comparison of CSG beneficiaries and others.

The GHS also enquires as to the main reason given for non-attendance for those who are not attending school. Among CSG beneficiaries, 11 per cent cite lack of money, while this is the case for 12 per cent of non-beneficiaries. Among Africans, 11 per cent of CSG beneficiaries and 14 per cent of non-beneficiaries give lack of money as the reason for non-attendance. Again this pattern should be treated with caution as the reason is unspecified for 21 per cent of non-attendees.

5.1.4. Work-related activity of beneficiaries

The GHS does not ask about work-related activity of children under 15 years apart from collection of fuel and water. For the sample of 6-8 year olds as a whole, 7.6 per cent of CSG beneficiaries and 7.3 per cent of non-beneficiaries spent at least an hour in the previous week collecting water.[6] When, however, analysis is restricted to African children, the pattern changes. While 8.0 per cent of CSG beneficiaries are recorded as collecting water, 9.5 per cent of non-beneficiaries are said to be doing so. It is not clear how the CSG could have this impact as water collection is not directly related to income.

5.1.5. CSG in combination with OAP

Research commissioned from the Economic Policy Research Institute by DSD (Samson et al., 2004) suggests that a combination of OAPs and CSG in a household can affect various

[6] This incidence is much lower than that recorded in the SAYP, which found that 1,377 (25.4 per cent) of 5,419 children aged 5-9 years collected water or fuel (Statistics South Africa, 2001: 50). The difference is probably explained by the fact that children themselves were the respondents in the SAYP, plus the heightened awareness of SAYP fieldworkers as to the need to probe so as to avoid under-reporting.

socio-economic outcomes favourably. We examine children with different combinations of CSG (in respect of themselves) and at least one OAP in the household. Analysis is again restricted to children 6-8 years old as this is the group for whom the CSG's impact on schooling is the most likely at the time the survey was undertaken. Overall, 44 per cent of children in this age group receive neither the CSG (directly) nor the OAP (indirectly), 31 per cent receive only the CSG (directly), 14 per cent receive (indirectly) only the OAP, and 11 per cent receive both.

A simple tabulation yields an attendance rate of 92.5 per cent among children in households with neither grant, 93.6 per cent where there is only a CSG, 94.3 per cent where there is only an OAP, and 94.1 per cent where both grants are received (Table 7). When analysis is restricted to Africans, the impact is very similar. The pattern suggests that part of the perceived impact of the CSG in the simpler analysis reported above might be attributable to the likelihood that these households are also in receipt of an OAP.

Table 7. Attendance rate by combination of grants received

	Neither	CSG only	OAP only	Both	Total
All	92.5%	93.6%	94.3%	94.1%	93.3%
African only	91.8%	93.4%	93.8%	94.2%	93.0%

5.1.6. Impact on non-beneficiaries

Beyond our focus age group, there is the possibility that receipt of a CSG in the household could affect school attendance of non-recipient children. We thus examine the impact on children aged 9 years and above of having at least one child in the household receiving the CSG. Overall, there seems little effect, as the attendance rate is 96 per cent (95.7 per cent and 96.3 per cent to be exact) for both groups of children – those in households with and without CSGs (Table 8). When analysis is restricted to Africans, the effect becomes marginally larger, in that attendance is 95.6 per cent for children in non-recipient households and 96.6 per cent for children in recipient households.

Table 8. Impact of CSG on older children in household

		No CSG	CSG
Attendance 9+	All	95.7%	96.3%
	African	95.6%	96.6%
Employed 15-17	All	2.5%	1.7%
	African	2.4%	1.7%
	All boys	3.6%	2.6%
	All girls	1.2%	0.8%

We can also examine whether CSG receipt in the household affects economic engagement of children aged 15-17 years, as labour force questions are asked in respect of this age group. Overall, the data suggest that 2.5 per cent of children in non-CSG recipient households are

employed, compared to 1.7 per cent in CSG recipient households (Table 8). When analysis is restricted to Africans, the percentages are 2.4 per cent and 1.7 per cent respectively.

Economic activity is more likely for boys than girls, at 3.2 per cent versus 1.1 per cent overall. Among boys, those in non-CSG households record a rate of 3.6 per cent, compared to 2.6 per cent for children in recipient households. Among girls the employment rates are 1.2 per cent and 0.8 per cent respectively. While all the patterns in respect of older children in CSG households go in the right direction to suggest an impact of the grant, the effects, if they exist, are small.

5.1.7. Receipt of OAP

In regard to the analysis of the impact of the OAP on schooling and work, we extend the focus beyond children aged 6-8 years but maintain the bottom age cut-off for the reasons described above in respect of the CSG.

The GHS of 2004 provides an estimate of 2,516,446 OAP recipients as against the 2,065,222 recorded on SOCPEN. Analysis of the GHS data suggests some mis-recording of OAP receipt in terms of errors of both inclusion and exclusion. While the apparent errors of inclusion might in some cases reflect ineligible people who are, in fact, in receipt of an OAP, more likely (given the fact that the GHS estimate exceeds the SOCPEN number) is that they reflect other types of grants (e.g. disability), other forms of pension (e.g. from formal work), or mis-recording of age.

The errors are unlikely to affect the analysis in any significant way. A total of 85,468 pension recipients under the age of 60 are recorded. These individuals account for only 0.2 per cent of all people under 60 years of age. Among those aged 60 years and above, 70 per cent (2,430,978) are recorded as receiving an OAP. Expressed differently, 97 per cent of recorded OAP recipients are aged 60 years or above. Only 1 per cent (18,903) are below the age of 50. Given these relatively small percentage-wise errors, all those recorded as receiving pensions are included in the analysis.

Overall, more than a quarter (26 per cent) of children aged 6-17 years have an OAP recipient in their household. Twenty-one percent of children have one OAP recipient in the household, 4 per cent have two recipients, and less than 1 per cent each have 3 or 4 OAP recipients in the household. The numbers of those with multiple OAP recipients is too small to merit separate analysis through simple tabulation. There is no observable pattern in the percentage of children who live in an OAP-recipient household by age of child.

5.1.8. OAP and schooling

The overall attendance rates of children aged 6-8 have been described above. Attendance rates for children aged 9 through 14 years are 98 per cent or higher. Legally, schooling is compulsory for children until the end of the school year in which the child turns 15 years, or completion of grade 9. For 15-, 16- and 17-year olds the attendance rates are 95 per cent, 91 per cent and 87 per cent respectively. Among African children the patterns are very similar, with 98 per cent plus attendance up to and including age 14. For the next three years of age attendance rates are 95 per cent, 92 per cent and 88 per cent respectively. There is also no

noticeable difference in respect of gender, with overall attendance at 95 per cent for both female and male both overall and among Africans.

Simple comparison of children in OAP recipient and non-recipient households finds no difference in attendance rates, either for all children or for African children (Table 9). In respect of repetition, 8.4 per cent of children in OAP-recipient households who were attending school were reported to be repeating a grade, compared to 6.4 per cent in non-recipient households. A similar pattern (8.1 per cent versus 5.8 per cent) holds when analysis is restricted to African children.

Table 9. Attendance & repetition for children 6-17 years by OAP receipt in household

		No OAP	OAP	Total
Attendance	All	95.2%	95.4%	95.3%
	African	95.2%	95.4%	95.3%
Repetition	All	6%	8%	7%
	African	6%	8%	6%

OAP recipient households are diverse in structure, and the impact of an OAP might differ across different types of household. We therefore attempt to distinguish between different types of household structure in our analysis. Firstly we distinguish between children living in households where parents are present and those where they are not. Overall, a quarter (26 per cent) of children aged 6 years or more are found to be living in households where no parent is present, 39 per cent in households where one parent (usually the mother) is present, and 34 per cent in households were both parents are present. Non-presence of parents is most common for African children (29 per cent among this group), followed by coloured children (14 per cent). Among whites and Indian the percentage in this situation is 4 per cent or less.

Of children aged six plus living with no parents, nearly half (47 per cent) live in households where an OAP is received, compared to 24 per cent in households with one parent and 11 per cent in households with both parents present (Table 10). Among African children the percentage in households receiving an OAP is slightly higher for each group, at 48 per cent, 25 per cent and 14 per cent respectively. The clear pattern between OAP receipt and absence of parents is explained by the fact that many children with no parents present are living with a grandparent.

Table 10. OAP receipt in household by presence of parents

	No parents	1 parent	2 parents	Total
All	47%	24%	11%	26%
African	48%	25%	14%	28%

The bias in OAP receipt towards children living without parents complicates analysis as one might expect the presence of parents to result in higher attendance, and we thus have two forces potentially working in opposite directions. If we focus attention on those living

without parents, it seems that there might be some impact of OAP receipt, in that 95.2 per cent of those in households with at least one OAP attend school, against 93.5 per cent of those in households without an OAP. These percentages are much the same when analysis is restricted to African children (Table 11).

Table 11. School attendance by OAP receipt where no parents present

	No OAP	OAP	Total
All	93.5%	95.2%	94.3%
African	93.8%	95.3%	94.5%

Alternatively we can focus on three-generation households. These are the children among whom Samson et al. (2005) find a noticeable impact of the OAP on school attendance. Samson et al., like Bertrand et al. (2000) describe such households as those containing both a parent and grandparent. In practice, this is operationalised as households that, besides the child, contain at least one working age adult and at least one person aged 60 plus. These adults may not, in fact, necessarily be parents or grandparents of the child. Samson et al. do not specify how they define working age adults. For the purposes of analysis here, we take the age group 22-59 years. The lower cut-off is determined by the fact that our age cut-off for children is 6 years, so a parent is unlikely to be younger than 22. The older cut-off avoids double-counting of a person who is both of working age and in the OAP age group.

Among the three-generational households as defined above, a massive 83 per cent receive an OAP. Of the children aged 6 plus in the households receiving an OAP, 95.7 per cent attend school, as against 94.4 per cent in non-recipient households (Table 12). Restricted to Africans the percentages shift slightly to 95.7 per cent and 94.7 per cent. Other analysts find that the impact of the OAP is stronger for girls than for boys. The GHS seems to show the same, in that 95.7 per cent of boys and 95.8 per cent of boys in OAP recipient three-generational households attend school, as against 94.6 per cent of boys and 94.3 per cent of girls in non-recipient households.

Table 12. School attendance by OAP receipt in 3-generation households

	No OAP	OAP	Total
All	94.4%	95.7%	95.5%
African	94.7%	95.7%	95.6%
All boys	94.6%	95.7%	95.5%
All girls	94.3%	95.8%	95.5%

The literature review revealed no analysis focusing on skip-generation households. Just as other authors focus on three-generation households to avoid the interference of endogenous factors[7], we focus here on skip-generation households to investigate possible patterns in them. For the purposes of this paper we define skip-generation households as those which

[7] Endogenous factors are those related to differences between the categories which are not explicitly considered, or controlled for, in the analysis.

contain at least one person aged 50 years and above, but no people aged between 20 and 49 years inclusive. We use the cut-off of 50 years so as to have sufficient households which older people which do not receive OAPs to be able to make a relatively reliable comparison. The categorisation is the obverse in some respects to the one based on presence of parents, but in no way identical.

Just over 7 per cent of children aged 6-17 years live in skip-generation households thus defined. Of those who live in skip-generation households, 16 per cent are in OAP-recipient households. Of those in non-skip-generation households, only 5 per cent are in OAP-recipient households. This pattern is expected as many of the non-skip-generation households will not include a person of eligible age.

Among these children in skip-generational households, 95.1 per cent of those in OAP-recipient households attend school, as against 94.1 per cent in those without OAPs (Table 13). Restriction of the analysis to African children results in very little change in the percentages. Among boys, there is virtually no difference in attendance rates with OAP receipt. Among girls, in contrast, there is more than a two-percentage point difference in favour of those in OAP-recipient households.

Table 13. School attendance by OAP receipt in skip-generation households

	No OAP	OAP	Total
All	94.1%	95.1%	94.6%
African	94.0%	95.1%	94.6%
All boys	93.9%	93.7%	93.8%
All girls	94.3%	96.8%	95.7%

Turning back to all categories of household, fee problems are reported for 15.1 per cent of children in households with an OAP who are attending school, as against 13.5 per cent of those in households without an OAP. Among African households the comparable percentages are 15.5 per cent and 14.4 per cent. This presumably reflects the greater relative poverty of these households despite receiving the OAP.

Among both those in an OAP-recipient household and those in other households, only 1 per cent of repeaters state that lack of money for fees is a reason for repeating. This pattern holds when analysis is restricted to African children. Among the non-attendees, fees are given as the main reason among 24.5 per cent of children in households with an OAP, as against 26.5 per cent of households with no OAP. The comparable percentages for Africans are 25.3 per cent and 26.8 per cent.

Among those who previously attended school but do not any longer, lack of money for fees is given as the main reason for 29.3 per cent of children living in OAP households, as against 37.1 per cent of those in non-OAP households. The percentages for African children are 30.7 per cent and 41.8 per cent respectively. This stark pattern requires further analysis for full understanding, as it may (at least partly) be explained by the presence of other reasons for a particular group and the fact that these percentages reflect distribution of main reason,

rather than the absolute importance of fees. Pregnancy, health, absconding and "other", in particular, are more common among OAP households. It could be that a child who is pregnant or unhealthy is sent to live with grandparents. When analysis is restricted to children with no parents in the household, lack of fee money accounts for 26.6 per cent of children in households with an OAP and 45.2 per cent in households with no OAP. Comparative percentages for African children are 26.1 per cent and 49.2 per cent respectively.

For the "reason" variable there are also clear gender patterns, even before considering pension receipt. Lack of fee money accounts for 37.5 per cent of female non-attendance and 32.3 per cent of male non-attendance. Even more starkly, pregnancy is the main reason for 23.1 per cent of the girls and only 1.5 per cent of the boys.[8] Reasons that are markedly more common for boys than girls include work, alongside failure, decision by the child, absconding and "other".

5.1.9. Impact of sex of OAP recipient

Several analysts find that the impact of the OAP is greater for children where the OAP recipient is a female. Overall, 4 per cent of children aged 6 years and above live in households where there is at least one male and one female pensioner, 18 per cent live in households with only female pensioner/s, and 4 per cent in households with only male pensioner/s. In the male-only pension households 99 per cent have only one pensioner. In the female-only pension households, 98 per cent have only one pensioner. Given the overwhelming predominance of a single pension, we do not control for the number of pensions in this analysis.

Attendance of children at school stands at 95.8 per cent for children in female pension households, 94.9 per cent in male pension households, and 93.9 per cent in households where there are both male and female pensioners (Table 14). The percentages are very similar if one restricts analysis to African children. This pattern thus provides some support for the findings of other analysts about the positive impact of female pensions, in particular. However, focusing only on African children, there is no apparent difference in the impact on girl and boy children in terms of whether the OAP recipient is male or female.

Table 14. School attendance by sex of OAP-recipient

	Both	Female	Male	None
All	93.9%	95.8%	94.9%	95.2%
African	93.8%	95.8%	95.2%	95.2%
African boys	93.5%	95.7%	95.0%	95.2%
African girls	94.1%	95.8%	95.5%	95.3%

5.1.10. Impact of household income

Pensions should overwhelmingly be concentrated in poorer households, although the means test looks only at the income of the applicant and spouse, and not at income of other family

[8] This reason is presumably provided in respect of boys when they have impregnated a girl or woman.

members. Nevertheless, there are degrees of relative poverty within OAP recipient households.

Comparing OAP recipient and non-recipient households in different monthly household expenditure groupings, the only marked difference in terms of children's school attendance is found in households reporting monthly expenditure of less than R400 (Table 15). In this group, attendance stands at 97.8 per cent for OAP-recipient households compared to 92.1 per cent for non-recipient households. These results must be treated with some caution as it is not clear why total expenditure is reported to be less than R400 when the pension amount alone is more than this for the majority of pensioners. (The means test provides for claw-back of part of the pension for those with a monthly income above a certain amount. In practice, however, this provision is implemented for a relatively small percentage of pensioners.)

Table 15. School attendance by monthly income and pension receipt

Expenditure	No OAP	OAP
R0-399	92.1%	97.8%
R400-799	94.8%	94.7%
R800-1 119	95.4%	94.7%
R1 200-1 799	96.4%	96.0%
R1 800-2 499	97.0%	96.2%
R2 500-4 999	97.0%	98.0%
R5 000-9 999	98.6%	100.0%
R10 000+	99.5%	100.0%

5.1.11. Impact on child work

Finally, we turn to examine the possible impact of the OAP on involvement in economic work. The analysis is restricted to children aged 15-17 years as work-related questions are only asked in respect of this age group. Overall among this group only 2 per cent of children are reported to have done any work in the previous seven days, and this percentage holds across OAP-recipient and non-recipient households, as well as when analysis is restricted to African children (Table 16). These estimates are clearly an undercount as the SAYP of 1999 found that 23.0 per cent of children aged 15-17 years engaged in at least one economic activity during the past week, even when unpaid domestic work[9] and collection of fuel and water were excluded (Statistics South Africa, 1999: 40). The difference can be partly explained by the fact that children were themselves the respondents in the SAYP, plus fieldworker training placed more emphasis on uncovering child work. The percentage employed as reported in the LFS is higher for boys (3 per cent) than girls (1 per cent), but within the gender groups there is no noticeable different among children in OAP recipient and non-recipient households.

[9] The term "unpaid domestic work" was used to refer to those children who were living in a household where there were no parents or grandparents present and who were reported to have done household chores.

5.2. Analysis of KIDS 2004 data

5.2.1. Overall profile

Woolard et al. (2005) describe the reach of the CSG and profile the beneficiaries (i.e. the children) and recipients (the PCGs). The final part of the paper summarises the analysis contained in Agüero et al. (2005) and described above. The parts of the paper describing the reach and profile are not in the other paper, and provide a useful introduction to the further analysis undertaken for this paper.

Table 16. Economic work by OAP receipt

	No OAP	OAP
All	2.2%	2.3%
African	2.1%	2.1%
Boys	3.2%	3.3%
Girls	1.1%	1.1%

The authors confirm the lack of gender bias in enrolment for the CSG. In terms of age, they find relatively few children under two years registered. They note that this age bias cannot be attributed (only) to delays in approving applications, as nearly three-quarters of those who applied were paid within five months of applying, and more than 90 per cent within eight months of applying. The most common reason given for not applying for the grant was lack of documents, which we refer to elsewhere as a form of conditionality.

More than 98 per cent of the CSG recipients recorded by KIDS 2004 are women, of whom three-fifths are under the age of 35 and only 3 per cent in the age-eligible bracket for an OAP. In 92 per cent of cases where the main caregiver is the child's mother, the mother receives the grant. In contrast, in half of cases where the main caregiver is not the mother of the child, the mother nevertheless receives the grant. The authors suggest several possible reasons for this pattern, including different interpretations of caregiver, greater difficulties in respect of claims by non-parents, and changes in caregiver. Close to 10 per cent of recipients are not permanent residents in the same household as the child for whom they receive the grant.

Analysis of KIDS 2004 confirms the finding by Case, Hosegood & Lund (2004) that children who live with their mothers are more likely to benefit from a grant. It also confirms that the poorest households benefit disproportionately from the CSG in both relative and absolute terms. Comparison of grant receipt with the overall household poverty level suggests that very few children from poor households are excluded through the means test, but significant numbers of children in non-poor households as measured by per capita income benefit from the grant. The seriousness of this "error of inclusion" depends to some extent on the degree of income-sharing within households.

The vast majority (3,861, or 95 per cent) of the 4,077 children captured by KIDS were African. Given the small number of non-Africans, and the fact that the sample size is already

relatively small, especially when focusing on sub-groups, for the most part we do not distinguish in our analysis between Africans and others.

5.2.2. Impact on schooling

In KIDS 2004, questions in relation to schooling were asked only of children aged 7 years and above. We are thus restricted in the main analysis to examining the impact of receipt of the CSG on children aged 7 and 8 years. KIDS recorded a total of 4,077 children below the age of 18. Among these children, there were 231 7-year olds (111 male) and 225 8-year olds (113 male).

The data reflect 41 per cent of children under 13 years as having caregivers who have applied for the CSG at some stage. For 7- and 8-year olds the percentages are 60 per cent and 50 per cent respectively. For 9-year olds the percentage drops to 37 per cent and it is even lower at older ages. This pattern supports our decision to consider only children under 9 years in assessing the impact on education.

Of children under 13 years (the age group for which CSG-related questions were asked), 31 per cent are recorded as having caregivers receiving the CSG on their behalf at the time of the survey. Among 7- and 8-year olds the percentages are 48 per cent and 38 per cent respectively. The percentage of children enrolled in school stands at 93 per cent or higher for ages 7 through 16. For 17-year olds it drops to 84 per cent. For 7- and 8-year olds it is 96 per cent and 99 per cent respectively. Patterns are very similar for boys and girls.

If we focus in on children aged 7 and 8 years, 99.5 per cent of those in receipt of the CSG are enrolled, compared to 95.7 per cent of children not receiving the CSG (Table 17). There are no noticeable differences in this respect between girls and boys. If we exclude non-Africans, 99.4 per cent of those in receipt of the CSG are enrolled, compared to 95.5 per cent of children not receiving the grant.

Table 17. Enrolment by CSG receipt

	CSG	No CSG
All	99.5%	95.7%
Boys	100.0%	95.6%
Girls	99.0%	95.8%
African	99.4%	95.5%

Eighteen children (4 per cent) of the 412 enrolled in school were said to have been absent for more than a month "at one time" in the last two years. For none of them was the reason given either the fact that they were working or that they were not able to afford school fees or other expenses. The most common reason was illness or disability, which is unlikely to be related to CSG receipt.

Ninety-six children had missed at least one day of school in the last month. Slightly more children not in receipt of the CSG (78.0 per cent) than those receiving the CSG (74.7 per cent) were said not to have missed any days of school in the last month. When asked for the

reason for their absence, one child receiving the grant and 2 not receiving the grant were said to have been absent because they (or their caregivers) were unable to afford school. One child not receiving the grant was said not to have attended on account of working.

5.2.3. Impact on work-related activity

We attempted to investigate whether receipt of either the CSG or OAP by someone in the household might affect the work activity of children. Unfortunately for the purposes of this paper, but fortunately for the children concerned, there was too little work recorded for this population to undertake meaningful analysis.

The section of the KIDS questionnaire which deals with employment first asks for each resident member aged 15 years and above how many hours they did work for pay in the previous week. Only four children were recorded as having worked any hours. One (aged 16) had worked 6 hours, one (aged 17) had worked 24 hours, one (aged 17) had worked 40 hours, and one (aged 16) was reported to have worked 80 hours. The low "capture" of employment by the KIDS questionnaire when compared with results from other surveys is probably a result of the way in which the questions are asked. Thus in KIDS the first work-related question asks whether resident household members 'have a regular job (for which he/she earned a salary or wage) in the past week". The second work-related question asks whether resident household members did "any casual or temporary work in the past month for which he/she was paid in some way, for example, by being given money or food?" In contrast, the SAYP and LFS prompt separately for six different forms of work. In addition, for the SAYP in particular, fieldworkers were given training to sensitise them to the fact that children's activities might not readily be perceived as work.

The question about regular employment, asked for all residents aged 15 years and above, revealed no children having a regular salary or wage job in the past week. The second question, about casual or temporary wage work, was asked about all residents aged ten years and above. This question netted only 7 children – one aged 14, one 15, two 16 and three 17 years. Again, this is not enough for meaningful analysis.

5.2.4. Impact on non-beneficiary children

We can also examine whether receipt, by any child in the household, of a CSG affects enrolment of children, whether or not they themselves are the CSG beneficiary.

For children over six and those over eight, enrolment stands at 96.0 per cent and 95.8 per cent respectively for those in non-CSG recipient households and 95.4 per cent and 95.0 per cent respectively for those in recipient households (Table 18). For children aged 15 plus, the age at which schooling might not be compulsory, the percentages are 91.1 per cent for those in non-recipient households and 89.8 per cent in recipient households. These percentages therefore do not support a hypothesis that CSG receipt affects schooling of other children in the household.

Similar analysis in respect of receipt of OAP in the household shows a similar pattern. For children aged over six, the percentage enrolled is 95.9 per cent in non-OAP households and 95.4 per cent for OAP households. For children aged over eight years, the percentages are 95.5 per cent for non-recipient and 95.3 per cent for recipient households. For children aged

over 14 years, the percentage is 91.3 per cent for those in non-OAP households and 88.8 per cent in OAP households.

Table 18: Enrolment by receipt of CSG and OAP in household

		CSG	OAP
Age >6	No	96.0%	95.9%
	Yes	95.4%	95.4%
Age >8	No	95.8%	95.5%
	Yes	95.0%	95.5%
Age >14	No	91.1%	91.3%
	Yes	89.8%	88.8%

The above analyses do not control for factors such as overall household income, sex of pension recipient, etc.

5.3. Modelling

The cross-tabulations have suggested that enrolment may be higher among CSG recipients than among non-recipients. We now attempt to test this hypothesis in a multivariate framework in which we control for some other household and individual characteristics which might influence enrolment. Given that enrolment is very high, we need a large sample survey in which we have a reasonable number of children *not* enrolled in school. For this reason, we limit the econometric analysis to the 2004 GHS.

In the first model, we specify a probit model of the form

$$\text{Probability of enrolment} = \Phi\ (\alpha + \beta_0 \text{OWNCSG} + \beta_1 \text{PCY} + \beta_2 \text{FATHER} + \beta_3 \text{MOTHER} + \beta_4 \text{EDUC} + \beta_5 \text{AGE} + \beta_6 \text{FEMALE} + \beta_7 \text{CHORES} + \beta_8 \text{AREA} + \beta_9 \text{COLOURED})$$

where Φ is the standard cumulative normal
and

- OWNCSG =1 if the child is in receipt of a CSG, 0 otherwise
- PCY is per capita household "income" net of CSG income (discussed further below)
- FATHER is a set of dummy variables indicating whether the child's father is deceased, alive but absent, or present in the household
- MOTHER is a set of dummy variables indicating whether the child's mother is deceased, alive but absent, or present in the household
- EDUC is the average years of education of all adults in the household[10]
- AGE is the age of the child
- FEMALE =1 if the child is female, 0 if male

[10] One might argue that the education of the parents (or specifically the mother) is more relevant than that of other household members. Unfortunately, we only have the educational attainment of co-resident parents. Thus, if we were to use the educational attainment of the mother, say, in the model, then we must discard all records for children whose mothers are deceased or absent. We therefore choose to average across all adults.

- CHORES are two continuous variables indicating how many hours per week the child spends collecting water & wood
- AREA is a set of provincial dummy variables
- COLOURED is a dummy variable for coloured

This specification is only run for children aged 7-10. We begin at age 7 because children must enrol for Grade 1 in the year in which they turn 7. Given that the GHS is run in the middle of the year, only about half the 6 year olds in the sample are supposed to be in school, but all the 7 year olds should be enrolled. Although roll-out of the CSG to 9 and 10 year olds was low in 2004, we include them since we may still be able to discern an effect of the CSG within the multivariate framework. We exclude children older than 10 since they were ineligible for the CSG in 2004.

The specification is run only for African and coloured children. We originally included all population groups, but the small cell numbers for white and Asian children not enrolled in school presented co-linearity problems and these two groups were therefore excluded.

In the second model, we specify a probit model of the form

$$\text{Probability of enrolment} = \Phi(\alpha + \beta_0 \text{ANYCSG} + \beta_1 \text{PCY} + \beta_2 \text{FATHER} + \beta_3 \text{MOTHER} + \beta_4 \text{EDUC} + \beta_5 \text{AGE} + \beta_6 \text{FEMALE} + \beta_7 \text{CHORES} + \beta_8 \text{AREA} + \beta_9 \text{RACE})$$

where Φ is the standard cumulative normal
and

- ANYCSG =1 if any child in the household is in receipt of a CSG

The other variables are as specified above.

4.71	**What was the total household expenditure in the last month?** *Include everything that the household and its members spent money on, including food, clothing, transport, rent and rates, alcohol and tobacco, school fees, entertainment and any other expenses.* 01 = R 0 – R 399 02 = R 400 – R 799 03 = R 800 – R 1 199 04 = R 1 200 – R 1 799 05 = R 1 800 – R 2 499 06 = R 2 500 – R 4 999 07 = R 5 000 – R 9 999 08 = 10 000 OR MORE 09 = DON'T KNOW 10 = REFUSE	☐ 01 ☐ 02 ☐ 03 ☐ 04 ☐ 05 ☐ 06 ☐ 07 ☐ 08 ☐ 09 ☐ 10

For this model we included African and coloured children aged 7-17 years.

PCY needs further explanation. Clearly, it is desirable to control for household income in the model specification. The 2004 GHS contains the following question:

The literature (e.g. Deaton, 1997) strongly suggests that this type of question will typically underestimate household expenditure. We thus proceeded as follows. First, we calculated the sum of wage/salary income (from the employment section of the GHS) and imputed income from grants (based on the reported receipt of grants) for each household. Second, we calculated the midpoint of the bracket value for total household expenditure given in Q4.71 shown above. We then assigned to each household the higher of the two values. This is clearly very crude, but preferable to using either just "income" (wages + grants) or expenditure, both of which contain many missing values (often for different households) and both of which are potentially under-reported.

In the tables below, we report the *change* ($\delta F/\delta X$) in the probability for an infinitesimal change in each independent, continuous variable and the discrete change for dummy variables.[11] The variables marked with asterisks in the table below are dummy variables. For these variables, the value of $\delta F/\delta X$ can be interpreted as the increase in the probability of enrolment when the dummy variable takes on the value 1.

The model suggests that, after controlling for other factors, receipt of the CSG has a positive effect on enrolment. While the effect may appear quite small – getting the CSG increases the probability of being enrolled by 0.6 percentage points – it must be borne in mind that enrolment rates among this group of children are already exceptionally high.

Not surprisingly, the coefficients on household income and the average education of the adults in the household are highly significant. Interestingly, among the group of variables for the status of the parents (co-resident, deceased), none are significant. Among the provincial dummies, only Limpopo is significant, suggesting that there is not much variation in provincial enrolment rates once other factors have been controlled for. The estimated coefficients on the time spent collecting water and wood are not significant so no meaning should be attached to the fact that they are (counter-intuitively) positive.

In this model specification, the coefficient on age is positive, i.e. younger children are less likely to be enrolled. This is driven by the (relatively) lower enrolment rates among 7 year olds.

The next table presents the results from the second model, using the same format as for the first model.

The regression suggests that the probability of being enrolled in school increases by 0.5 percentage points when *anyone* in the household receives the CSG.

As noted above, in this model specification, we include all persons aged 7 to 17. Unlike in the previous model, the coefficient on age is negative, i.e. older children are less likely to be

[11] This is done using STATA's dprobit command. We calculate robust standard errors and adjust for the clustering of the sample.

enrolled. This is unsurprising, given that schooling is compulsory only until the age of 15 years. Another difference between this model and the earlier one is that in this model the coefficient on the dummy variable for "coloured" is significant and negative, suggesting higher drop-out rates for older coloured learners after controlling for other factors.

Table 19 Probit model to predict enrolment, African & coloured children aged 7-10, 2004

	$\delta F/\Delta x$	Robust std err	Z	P>|z|	x-bar	[95% C.I.	]
Child gets the CSG	0.0060	0.0017	3.22	0.0010	0.3074	0.0026	0.0094
"Income" net of CSG income (in hundreds of Rands per month)	0.0014	0.0004	2.93	0.0030	439.9990	0.0000	0.0000
Average education of adults in the household	0.0018	0.0004	6.17	0.0000	7.3942	0.0011	0.0026
Age of the child	0.0048	0.0011	5.46	0.0000	8.5170	0.0027	0.0068
Father is alive*	0.0010	0.0025	0.41	0.6820	0.8298	-0.0039	0.0058
Father is present in the household*	-0.0017	0.0025	-0.69	0.4890	0.3306	-0.0065	0.0032
Mother is alive*	-0.0014	0.0029	-0.44	0.6590	0.9279	-0.0071	0.0044
Mother is present in the household*	0.0033	0.0026	1.39	0.1640	0.7010	-0.0017	0.0083
Female*	0.0018	0.0017	1.04	0.2980	0.4906	-0.0016	0.0051
Coloured*	0.0046	0.0026	1.49	0.1370	0.1179	-0.0005	0.0097
Western Cape*	0.0013	0.0044	0.27	0.7850	0.0891	-0.0073	0.0098
Northern Cape*	-0.0024	0.0058	-0.46	0.6480	0.0435	-0.0138	0.0090
Free State*	-0.0065	0.0053	-1.52	0.1290	0.0682	-0.0169	0.0038
KwaZulu-Natal*	0.0008	0.0024	0.31	0.7580	0.1822	-0.0040	0.0055
North West*	-0.0011	0.0035	-0.35	0.7290	0.0994	-0.0079	0.0056
Gauteng*	0.0050	0.0028	1.34	0.1800	0.0818	-0.0006	0.0105
Mpumalanga*	0.0044	0.0025	1.42	0.1540	0.0956	-0.0004	0.0092
Limpopo*	0.0067	0.0020	2.63	0.0090	0.1637	0.0027	0.0106
Hours per week spent collecting water	0.0007	0.0006	1.23	0.2190	0.4655	-0.0004	0.0018
Hours per week spent collecting wood	0.0009	0.0011	0.79	0.4300	0.1890	-0.0013	0.0031
Obs. P	0.9810						
pred. P	0.9914	(at x-bar)					
Pseudo-R^2	0.1159						
(*)$\delta F/\delta X$ is for discrete change of variable from 0 to 1							
z and P>|z| are the test of the underlying coefficient being 0							
Standard errors are adjusted for clustering on the primary sampling unit							

Source: own calculations on GHS 2004

6. Conclusions and recommendations

6.1. Limitation of the current study

As expected, this paper has been able to say very little about the *impact* of the CSG on child work for South Africa as none of the known available datasets contain information on both the CSG and child labour/work in the relevant age group. At the most, we could explore whether there might be any link between receipt of a CSG by a younger child in the

household and engagement in labour by older children. The analysis above reveals that the two surveys used for analysis record minimal economic work for children aged 15 years and above. The fact that the reported rates of economic work are so much lower than those recorded in the SAYP strongly suggests that capture of economic work is incomplete. Because the questions focus on the past seven days, they would also not capture seasonal work. Given the data available, the analysis was unlikely to find any impact of either the CSG or OAP on economic work.

Table 20 Probit model to predict enrolment, African & coloured children aged 7-17, 2004

	$\delta F/\delta X$	Robust std err	Z	P>|z|	x-bar	[95% C.I.	]
Someone in hh gets CSG*	0.0045	0.0019	2.30	0.0220	0.4282	0.0008	0.0083
"Income" net of CSG income (in hundreds of Rands p.m)	0.0016	0.0004	3.26	0.0010	451.0990	0.0000	0.0000
Average education of adults in the household	0.0043	0.0004	13.90	0.0000	7.4093	0.0035	0.0050
Age of the child	-0.0054	0.0004	-14.68	0.0000	12.0650	-0.0062	-0.0047
Father is alive*	0.0049	0.0026	1.97	0.0480	0.7903	-0.0003	0.0101
Father is present in the household*	-0.0010	0.0024	-0.43	0.6700	0.3420	-0.0058	0.0037
Mother is alive*	-0.0017	0.0032	-0.51	0.6130	0.9153	-0.0079	0.0046
Mother is present in the household*	0.0040	0.0026	1.61	0.1080	0.6826	-0.0010	0.0090
Female*	0.0009	0.0017	0.53	0.5930	0.4921	-0.0025	0.0043
Coloured*	-0.0151	0.0052	-3.42	0.0010	0.1149	-0.0254	-0.0049
Western Cape*	-0.0026	0.0045	-0.60	0.5510	0.0895	-0.0113	0.0062
Northern Cape*	0.0029	0.0047	0.59	0.5550	0.0429	-0.0063	0.0122
Free State*	0.0028	0.0037	0.73	0.4650	0.0706	-0.0044	0.0100
KwaZulu-Natal*	0.0019	0.0027	0.69	0.4930	0.1813	-0.0035	0.0073
North West*	0.0048	0.0032	1.36	0.1740	0.0999	-0.0016	0.0112
Gauteng*	0.0055	0.0035	1.44	0.1490	0.0845	-0.0013	0.0123
Mpumalanga*	0.0118	0.0027	3.35	0.0010	0.0975	0.0064	0.0172
Limpopo*	0.0158	0.0022	5.31	0.0000	0.1606	0.0115	0.0201
Hours per week spent collecting water	0.0010	0.0004	2.55	0.0110	0.7559	0.0002	0.0018
Hours per week spent collecting wood	-0.0004	0.0004	-0.97	0.3300	0.4268	-0.0012	0.0004
obs. P	0.9629						
Pred. P	0.9793	(at x-bar)					
Pseudo-R^2	0.1271						
(*) $\delta F/\delta X$ is for discrete change of variable from 0 to 1							
z and P>|z| are the test of the underlying coefficient being 0							
Standard errors are adjusted for clustering on the primary sampling unit							

Given the limits of useable data in relation to child work, the literature review includes literature relating to economic engagement of adults. This literature finds differences between male and female, different age groups, and migrant and non-migrant engagement. The factors at play in relation to adults are likely to differ from those relating to children, and it is therefore difficult, if not impossible, to draw conclusions relevant to this paper from the literature.

It was also expected that the impact on access to education was likely to be very limited, and thus hard to discern in the data, given the overall high enrolment rates in the country in the age groups covered by the CSG. This difficulty was confirmed when we attempted analysis, although some small differences did emerge. We attempted to look, in addition to enrolment rates, at whether there seemed to be any impact on other aspects of education, such as regularity of attendance, age of entering school, experiencing problems with schoolwork, and being in the correct grade for age. Again, this analysis was hampered by small numbers and, in particular, small numbers reporting reasons, such as fees, which one can relate to grant receipt.

At the times the GHS and KIDS 2004 were conducted, the CSG was available to children up to the age of 11 years. However, the grant was only extended to ages 9 and 10 years in April 2004, and thus relatively few children in these ages were receiving the grant at the time of the survey. To avoid introducing confounding factors related to the "efficiency" of the caregiver in applying immediately, as well as the complication that the KIDS fieldwork extended over several months, our analysis focused on children up to age eight years. The analysis in respect of education was further restricted for the KIDS analysis by the fact that this survey only asked about educational enrolment for children aged 7 years and above.

We were concerned that the GHS might not record all grant receipt as serious under-reporting of grants was evident in Statistics South Africa's data-sets in the mid-1990s. In this respect our concern was unwarranted, as the GHS produces estimates of total grant recipients which are acceptably near to those recorded on SOCPEN, and indeed a bit higher.

6.2. Summary of findings

The tabulations on both GHS and KIDS data suggest that the CSG is probably having some effect in encouraging school attendance among the children who are the direct beneficiaries. The effect is small in terms of percentage points, but this is to be expected given the already high overall enrolment rates. If expressed as the relative change in the number of non-attendees, the apparent impact is much larger. The modelling confirms that receipt of a CSG has a statistically significant, although small, impact on enrolment. Modelling also confirms that enrolment of children who are not direct CSG beneficiaries is more likely when another child in the household is a direct CSG recipient.

These impacts exist despite the absence of any explicit conditionalities. As noted above, in the early years of the grant when there were conditionalities in respect of access to the grant, such as the requirement that the caregiver be available for participation in development programmes, these restricted access in unintended ways and tended to exclude some of those most in need. The realisation that conditionalities might exclude those already marginalised in other ways also informed the Lund Committee's decision not to build other conditionalities into the initial design of the grant.

The tabulations confirm findings of others that receipt of an OAP by someone in the household tends to result in increased school attendance among children. Again, the effect is small in terms of percentage points. Adding to previous findings is the fact that the impact is found in skip-generation households and households where no parents of the child are present as well as three-generation households.

Some of the tabulations also suggest, as found in previous research, that the impact of grants on school attendance might be stronger for girl children than boy children. This pattern is, however, not consistent across all tabulations and across both data-sets. The finding must also be considered against the fact that in South Africa female enrolment tends to be higher than male up to and including the tertiary level. The tabulations confirm earlier findings that the sex of the pensioner is important.

The tabulations in respect of economic activity suggest that CSG receipt may tend to decrease the likelihood of older children in the household working. These findings must be treated with great caution as the percentage reported to be working is so small. From the tabulations, the OAP does not appear to have any impact on the rate of economic activity by children in the household.

Given that the analysis shows that the CSG helps to keep children in school (and drop out rates are higher among older age groups), we would very cautiously suggest that the analysis might be supportive of an extension of the CSG to older children.

6.3. Recommendations

Our first recommendation is that similar analysis be conducted when new data become available that cover the period during which the CSG was available to a larger range of children of school-going age. The results from the GHS of 2005 became available as this paper was being finalised. Analysis of the data from this survey, when it becomes publicly available, would allow the extension of analysis to children up to and including 10 years of age. By mid-2007, analysable data for children up to and including 13 years of age should be available from the GHS of 2006.

We then have several recommendations relating to data sources, as follows:

- Both the GHS and KIDS should add questions relating to work of children below 15 years of age. This has, in fact, been done for the LFS of March 2006, which asks work-related questions for children aged 10 years and above;
- Fieldworkers for surveys such as GHS and KIDS should receive training as to how to ensure better capture of work-related activities of children. Wherever possible, the children themselves should be asked about their activities rather than a single adult household respondent;
- The GHS question in relation to education should be rephrased to ask about current enrolment rather than current attendance, so as to avoid ambiguous responses;
- KIDS should include a question at individual level about engagement in non-employee work, as well as add or amend questions to include work done not for pay;
- KIDS questions in relation to education should be asked for children from the age of 5 years;
- A simple set of questions relating to grant receipt should be added to the labour force survey. This will be useful beyond the issues of interest to this paper, for example for analysis of engagement in work of those receiving disability grants.

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Appendix A.1: Review of existing research

To facilitate identification of strengths and weaknesses of particular papers, the review is largely organised by paper, within themes. For the most part the discussion of each paper is confined to a particular theme. A major exception to this is that Hamoudi and Thomas' (2005) work is discussed at a range of points given that it includes analysis of multiple topics with varied data sources.

Our review started with an examination of a comprehensive annotated bibliography (Hunter, 2002) compiled several years ago on literature relating to the social impact of social security grants in South Africa. Hunter's bibliography was compiled for the then newly-established Directorate of Monitoring, Evaluation and Audit of the Department of Social Development (DSD). The original plan was that the bibliography would be updated on a regular basis. The updating has, unfortunately, not happened to date. Hunter has, however, continued to collect relevant papers and made these available for the present paper. The annotated bibliography appended to this paper draws heavily on Hunter's work. Hunter's summaries were extremely useful both in identifying key papers, and in suggesting aspects which could be investigated in the data analysis for this paper.

Hunter's review covers all grants, including the by then defunct, state maintenance grant (SMG) which the CSG replaced. There is, however, much more information on the OAP than on the other grants. The review is for the most part confined to literature published since 1990. "Literature" is defined broadly to include research reports, committee reports, reports from workshops, research monographs, working papers, discussion papers, working documents, background papers, unpublished papers, collected seminar papers, unpublished theses, chapters in books, and articles from academic and popular journals.

Unfortunately very few of the documents cited in the review focus on the issues of interest in this paper. Where literature refers to the impact of child-related grants, findings must be read with due attention to the date of the document concerned given the expansion both in age coverage and in take-up rates of the CSG after it was introduced in 1998.

Addressing poverty

Many of the documents in Hunter's bibliography provide evidence that the grants help to lift households out of poverty, rather than evidence of particular impacts on schooling or work or even health of children. Some of these general documents do, however, suggest that children are likely to benefit in some way. For example, Budlender (2000) notes that 60 per cent of African households which contain OAP recipients are three-generation households that include children. Similarly, approximately a third of all children aged four years or less are in households that receive OAPs, and this percentage increases in the poorer quintiles. The extra money could thus potentially assist in ensuring that these children live in households which are less poverty-stricken than they would otherwise have been. However, despite the money that they bring into the household, each additional pensioner tends to raise the probability of the household being poor in per capita terms. This is explained by the fact that additional pensioners tend to attract additional members, who could include grandchildren, to households.

The draft consolidated report of the Committee of Inquiry into a Comprehensive System of Social Security for South Africa (2002) points to those, including children, who are *not* covered by the current grant system. The report includes a description of a micro-simulation model commissioned by the Committee, and its prediction of the impact of the grant system on poverty. The model finds that 76 per cent of children (and 81 per cent of adults) in the country live in households without pensioners. The OAP is found to reduce the poverty gap for pensioner households by an average of 94 per cent, for skip-generation households[12] by 60 per cent, and for three-generation households by 50 per cent. For households without pensioners, grants decrease the poverty gap by an average of less than 10 per cent.

Kola et al. (2000) report on a survey of 999 randomly selected CSG beneficiaries spread across the provinces. Over a third (36 per cent) of these households were found to be wholly dependant on grants, with 18 per cent wholly dependant on the CSG. Rural households were most likely to be in this position. In Limpopo the CSG accounted for an average of 51 per cent of household income. These statistics indicate the extreme levels of poverty within most of these households before (and also after) receiving this small grant. Three-quarters of the primary caregivers said that they relied mainly on the CSG to support the child, and 79 per cent said that it had improved their ability to care for the child and buy necessities for the child. Those who said there had not been such an impact attributed it to the small size of the grant and the fact that it was used for the whole household.

Samson et al.'s (2004) report, commissioned by DSD, investigates the social and economic impact of the various grants in reducing poverty and promoting health, education, housing and "vital services". It also examines the impact on labour market participation and labour productivity, and the resultant impact on savings, consumption and composition of aggregate demand. The study uses data from the income and expenditure survey of 2000 and labour force surveys of 2000 through 2002. More attention is paid to the CSG, OAP and disability grant (DG) than to other grants because these three grants reach more households than the other grants and there were thus more observations. The study finds that South Africa's system of social security successfully reduces poverty using a range of different methodologies and poverty lines. The authors suggest that the greatest further poverty reducing potential lies with the progressive extension of the CSG.

Samson et al.'s modelling of the impact of grants on education is done in several different ways. The first model suggests that an increase of R100 per month in the amount of grant received results in a 3.8 per cent increase in full-time school attendance. The second model suggests that children living in three-generational African households with pensioners are 3.1 per cent more likely to attend school than those in non-pension-recipient three-generational households. The third model finds that the presence of a person who is age-eligible for the pension results in greater school attendance.

In relation to employment (of adults), the model suggests that people in grant-recipient households have increased their labour force participation and employment rates faster than those in households without grants. Employed people in grant-recipient households have also enjoyed greater wage increases. These findings dispel the notion that grants tend to

[12] These are households with a missing middle generation i.e. with grandparent/s and grandchild/ren but no parent/s.

make recipients lazy. On the contrary, it suggests that grants allow them to earn (more) income. The modelling in relation to employment focuses on the OAP, CSG and disability grant, and the CSG's impact is only found at the 90 per cent significance level. Further, while receipt of the OAP increases employment levels for most groups, it results in a decrease for urban men.

Impact on education

There are numerous "qualitative" references in the literature to the fact that grants – and the OAP in particular – are used to pay for costs related to education. In a relatively early paper which describes the functioning of the then social welfare system in "white" South Africa and the various homelands, Lund (1993) notes that the OAP was generally regarded as a household asset in the three-generational households that were common in rural areas. Pensions were thus reported to be used for educational expenses, among others. May et al. (1998), reporting on the findings of South Africa's participatory poverty assessment (PPA), noted that the grant system for children was performing poorly, with negative effects on both children and (single) mothers. Pensions were reported to be an important source of support for grandchildren, many of whom were living apart from their parents. Case and Deaton (1998), using data from the 1993 Project for the Study of Living Standards and Development (PSLSD), find that pension income is spent like other income, but expenditure patterns differ for different types of household. Households with elderly members tend to spend less on transport and more on schooling than other households.

There are also a range of smaller, area- or organisation-specific studies with similar findings. Ardington (1998), reporting on a follow-up survey of 75 households in the magisterial district of Nkandla in Kwazulu-Natal found that 83 per cent of pension-age members of these households received an OAP. The OAP thus reached 56 per cent of households because some households contained multiple pensioners. Because of the severe limitations of other forms of support, pension money was used for payment of school fees, transport and most of the food purchases, among others.

Mohatle and Agyarko's (1999) report is based on participatory learning and action research in Claremont and Kwa-Dabeka, peri-urban areas near Durban, Gungeni, a rural area in Limpopo, and Katlehong, an urban settlements with a squatter settlement in Gauteng. The study finds that in most cases the OAP is the only source of income used for ensuring grandchildren are educated.

HelpAge International's (1996) report reflects the findings of needs assessment of old people (mainly or primarily OAP recipients) living in the Shihimu area of Limpopo[13], using participatory rapid appraisal techniques. On average, households were said to spend about a quarter of their income on food, with female-headed households spending more on food than male-headed households. Other major expenses were reported to include schooling and pocket money.

There are very few studies which reflect on the impact of the CSG on schooling, hence the need for this paper. The lack of studies is not surprising given that the grant has only

[13] Called Northern Province in 1996

recently been extended to children of school-going age. Zain's paper (1999) reports on interviews with 30 Western Cape and 80 Eastern Cape women who had received the SMG. Zain reports that women were afraid that their children might have to leave school before completing as a result of the grant being phased out.

Samson et al. (2001) have as their primary focus the relationship between social security and school enrolment among school-age children. The paper partly covers the same analysis in respect of education reported on in the later paper commissioned by DSD (Samson et al., 2004). The 2001 paper argues that pension income can increase school enrolments in two ways. The first is by assisting with covering school-related costs. The second is by reducing the opportunity cost of having the child in school instead of contributing to household income. The authors find a positive and statistically significant effect of government pension transfers on school attendance rates, which is strongest among the poorest households. The effects are especially strong for school-age girls.

Samson et al.'s analysis is based on data from the 1997 October household survey (OHS), and focuses on African children aged 6-18 years living in three-generational households. The latter are operationally defined as households that contain children, working age adults, and adults of pensionable age, although elsewhere the paper refers to them as households containing both parents and grandparents of the children. In fact, the two measures will not match at all exactly as, in particular, the working age adults may not be the parents. It is common, for example, for women to leave their children with their mother to seek work in urban areas. A sibling may remain in the rural home, making this a three-generational household. But the sibling is not the parent of the child. The focus on three-generational households matches the focus in some other studies (e.g. Bertrand et al., 2000) and is intended to address the possibility that these children's situation is different from those who live only with pension-age adults. More than a quarter of African households are found to be three-generational as defined by Samson et al., and 54 per cent receive a pension. Like Bertrand et al. and others, the study uses age eligibility for the pension rather than reported receipt of the pension in order to control for possible endogeneity in take-up rates (as well, perhaps, for under-reporting of actual receipt).

The paper reports significant positive correlations between pensions and school attendance for each of several measures, namely monthly pension receipts, household pension receipt dummy, household pension eligibility dummy, and instrumented monthly pension receipts. Controlling for education of the household head, child's sex and age, province, rurality, household size, and the age structure of the household, both continuous pension receipts and the pension dummy have a positive and significant correlation with full-time school attendance. The authors do not control for income in their regressions, thus it might be argued that they are essentially showing that school enrolment is positively correlated with higher household income. The impact is greater for girl children than for boy children. However, pension variables are not significant determinants beyond the poorest quartile of households.

Case & Ardington (forthcoming) investigate whether having a pensioner in the household reduces the negative impact of maternal orphanhood on schooling. They find that having a female pensioner mitigates the impact in respect of enrolment and progression, but does not do so in respect of school-related expenses. Having a male pensioner in the household has a

significant negative effect on progression, and a negative, but not significant, effect on enrolment and school-related expenditure.

Vorster et al. (2004), because their study is more recent, are able to give information more directly related to the CSG. Unfortunately, however, their study covers only the Western Cape, which is an atypical province in many ways. In particular, it is the only province in which Africans do not constitute a majority of the population. The authors base their work primarily on a survey of 1,480 grant beneficiary households in 12 selected magisterial districts of Western Cape. The study was commissioned by the provincial Department of Social Services & Poverty Alleviation. At the time the survey was conducted, the CSG was available to children up to the age of nine years, but would mainly have been accessed by children under seven years of age because the extension only occurred in April 2003. This is likely to have severely limited any impact on schooling in that children generally start school at the age of six years.

Assessment of the impact of particular grants on education or work is complicated by the fact that many households received more than one grant. In Beaufort West, three quarters of households were in this position. The interaction of grants is not reported on in the report. The focus on grant-recipient households also prevents comparison with other households.

The report contains two sections focusing on children. The first of these looks at the situation of 3,173 children in beneficiary households, whether these children are the direct beneficiaries or not. This is followed by a separate section focusing on the children related to each of the child grants. Across the 12 districts, 43 per cent of the children in households were direct grant beneficiaries, and of these 81 per cent benefited from the CSG.

The first section, which covers all the children, notes that among children aged 9-11 years, only four did not attend school for three or more months at some point. Among those aged 12-17 years, 7 per cent were not at school for three or more months "at some stage in their lives". Of these 43 per cent were said to have left school to work or look for work, and 23 per cent because they could no longer afford school fees or other school-related expenses. Only 2 per cent of children aged 5-14 years were engaged in income-earning work, mostly on an irregular basis. Gardening was the most common activity. Only 15 children aged 15-17 years were in permanent employment, of whom six did odd jobs.

Only 17 per cent of the CSG child beneficiaries were attending primary school. This largely reflects the age profile given the eligibility rules at the time (the CSG was extended to children up to 11 years of age in April 2004), combined with delays in rollout of the age extension. Over two-thirds (69 per cent) of those attending primary school benefited from a school feeding scheme. Only two CSG beneficiaries had done some paid work.

Case et al. (2005) use data collected through the longitudinal demographic surveillance system (DSS) of the Africa Centre for Health and Population Studies in the Umkhanyakude District of KwaZulu-Natal. In 2002, a module on child grants formed part of the instrument administered to the 11,000 African households in the area. At that point approximately a third of all age-eligible resident children were benefiting from the CSG. The longitudinal nature of the DSS allowed the authors to examine the impact on children's enrolment one year later.

Of the 3,614 households reporting a grant, 94 per cent reported receiving a CSG. Of the total of 12,865 resident children under the age of 7, 3,754 were receiving a CSG at the time of the survey. Grant recipient children were more likely than others to be paternal orphans, and the status of many fathers was unknown. Overall, 87 per cent of PCGs were mothers, 10 per cent grandmothers, 1 per cent aunts and only 0.2 per cent fathers. Girls were as likely as boys to receive the grant, and sex was not significant in any of the more detailed analyses.

In respect of schooling, the authors first measure the association between CSG receipt in 2002 and school enrolment in 2003 and 2004 for children who were age-eligible for the CSG in 2002 and old enough to be enrolled in 2003 and 2004. Receipt of the CSG results in 8.1 percentage point increase in school enrolment among 6-year olds, and 1.8 percentage points among 7 year olds when compared with non-recipient households. This result occurs despite the fact that recipient households tend to be poorer than other households.

The authors suggest several possible reasons for this pattern. Firstly, the CSG may improve children's health and nutrition, and thus school-readiness. Secondly, the CSG, by increasing income, might allow the household to afford fees, uniform and other school-related expenses. Thirdly, it is possible that PCGs who are eager enough to apply for the CSG might also be those most eager to enrol their children in school. The possibility of such a link is tested in another paper (Agüero et al., 2005) described elsewhere. Case et al. test this possibility by using older maternal siblings as a control group. They find that these children are less likely than average to be enrolled, thus contradicting the hypothesis that higher enrolment simply reflects more eager (or "efficient") mothers.

Using the same data source, Boler & Timaeus (2006) find that the CSG helps to mitigate the negative educational impact of orphanhood on older children (those aged 13-16) despite the fact that the grant was only available to children under ten years at the time of the 2004 round of KIDS.

Hamoudi & Thomas' (2005) examination of the impact of the pension on educational attainment of children is based on DHS data of 1998. They look at children aged 6-19, and estimate total years of schooling based on current or last grade. The regressions control for sex and age of the child, number of males and females in the household by age, and ownership of assets. Overall, the authors find that pension income has a greater beneficial impact on girls' education than boys' education. This accords with results of earlier analyses (such as Duflo, 2000), but adds the nuance that for older children (aged 13-19), a male pension tends to increase education among boys and decrease education among girls, whereas a female pension has little effect on either. Among younger children (aged 6-12), female pension has a positive effect on girls and negative or zero effect on boys. Further analysis shows that overall boys aged 6-15 who are co-resident with their mothers are further ahead in school than those who are not. However, boys living in pension households are likely to have gone less far in education if they are co-resident with mothers. The same pattern is found among girls, although not as marked.

The authors then explore these patterns further using KwaZulu-Natal Income Dynamics Study (KIDS) data from 1993 and 1998. They find that, after controlling for age and sex, children aged 6-19 in 1993 who five years later were co-resident with a pension-eligible

individual already in 1993 had a quarter of a year more schooling, on average, than those who would not be co-resident.

Edmonds (2005) examines the extent to which household's decisions on children's work and schooling are influenced by expectation of a pension in the relatively near future, using data from the 1999 Survey of Activities of Young People (SAYP). The study compares the responses of households that are already eligible for the OAP to responses of households that will soon be eligible. It therefore focuses on households containing at least one child and at least one person aged 50 to 75 years. The author postulates that these two categories of households have similar "permanent" incomes, although the timing of that income differs. The hypothesis is that the responses of the two categories of households should be similar unless there are constraints on credit on liquidity. The analysis focuses on children aged 13 and above on the basis that a child should normally have completed primary schooling at this age. A second more pragmatic reason is that it was at this age that the measured effect became more marked.

The author finds a marked increase in schooling attendance among children aged 13-17 when the household includes a male eligible for the pension. More generally, rural children aged 13–17 living with a pension-eligible person are 8 percentage points more likely to attend school than a child who lives with a person who is nearly eligible. Hours worked also decrease. The schooling and work of boys, who otherwise are more likely to work than girls and less likely to attend school, is more affected than that of girls. However, girls' domestic work is more affected, and girls' work hours decrease more than those of boys. The impact on work for both boys and girls relates to hours worked rather than work participation as such. Similar changes in relation to schooling are not found with the presence of an eligible female, but are instead already found when females approach the age at which they will be eligible. Edmonds concludes that these patterns suggest that there are gender differences in access to credit. This seems questionable given that women would be expected to have less access to credit than men, for example because property is generally registered in the husband's name and men are more likely to have been in formal employment.

Edmonds takes the analysis further to examine the impact of having a pensioner in the household on schooling attainment. The variable used here to indicate the presence of a pensioner reflects the length of time the person has been eligible. The results suggests that each additional year of having a male pensioner in the households results in a 3 percentage point increase in the likelihood that a boy child completes primary school.

Impact on health

There are several studies which focus on the health impact of grants. Case (2001a) investigates the impact of OAPs on health status. Analysis is based on a 1999 stratified random sample of 300 households in the Langeberg health district of the Western Cape. This district includes a mix of African, white and coloured households. The study finds that OAP income is pooled in 84 per cent of households. Where income is not pooled, beneficial health impacts are experienced only by the pensioner. Where income is pooled, children's height is found to increase, suggesting a beneficial impact beyond the pensioner. The study suggests that this impact works partly through improved sanitation, partly through improved nutritional status, and partly through reduction in psychosocial stress.

Case (2001b) is based on the same dataset as the previous study and focuses on much the same topic. The study finds that the presence of a pensioner is associated with an increase of about five centimetres of children's height for age after controlling for a range of household and individual factors. This is equivalent to about half a year's growth for children aged zero to six.

Duflo (2000) examines the extent to which allocating resources to women rather than to men affects the distributional outcome and, in particular, investments in children. The study uses the 1993 PSLSD data, and focuses on children aged 6-60 months. More than a quarter of African children of this age are found to live in the same household as an OAP recipient. The impact on children is measured through weight for height (identified as a flow measure) and height for age (identified as a stock measure). The presence of a woman eligible for the OAP results in an increase of 1.19 standard deviations for girls in weight for height, but no significant increase for boys. There is also no significant effect on either girls or boys of having a male of eligible age in the household. With height for age, too, there is an increase for girls where pensions are received by women, this time of 1.16 standard deviations. Again there is no apparent effect for boys or when pensions are received by men. Lund (in Gender Research Project, 2005) notes that she and others have not seen a similar distinction between male and female children to that reported by Duflo.

A small study of 30 households in the Mount Frere area of the Eastern Cape (Sogaula et al., 2002; Chopra et al., 2002) examines the situation of households with a child who had been admitted to hospital as a result of severe malnutrition. Virtually all 30 households contained a member who should have been eligible for a grant, but only 16 were receiving a grant. Most who were eligible for the OAP were receiving it, as well as half of those eligible for a disability grant (DG), but take-up for the CSG was extremely low. Overall, the study finds that grants play an important role in supporting families affected by a crisis generated by chronic illness.

Agüero et al. (2005) use data from the KwaZulu-Natal Income Dynamics Study (KIDS) to test whether receipt of the CSG during the first 36 months of a child's life has an impact on child health as measured by standardised height for age (HAZ). This variable is considered of interest for its own value and also as a proxy for other positive outcomes for children. The authors find that children who have received the CSG during the first three years of their life are likely to have significantly higher height-for-age than those who have not.

The authors then take the analysis further by estimating the impact of this increased height on adult wages. The authors caution that the latter calculations, in particular, are based on many assumptions that need further refinement. For example, they are based on data from Brazil relating to males. Nevertheless, this rough assessment suggests that the CSG gives a rate of return of between 160 per cent and 230 per cent. The paper is important for the discussion of conditionality, in that conditions in respect of grants in other countries often require that the child be taken to health and education services. This paper demonstrates that the CSG results in health benefits even without any health conditionalities, thus achieving a benefit without the added administrative cost implied by conditionalities.

The paper is also innovative in using a continuous rather than simple yes/no variable as a measure of CSG receipt. The continuous variable measures the length of time that the child has benefited from the CSG. The analysis is further refined by controlling for the "eagerness" of the caregiver, as measured by the delay between the time when the child became eligible and the time of application for the grant. This avoids the confounding effects that could occur if improvements in health are a result of general diligence of the caregiver rather than simply the CSG. After controlling for eagerness, the simple binary analysis reveals no noticeable impact of the CSG on HAZ. However, once the variable is treated as continuous, a clear relationship emerges where the child has benefited from the CSG for at least half of the 36 first months of its life.

The authors note that because the CSG originally targeted children from birth to age 7, it would be unlikely to have a noticeable impact on the stock of education. They note that this is especially unlikely in that other research suggests that transfer programmes have most impact on school attendance during the transition from primary to middle and middle to high school.

Yamauchi (2005) uses data from all three rounds of KIDS to explore the effect of early childhood nutrition on schooling inputs and outcomes, using height-for-age z-score from the 1993 and 1998 rounds as a measure of health capital and nutritional status, and schooling decisions and outcome data from the 2004 round. The analysis suggests that an improvement in child health significantly lowers the age for starting school, increases the grade reached, and decreases grade repetition at the early stage of schooling. The effect lessens at the primary-secondary transition stage. Good nutrition is also positively correlated with mathematics scores.

There are several simplifying assumptions in Yamauchi's model, including that "health capital" is created only in the years before school, while "knowledge capital" is created only when attending school. The model assumes that parents make schooling decisions on the basis of current or future labour market returns from the children. This assumption may not be realistic in a country such as South Africa with a relatively low incidence of child work, especially work for pay. The author also notes that the relatively significant changes that occurred in relation to schooling over the period 1993 to 1998 are likely to lead to "imprecision" in the results.

Impact on household composition

Breslin et al.'s (1997) article is based on internal and external evaluations of Operation Hunger's work over a decade. It reflects, in particular, findings from the organisation's participation in the South African PPA. While the research is qualitative, it provides pointers to issues explored by others in quantitative terms. These include the impact of grants on household composition, and the extent to which pension income is shared beyond the direct recipient. The issue of sharing is arguably more important when discussing the impact of the OAP on children's well-being than when discussing the impact of the CSG, in that the latter is more directly targeted at children. The issue is nevertheless important. For example, one of the motivations for the CSG and other CCTs being given to the primary caregiver (usually a woman), is the finding in research across the globe that money under the control of a woman is more likely to be spent on goods and services which benefit children. Several

studies discussed here find differential impacts of the OAP depending on whether the recipient is male or female.

Further, there is the possibility that a child-targeted grant reaches children in the household beyond those directly targeted. Thus Vorster et al. (2000) found in their study of SMG beneficiaries that, like the OAP, the reach of the SMG was wider than the target child because of pooling of grant income. In particular, non-beneficiary children were benefiting. Vorster et al.'s study is also illuminating on other issues of interest for this paper. On household composition, they find that the phasing out of the SMG was resulting in the break-up of families, and perhaps separation of children and their mothers. On education, they find a very low dropout rate of SMG beneficiary children from school, an unsurprising finding given that this was a requirement for the grant. While this finding supports conditionality, we do not have comparable information from this study as to the dropout rate in non-beneficiary households. In respect of work, they suggested that withdrawal of the grant appeared to increase pressure for children to get paid work.

Breslin et al. (1997) note that OAP income was reported to contribute to the formation of "granny households" containing a large number of children and grandchildren. These households were said to be likely to disintegrate when the pensioner died. The research also suggested that the fact that receipt of pension money was so well known made it difficult to hide, and thus more open to pressure for sharing.

Moller and Sotshongaye (1996) report on qualitative interviews conducted with 50 grandmothers in urban, peri-urban and rural areas of KwaZulu-Natal in late 1995. Over four-fifths of the grandmothers received either the OAP or a disability grant. The article reports that while pension money is shared with other family members, the old people regard it as individual income. The pension is reported to attract additional "economically weak" people into the household. Basic needs covered by the pension include food, clothing, education and health care of children. The study reports that while grandmothers are pleased to be assisting their families, they are also frustrated by the fact that their own needs are neglected through this sharing of the limited money available.

Edmonds et al. (2002) investigate the extent to which pension eligibility affects the composition of households in which elderly African people live. Analysis is done using the 10 per cent sample from the population census of 1996. The authors assume that, without the pension, household composition would not change noticeably when a female household member reaches age 60 or a male member reaches age 65. Unlike the situation in developed countries, they do not find any evidence that receipt of an OAP results in people living alone. There are, however, other changes in the composition of the household. When a woman becomes eligible, the number of young children and women in their early child-bearing years increases, while that of women in their thirties declines. When a man becomes eligible, the presence of school-aged children increases and that of men in their thirties decreases. The authors argue that these findings suggest significant sharing of the pension across generations. They argue further that assessment of results of studies on the impact of the pension must take such changes in composition of the household into consideration. Finally, they note that their finding that composition changes are greater with female pension receipt than male are consistent with those of Bertrand et al. (2000) that female pensioners are more inclined to share income.

Like several other analysts, Edmonds et al. (2002) use age eligibility for the pension rather than actual receipt. This is done to avoid possible endogeneity in terms of who applies for the pension. The drawback to this approach is that there may be important differences in how pension recipients and others react, and the reactions of non-pension recipients would then bias the results. Hamoudi & Thomas (2005) refine other analyses by going beyond a simple comparability of age-eligible and non-age-eligible households, to take account of the fact that not all age-eligible households receive pensions and that some people who are not age-eligible do receive pensions. This distinction does not, however, appear to make a significant difference to the findings in respect of issues they investigate.

Hamoudi & Thomas' (2005) examination of household composition finds that households with females age-eligible for the pension are more likely to contain older boys and younger girls, and less likely to contain adult women aged 20-50. These findings are consistent with those reported by Posel et al. (2005) who find that prime-age women tend to migrate when there is an OAP recipient, perhaps partly because they now feel able to leave their child/children with a mother who has some financial means to provide for them. These findings have implications for the situation of children, and could also be a result of child-related concerns.

Hamoudi & Thomas also explore the relationship between adult human capital indicators, measures by years of schooling and height, and household receipt of pension income, using data from the Demographic and Health Survey (DHS) of 1998. Their use of height is worrying given that they do not control for differences between different groups in the country. They find that shorter adult women are more likely to live in pension age-eligible households, and argue that this could be because these women are chosen to provide care because of their lower market value, or that the taller women have migrated. They explain the tendency for taller and less educated males to live in male pension households by the fact that pension income might be used for family business purposes, and that stronger men with poor wage-earning prospects join the household for this purpose. However, after further analysis disaggregating the adults by age, the authors conclude that household composition responses to the pension are "complex".

McKendrick & Shingwana (1995), unlike many of the other smaller qualitative studies, focus on an urban sample. Their findings are based on a survey of 50 women pensioners attending luncheon clubs in Kliptown and Dobsonville in the Johannesburg area. The study confirms that in these areas, as in rural areas, OAPs are generally used for the family as a whole, including children.

Impact on labour market participation

There seems to be virtually no literature that examines the impact of grants on child work or labour besides Edmonds' (2005) described above. In the absence of such literature, this section summarises the literature which examines the impact of grants on adult labour market participation.

Bertrand et al. (2000) investigate the extent to which OAP money reaches other family members and, in particular those of working age, defined as 16-50 years. It includes

consideration of adult labour market participation. The data source is the 1993 PSLSD, and the focus in on three-generation households. The authors find a noticeable decrease in working hours of members of working age when another member of the household reaches pensionable age. The decrease is greater when the older person is a woman. However, working age women tend to reduce their working hours less than working age men. The decrease in working hours increases with increasing age of the working age person. The oldest son tends to reduce his working hours more than other members. Overall, the findings suggest a marked tendency for distribution of income and related effort from female to male.

Hamoudi & Thomas (2005) note that previous studies, including that by Bertrand et al., have assumed that pension income has no impact on unmeasured characteristics of people living with pension recipients. Their analysis finds that pension-eligible adults are more likely to co-reside with other adults who are shorter and have less education. Given that they are adults, these attributes cannot be an effect of pension income. The authors thus argue that living arrangements should be treated as endogenous when interpreting results on the impact of the pension. For example, they suggest that Bertrand et al.'s finding in respect of lesser labour market supply with pension receipt may reflect differential migration in which individuals who would be unlikely to find employment move in with the pensioner, perhaps to provide services the pensioner is now able to demand because of their increased income.

Klasen and Woolard (2005) argue that access to state transfers results in the unemployed basing their location decisions on the availability of economic support rather than on the best location for employment search. Because a lot of economic support (especially that provided by the elderly) is based in rural areas, this leads to low labour market mobility.

Wittenberg (2001) builds on Bertrand et al.'s study, again using 1993 PSLSD data, to investigate the relative shares contributed to household resources by different members, departure from households and household conflict. The paper comes up with similar regression results to those of Bertrand et al. The presence of an OAP-eligible person affects the labour supply of men much more than that of women. The effect is particularly strong for men aged 25-49 years.

Jensen (2004) also focuses on labour participation (proxied by non-pension income in the absence of information on employment status of household members) in investigating whether public transfers such as the OAP "crowd out" private (i.e. family) support. His analysis is based on cross-sectional data collected from 600 households by the Bureau of Market Research of the University of South Africa in 1989 and 1992 in the 'independent homeland' of Venda. The 1989-1992 period is interesting because over these years access to the OAP increased significantly and average benefit levels increased from R106 to R264 per month. The study finds no support for the hypothesis that households reduce income from non-pension sources when they receive a pension. There is also no apparent impact on migrant income, or in demographic composition of either pensioner or non-pensioner households. There are, however, differences in levels of private transfers received by households which have an age-eligible person and those which do not, and these differences are much more noticeable in 1992 than in 1989. Households without a pensioner receive, on average, R67 less in remittances for each age-qualified person. This suggests some crowding out. As a result, pensions reduce the poverty rate by 26 percentage points rather than the 33

percentage points which would have been the effect if there were no crowding out. Unfortunately Jensen does not discuss what the non-sent money is spent on. It could, for example, be spent on the education of children living with the parent in the destination area.

Posel et al. (2004) use 1993 PSLSD data to examine the effect of receipt of the OAP on the labour supply of working-age (16-50 years) African adults. Unlike Bertrand et al., they include both resident and non-resident household members in the analysis. This modification brings with it significantly different results. Posel et al. use a simple variable of labour market participation rather than hours worked, as the latter information is not available for migrants. Analysis is restricted to rural households. Like Bertrand et al., analysis is restricted to three-generation households.

The authors find that rural African women are significantly more likely to be migrant workers when they are members of a household in receipt of a pension, especially when the pension recipient is female. Labour migrants in age-eligible households are slightly more likely to be female, to be more educated, and to be older than those in non-age-eligible households. The authors hypothesise that the reasons for the relationship between pension income and migration could be that the pension provides the means to migrate, and/or that the pension provides the means for the older person to care for the child/children of the migrant. It is the latter hypothesis which makes the analysis especially relevant for this paper.

One of the regressions suggests that male migration is negatively affected by pension receipt, especially where the pensioner is female. But this is not found with all regressions. Female migration is more likely when children are older, reflecting the need for money to pay for education and/or greater ease in leaving children who are older.

Is grant income different?

There are several papers that examine whether households spend grant income differently from other income. In effect, these investigations explore whether the impact of the grant is simply due to increased income, or rather to the specific nature of grant income. The issue is relevant for our purposes among others because it is linked to the question of the identity of the grant recipient.

Hamoudi & Thomas (2005) explore whether pension income has an independent effect on budget allocation after controlling for total resources. In contrast to other research, they find that there is a shift towards expenditure on food, and especially food beneficial for children, when there is a female pensioner, and a shift towards goods likely to be consumed by girls and towards health care when there is a male pensioner. They attempt to explain this by their observations on household composition. Their findings in respect of education are similar to those of other analysts, i.e. that the presence of an age-eligible person in the household as well as receipt of pension income are positively associated with children's education. They also confirm findings that the effects differ according to the sex of the pension recipient and the sex of the child.

Maitra & Ray's (2003) work focuses explicitly on the behavioural and welfare impacts of both public transfers such as grants and private transfers in the form of remittances.

Unfortunately, the study uses the 1993 PSLSD data, which could mean that the findings would be dissimilar ten years later.

The authors disaggregate consumption expenditure into eleven categories, one of which is education. Households receiving the OAP are found to allocate a greater proportion of their budget to education, alongside food and clothing, and a smaller proportion to alcohol and tobacco, entertainment, child-care, food eaten outside home, private transfers sent and 'other' items. The results in respect of private transfers could be skewed by the fact that it is predominantly female-headed households that receive these. Overall, however, male-headed households spend more on education than female-headed households, so this might not affect the general findings in relation to the OAP and education.

The paper argues that both private transfers and public transfers have a significant impact on reducing poverty. However, they have different effects on consumption patterns, i.e. grant income is spent quite differently to other income. Public transfers tend to "crowd out" private transfers among the poor but not among the non-poor. Thus for the poor, public and private transfers can be regarded as "substitute" forms of income, albeit imperfect substitutes since they affect budget shares differently.

Conditionalities

We can distinguish between two types of conditionalities. The first type relates to conditions that must be met *initially* to be eligible to participate in the grant programme. These include conditions such as age and the means test. The second type relates to conditions that must be met in return for the *continuation* of the grant. These could include conditions that a child attends school a certain percentage of the time, or that the health card is kept up to date, or that the caregiver undertakes some form of community work. This section mainly discusses the first type of conditionality as the latter type is not part of the OAP or CSG. There were weak elements of the second type in the early years of the CSG, for example in the requirement that the caregiver continue to make herself available for participation in development programmes.

Goldblatt et al. (2006) summarise the findings from fieldwork conducted by the Gender Research Programme of the Centre for Applied Legal Studies at the University of Witwatersrand in Gauteng and North West provinces, and the Children's Institute of the University of Cape Town in Eastern and Western Cape. Both studies focused on the implementation of CSG, although with slightly different focuses – gender issues for the Gender Research Programme, and the means test for the Children's Institute. The document is explicitly advocacy-oriented, coming up with a detailed list of recommendations for improved implementation.

The document provides evidence of explicit and implicit conditionalities. Some of these "conditionalities" are allowed for in the regulations and some are not. Those that are allowed for relate to the need for the applicant to have identity documents for themselves and a birth certificate for the child. Those which are not allowed for are the practices of requiring clinic cards (in North West) or proof that the applicant is pursuing a maintenance claim against the father of the child (in Gauteng). The requirements in respect of clinic card and maintenance conditions were provided for prior to the amendment of the regulations in 1998, but are no

longer in place. Nevertheless, in Gauteng officials provided the researchers with copies of an official departmental circular of 2003 stating the requirement of proof of applying for private maintenance. Some offices are also requiring that the child be brought along when application is made, so that the child can be photographed. This is allegedly to prevent fraud. Other "illegal" requirements are "brown cards" from Department of Labour proving that the applicant has registered as a workseeker, and proof of the child's school attendance. In North West and Eastern Cape applicants sometimes had to obtain proof from the traditional authorities, for example in respect of their (customary) marriage or residence. Obtaining this proof often required payments of some kind[14] which applicants considered unaffordable. Overall, the report notes the inconsistency as to how the conditions are applied across offices, even within one province, and suggests that they represent different philosophical and management approaches to grants.

Gender concerns

A report on a seminar hosted in December 2004 by the Gender Research Programme of the Centre for Applied Legal Studies at the University of Witwatersrand (Gender Research Programme, 2004) is useful in highlighting issues of particular concern to gender and rights activists in respect of the CSG and other grants. Most of the seven papers presented at the seminar dealt with the CSG to some extent, reflecting the keen interest in this grant at the current time. One of the two exceptions is a paper by Sandra Burman on the SMG which preceded the CSG. It is of interest for the current paper for its description of the various conditionalities as well as strengths and weaknesses associated with the grant. Also of interest to the paper, in the overall conclusions to the document, Beth Goldblatt, the convenor, notes that there were repeated references during the seminar to the "cross-subsidisation" of government departments that happened when grant money is used to pay for school fees, electricity and water.

Shireen Hassim's paper draws on Molyneux's (forthcoming) criticism of the Mexican Oportunidades programme which provides cash transfers and food handouts to women and their children on condition that the children regularly attend school and local health centres. She observes that this programme "has intensified poor women's workloads and done little to strengthen their labour market skills" (2004: 9). She sees Oportunidades as giving priority to the children at the expense of their mothers. Given that the mothers are expected to do community work such as cleaning schools and clinics, she sees the programme as being subsidised by women's unpaid labour.

Sandra Burman's paper, as noted above, describes the SMG which preceded the CSG. Among the conditions for getting the SMG was the requirement that the applicant provide a form from the school principal certifying that the child was attending school. This requirement was particularly strictly enforced in relation to African children. There were also rules related to unmarried mothers which differed – as did other conditions – according to the race of the applicant. Coloured and Indian unmarried mothers (which included those married by Muslim or Hindu rites), could get the SMG only in respect of a single child. In addition, only those grants already being paid when this rule was introduced were to be honoured. No further ones were to be awarded. White unmarried mothers could get the

[14] There is no regulated fee for such documents, but also no specification that the authority should not charge. It is therefore difficult to classify these payments definitively as either fee or bribe.

grant for themselves and their child for a period of only six months unless the mother could give a good reason why she could not work. White, Indian and coloured mothers would not get any grant in respect of an illegitimate child born after her receiving a grant for another child. There were thus conditions in respect of schooling, as well as work activity of the mother and marital status and legitimacy of children.

Francie Lund's paper is the most useful for the purpose of this paper. The paper is entitled "What we know, what we think we know, and what we really don't know". The "knowing" refers to knowledge about who is being reached by social assistance and the impact the money received has for beneficiaries and others in their households. The focus is on the OAP and the CSG because these are the most researched grants. Several of the papers cited by Lund are discussed elsewhere in this review.

One common criticism of the CSG is that it is not available to children in child-headed households as it is paid only to adults. Lund notes that the Africa Centre data set, covering 11,000 households, found only six such households, despite the fact that the area has a very high AIDS rate (and high rates of migrancy). She suggests that where child-headed households are created, for example through death of parents, they are generally absorbed into adult-headed households.

Appendix A.2: Annotated bibliography

Agüero JM, Carter MR & Woolard I. November 2005. From Flows to Stocks: The Impact of Unconditional Cash Transfers on Human Capital. Unpublished manuscript

Agüero et al. test whether receipt of the CSG during a child's first 36 months of life have an impact on child health as measured by height-for-age (HAZ), using data from the 2004 round of KIDS. They then take the analysis further by estimating the impact of this increased height on adult wages. The authors caution that the latter calculations, in particular, are based on many assumptions that need further refinement. For example, they are based on data from Brazil relating to males. Nevertheless, this rough assessment suggests that the CSG gives a rate of return of between 160 per cent and 230 per cent.

The paper demonstrates that the CSG results in health benefits even without any health conditionalities and the associated administrative costs. The study is innovative in using a continuous rather than simple yes/no variable as a measure of CSG receipt. The continuous variable measures the length of time that the child has benefited from the CSG. The analysis is further refined by controlling for the "eagerness" of the caregiver, as measured by the delay between the time when the child became eligible and the time of application for the grant. This avoids the confounding effects that could occur if improvements in health are a result of general diligence on the part of the caregiver rather than simply the CSG. After controlling for eagerness, the simple binary analysis reveals no noticeable impact of the CSG on HAZ. However, once the variable is treated as continuous, a clear relationship emerges where the child has benefited from the CSG for at least half of the 36 first months of its life.

Ardington E. 1998. Nkandla Revisited: A longitudinal study of the strategies adopted to alleviate poverty in a rural community. Rural Urban Studies Working Paper No. 16. Centre for Social and Development Studies, University of Natal, Durban

This study reports the findings of a follow-up study conducted in 1985 to an original survey of rural households in the magisterial district of Nkandla conducted three years earlier for the Second Carnegie Inquiry into Poverty and Development. The 1982 study covered 70 of the 480 households in the district. The 1985 study covered 75 households. Survey data were supplemented through interviews with key informants and observation.

More than four-fifths (83 per cent) of the households were found to receive an OAP, thus reaching 56 per cent of households because some households contained multiple pensioners. Because of the severe limitations of other forms of support, pension money was used for payment of school fees, transport and most of the food purchases, among others.

Bertrand M, Mullainathan S & Miller D. 2000. Public Policy and Extended Families: Evidence from South Africa. NBER Working Paper 7594

Bertrand et al. investigate the extent to which OAP money reaches other family members and, in particular those of working age, defined as 16-50 years. The data source is the 1993 PSLSD, and the focus is on three-generation households. The study finds a noticeable decrease in the work hours of those aged 16-40 years when another member of the household reaches pensionable age. The decrease is greater when the older person is a

woman. However, working age women tend to reduce their working hours less than working age men. The decrease in working hours increases with increasing age of the working age person. The oldest male tends to reduce his working hours more than other members. Overall, the findings suggest a distribution from female to male.

Boler T & Timæus I. March 2006. Father figures: why fathers and cash grants matter in responding to the impact of AIDS on education. Centre for Population Studies, London School of Hygiene and Tropical Medicine. Powerpoint presentation

Boler & Timæus use data from various rounds of KIDS for a cohort study where the main interest is on the impact of AIDS on education, and in particular the impact on orphans. The study compares the educational outcomes of orphans and non-orphans and also examines the impact of several programmes, including the CSG. The authors distinguish between paternal, maternal and dual orphans, of which the first group outnumbers the latter two groups combined. The authors find that paternal and dual orphans tend to live in households with markedly lower per capita incomes than maternal orphans or those with parents resident. Both paternal and maternal orphanhood are found to result in delayed enrolment, but only paternal orphanhood is found to affect attendance, repetition, primary school completion and dropout. Boys are affected in terms of attendance, while girls are affected in respect of repetition, primary school completion, and dropout. Pregnancy constitutes an important causation factor for the impact on girls. When looking at the impact of the CSG, like Case et al. (2005) this study finds that mother's presence increases the likelihood of receiving the grant. The CSG is found to help mitigate the negative educational impact of orphanhood on older children (those aged 13-16) despite the fact that the grant was only available to children under ten years at the time of the 2004 round of KIDS.

Breslin ED, Delius P & Madrid C. 1997. "Strengthening institutional safety nets in South Africa: Sharing Operation Hunger's insights and experiences." Development Southern Africa, 14(1): 21-41

This article draws on internal and external evaluations of Operation Hunger's work over a decade. It reflects, in addition, findings from the organisation's participation in the South African PPA. The research found that communities were well aware of who the OAP recipients in the community were given that they received regular income. The income was said to contribute to the formation of "granny households" containing a large number of children and grandchildren. These households were said to be fragile and likely to disintegrate when the pensioner died. The research also suggested that the fact that receipt of pension money was so well known made it difficult to hide, and thus more open to pressure for sharing than money from some other sources.

Budlender D. 2000. "Human development" in J May (ed) Poverty and Inequality in South Africa: Meeting the Challenge. Cape Town and London: David Philip and Zed Press: 97-140

This chapter summarises the social development chapter of the Poverty and Inequality Report commissioned by the Deputy President in 1997. The chapter describes the welfare (later renamed social development) sector, including the social security system and specific grants. (The Poverty and Inequality Report was written before the introduction of the CSG.) It does not present original research into the grant system. However, it notes that sixty percent of African households which contain OAP recipients are three-generation households that include children. Similarly, approximately a third of all children aged four

years or less are in households that receive OAPs, and this percentage increases in the poorer quintiles. Despite the money that they bring into the household, each additional pensioner tends to raise the probability of the household being poor in per capita terms. This apparent contradiction is explained by the fact that additional pensioners tend to attract additional members to households.

Case A. 2001. Health, Income and Economic Development. Annual World Bank Conference on Development Economics 2001/2002: 221-241
This paper investigates the impact of OAP receipt on health status. Analysis is based on a 1999 stratified random sample of 300 households in the Langeberg health district of the Western Cape. This district includes a mix of African, white and coloured households. One of the noteworthy aspects of the survey is that each adult member of the household was interviewed individually. This, it was hoped, would give more accurate information on potentially sensitive issues such as income and health. The study investigates the extent to which OAP income is pooled, and finds that this happens in 84 per cent of households. Where income is not pooled, beneficial health impacts are experienced only by the pensioner. Where income is pooled, children's height is found to increase, suggesting a beneficial impact beyond the pensioner. The study suggests that this impact works partly through improved sanitation, partly through improved nutritional status, and partly through reduction in psychosocial stress.

Case controls for the possibility that it is the presence of an elderly member rather than having a pension that results in the reported health effects through the use of an "elderly member" control variable that reflects the presence of a person aged 55 years or more and thus include non-recipients. In looking at the health of children, analysis is restricted to children born after the pension was extended to all areas given that height for age is a stock variable reflecting nutrition over the lifetime of the child.

Case A. 2001. Does Money Protect Health Status? Evidence from South African Pensions. NBER Working Paper 8495
This study uses the same dataset as the previous study and focuses on much the same topic. The study finds that the presence of a pensioner is associated with an increase of about five centimetres in children's height for age after controlling for a range of household and individual factors. This increase is equal to about half a year's growth for children aged zero to six years.

Case A & Ardington C. Forthcoming. The impact of parental death on school outcomes: Longitudinal evidence from South Africa. Demography
This paper uses longitudinal data collected through the DSS of the Africa Centre for Health and Population Studies. This DSS covers approximately 11,000 African households in the Umkhanyakude District of northern KwaZulu-Natal. The main focus of the paper is the impact of parental death on children's educational outcomes.

The authors find that maternal orphans are less likely to be enrolled, tend to have completed fewer years of schooling, and, if enrolled, tend to have less spent on their schooling than children with living mothers. By comparing the current situation with the situation prior to the mother's death, the authors confirm that the negative outcomes were not present earlier and are thus a result of the death. Similar impacts are not found where a father dies. The

situation of dual orphans is indistinguishable from that of maternal orphans. There is no evidence that the impact on female orphans is different from that on male orphans.

Because the DSS panel data relates only to African children in one area of KwaZulu-Natal, the authors check their findings against data from the 10 per cent sample from the 2001 population census. The comparison is effected for African children in KwaZulu-Natal and African children in the country as a whole. The authors compare their results with those from demographic and health survey data in other African countries. The census results bear out the findings from the DSS. The DHS results from other countries differ from the South African results to the extent that in other African countries dual orphans fare worse than maternal orphans. The authors suggest that this may be because a greater proportion of South African maternal orphans are "virtual" dual orphans given that the father is absent. Thus over half (54 per cent) of paternal orphans live with their mother, but only 11 per cent of maternal orphans live with their fathers.

In respect of grants, Case & Ardington investigate whether having a pensioner in the household reduces the negative impact of maternal orphanhood on schooling. They find that having a female pensioner mitigates the impact in respect of enrolment and progression, but does not do so in respect of school-related expenses. Having a male pensioner in the household has a significant negative effect on progression, and a negative, but not significant, effect on enrolment and school-related expenditure.

Case A & Deaton A. 1998. "Large cash transfers to the elderly in South Africa." The Economic Journal, 108: 1330-1361

This study uses 1993 PSLDS data to investigate behavioural and redistribution effects of the OAP. The study finds that households which receive OAPs have an average of 2,3 children rather than the 1,7 children found in non-recipient households. Nearly a third (3.8 million) of the total of 11.9 million children under the age of 16 years live with a pension recipient. The percentage of children living with a pension recipient is higher for households with low per capita income. The study finds that pension income is spent like other income, but expenditure patterns differ for different types of household. Households with elderly members tend to spend less on transport and more on schooling than other households.

Case A, Hosegood V & Lund F. October 2005. "The reach and impact of Child Support Grants: evidence from KwaZulu-Natal." Development Southern Africa 22(4): 467-482

This paper examines the reach and impact of the CSG using the longitudinal data collected through the DSS of the Africa Centre for Health and Population Studies. The authors are able to do the required analysis because the Centre in 2002 added a module on child grants. The authors find that there is in 2003 and 2004 an 8.1 percentage point difference between six year olds who received the grant in 2002 and equally poor children of the same age, and a smaller 1.8 percentage point difference in school enrolment of 7-year olds and other poor children aged seven. However, older brothers and sisters of grant recipients, when they were observed at younger ages, were less likely than other children to be enrolled in school. The authors suggest that this latter pattern probably reflects the greater poverty in grant-receiving households, which is also reflected in poverty indicators such as parents' educational attainment and employment and household assets. The fact that these are the poorest households renders the higher enrolment of the younger children on receipt of the CSG

even more significant. The authors suggest that the reasons for higher enrolments could reflect better health and nutrition, and thus school readiness, and/or the freeing up of resources for school-related expenses. Their comparison of school enrolments of older children is intended to rule out the possibility that the higher enrolment reflects greater "efficiency" of these children's caregivers.

The paper also reports that child grant beneficiaries were more likely than non-beneficiaries to be paternal orphans, while the father's status was unknown for a majority of children. In terms of gender, they find no bias for or against girls in either grant receipt of school enrolment.

Chopra M, Sogaula N, Jackson D, Sanders D, Karaolis N, Ashworth A & McCoy D. 2002. Poverty wipes out health care gains. ChildrenFIRST, December 2001/January 2002: 16-18

This research reports on a follow-up study of 30 children previously hospitalised for severe malnutrition in the Mount Frere District of the Eastern Cape. Follow-up was effected through unannounced home visits one month and six months after discharge. The study found that caregivers remembered the health and nutrition education lessons that they had learned, but were largely unable to implement them because of poverty. In addition, none of the households had succeeded in accessing the CSG although all the children would have qualified. Some caregivers had tried to apply but after six months still were not receiving it. However, 40 per cent of households had a grandmother's pension as their main income.

Committee of Inquiry into a Comprehensive System of Social Security for South Africa. 2002. Transforming the Present Protecting the Future. Draft Consolidated Report

Government tasked the Committee (commonly referred to as the Taylor Committee after its chairperson) which generated this report with reviewing options for the establishment of a comprehensive system of social security for the country. The scope of the Committee extended beyond the grant system to include aspects such as workers' compensation and the unemployment insurance fund. The report includes a description of a micro-simulation model commissioned by the Committee, and its prediction of the impact of the grant system on poverty.

Duflo E. 2000. Grandmothers and Granddaughters: Old Age Pension and Intrad-Household Allocation in South Africa. NBER Working Paper 8061

This paper examines the extent to which allocating resources to women rather than men affects distributional outcome and, in particular, investments in children. The study uses the 1993 PSLSD data, and focuses on children aged 6-60 months. The impact on children is measured through weight for height (identified as a flow measure) and height for age (identified as a stock measure). The distinction between the stock and flow measure is important as at the time of the survey on which analysis is based, the OAP had been fully operational in some areas for only a year. The OAP can thus be expected to have less impact on height for age than weight for height given that the former reflects nutrition over the full life of the child.

The study finds that the presence of a woman eligible for the OAP results in an increase of 1,19 standard deviations for girls in weight for height, but no significant increase for boys.

This impact is found, in particular, when the pension is received by the mother of the girl's mother. There is also no significant effect on either girls or boys of having a male of eligible age in the household. With height for weight, too, there is an increase for girls where pensions are received by women, this time of 1.16 standard deviations. Again there is no apparent effect for boys or when pensions are received by men. The study compares the saving propensity of women and men to investigate whether the greater benefit from female pensions reflects the expectation that the pension will be received for a longer time because it is received at a younger age and because women tend to live longer than men. Duflo finds no support in the data for this contention.

The last section of the paper compares the characteristics of children with grandparents who are not resident with them with the characteristics of children living with age-eligible grandparents. The identification of non-resident grandparents requires some fairly heroic assumptions about age eligibility of the grandparents on the basis of parents' age. These assumptions do not seem to take into account that many fathers in South Africa are substantially older than mothers.

Edmonds EV. 2005. Child labor and schooling responses to anticipated income in South Africa. Journal of Development Economics. (Final publication details not available)

This study examines the extent to which households' decisions on children's work and schooling are influenced by the expectation of a pension in the relatively near future. In theoretical terms, it is concerned with the extent to which concerns about liquidity result in households making what would otherwise be "irrational" decisions. The study compares the responses of households that are already eligible for the OAP to those of households that will soon be eligible. The author postulates that these two categories of households have similar "permanent" incomes, although the timing of that income differs. The hypothesis is that the responses of the two categories of households should be similar unless there are constraints on credit.

The study focuses on households with at least one child and at least one person aged 50 to 75. Examination of data from the 1999 SAYP shows a marked increase in schooling attendance among children aged 13-17 when there is a male eligible for the pension. More generally, rural children aged 13–17 living with a pension-eligible person are 8 percentage points more likely to attend school than a child who lives with a person who is nearly eligible. Hours worked also decrease. The schooling and work of boys, who otherwise are more likely to work than girls and less likely to attend school, is more affected than that of girls. However, girls' domestic work is more affected, and girls' work hours decrease more than those of boys. The impact on work for both boys and girls relates to hours worked rather than work participation per se. Similar changes in relation to schooling are not found with female eligibility, but are instead already found when females approach the age at which they will be eligible. Edmonds concludes that these patterns suggest that there are gender differences in access to credit. This seems questionable given that women would be expected to have less access to credit than men. However, Edmonds notes two further findings which he argues support the contention that liquidity constraints are at work. He notes firstly that the association between child work, schooling and income is greatest in households where the pensioner is less educated. Secondly, the effect is found only when the first person in the household becomes eligible for a pension.

Edmonds takes the analysis further to examine the impact of having a pensioner in the household on schooling attainment. The variable relating to the presence of a pensioner reflects the length of time the person has been eligible. The results suggests that each additional year of having a male pensioner in the households results in a 3 percentage point increase in the likelihood that a boy child completes primary school.

Edmonds E, Mammen K & Miller DL. September 2002. Rearranging the Family? Household Composition Responses to Large Pension Receipts
This paper considers examines the impact of the OAP on living arrangements of elderly Africans. Analysis is based on data from the 10 per cent sample of the 1996 population census. The authors find that the impact on composition of household depends whether the pension recipient is male or female. When a woman becomes eligible, the number of young children and women in their early child-bearing years tends to increase and the number of women in their 30s decrease. When a man becomes eligible, the number of school-age children in the household increases and the number of men in their 30s decreases. The authors note that this finding is consistent with the finding of Bertrand et al. (2001) that women are more likely than men to share their income with others.

Gender Research Programme. December 2004. Proceedings of the Gender and Social Security Seminar. Centre for Applied Legal Studies, University of Witwatersrand
This collection brings together seven papers presented at a seminar organised by the Gender Research Programme of the Centre for Applied Studies. Most deal with the CSG to some extent. The exceptions are a paper by Leila Patel on the Flagship Programme for unemployed women with young children, and a paper by Sandra Burman on the state maintenance grant which preceded the CSG.

Shireen Hassim's paper criticises the Mexican Oportunidades programme which provides cash transfers and food handouts to women and their children on condition that the children regularly attend school and local health centres. She observes that this programme "has intensified poor women's workloads and done little to strengthen their labour market schools" (2004: 9). She sees this phenomenon as reflecting prioritisation of the children's well-being at the expense of their mothers. Given that the mothers are expected to do community work such as cleaning schools and clinics, she sees the programme as being subsidised by women's unpaid labour.

Sandra Burman's paper notes that among the conditions for getting the SMG was one that specified that the applicant provide a form from the school principal certifying that the children were attending school. This requirement was particularly strictly enforced in relation to African children. There were also rules related to unmarried mothers which differed – as did other conditions – according to the race of the applicant. Coloured and Indian unmarried mothers (which included those married by Muslim or Hindu rites), could get the SMG only in respect of a single child. In addition, only those grants already being paid when this rule was introduced were to be honoured. No further ones were to be awarded. White unmarried mothers could get the grant for themselves and their child for a period of only six months unless the mother could give a good reason why she could not work. White, Indian and coloured mothers would not get any grant in respect of an illegitimate child born after her having received a grant for another child.

Francie Lund's paper is entitled "What we know, what we think we know, and what we really don't know". The "knowing" refers to knowledge about who is being reached by social assistance and the impact the money received has. The focus is on the OAP and the CSG because these are the most researched grants. Lund discusses evidence in relation to health and educational effects of the grants, as well as evidence that money paid to women tends to have greater such effects than money going to men, and that money paid to women will, in particular, benefit girls in the household.

Goldblatt B, Rosa S & Hall K. January 2006. Implementation of the Child Support Grant: A study of four provinces and recommendations for improved service delivery. Centre for Applied Legal Studies, University of the Witwatersrand & Children's Institute, University of Cape Town

This document summarises the findings from fieldwork conducted by the Gender Research Programme of the Centre for Applied Legal Studies at the University of Witwatersrand in Gauteng and North West provinces, and the Children's Institute of the University of Cape Town in Eastern and Western Cape. Both studies focused on the implementation of the CSG, although with slightly different focuses – gender issues for the Gender Research Programme, and the means test for the Children's Institute. The document is explicitly advocacy-oriented, coming up with a detailed list of recommendations for improved implementation.

The Children's Institute's fieldwork was done in March 2005 at six sites, three in the Western Cape and three in the Eastern Cape. It included both rural and urban sites. A total of 118 interviews were conducted – 57 with CSG applicants, 55 with DSD officials, and 6 with South African Police Service officers. The Centre for Applied Legal Studies' fieldwork took place between November 2003 and January 2004, and involved a total of 117 interviews with CSG beneficiaries and applicants as well as officials. Six sites were covered – four in Gauteng and two in North West. One of the North West sites was rural and the other, although urban, also served people from rural areas.

The document provides evidence of conditionalities, some of which are allowed for in the regulations and some are not. Those which are allowed for related to the need for the applicant to have identity documents for themselves and the child and a birth certificate for the child. Those which are not allowed for are the practices of requiring clinic cards (in North West) or proof that the applicant is pursuing a maintenance claim against the father of the child (in Gauteng). Some offices also require that the child be brought along when application is made, so that the child can be photographed. This is allegedly to prevent fraud. Other "illegal" requirements are "brown cards" from Department of Labour proving that the applicant has registered as a workseeker, or proof of the child's school attendance. In North West and Eastern Cape applicants sometimes have to obtain proof from the traditional authorities, for example in respect of their (customary) marriage or residence.

The report notes that the original regulations required proof of not having refused an employment opportunity without a good reason; efforts to secure maintenance from the other parent; and the child's immunisation. These requirements were removed in 1999 because they were difficult to administer, imprecisely defined, and resulted in unnecessary delays.

Hamoudi A & Thomas D. October 2005. Pension Income and the Well-Being of Children and Grandchildren: New Evidence from South Africa. California Center for Population Research On-Line Working Paper Series

This paper attempts to address the gap caused by the implicit assumption in previous studies that pension income has no impact on unmeasured characteristics of people living with pension recipients. Most of the analysis uses the income and expenditure survey of 2000 conducted by Statistics South Africa, but KIDS data from 1993 and 1998 are also used in one section. The authors find that pension-eligible adults are more likely to live with other adults who are shorter and have less education. Given that they are adults, this cannot be an effect of pension income. The authors thus argue that living arrangements should be treated as endogenous when interpreting results on the impact of the pension. They argue further that their finding implies that the unitary model of the household might apply in cases where others (such as Duflo, 2000) have suggested that it does not. The paper also refines other analysis by going beyond a simple comparison of age-eligible and non-age-eligible households, to take account of the fact that not all age-eligible households receive pensions and that some persons who are not age-eligible do receive pensions.

The authors explore whether pension income affects household budget allocation after controlling for total resources. In contrast to other research, they find that there is a shift towards expenditure on goods likely to be consumed by girls and towards health care when there is a male pensioner. They attempt to explain this by their observations on household composition.

Their findings in respect of education are similar to those of other analysts i.e. that the presence of an age-eligible person in the household as well as receipt of pension income are positively associated with children's education. They also confirm findings that the effects differ according to the sex of the pension recipient and the sex of the child.

The analysis based on KIDS data focuses on children aged 6-19 years in 1993 who in 1998 lived in a household containing a pension-eligible person. The authors find that these children already in 1993 tended to have more schooling than those who would not live with a pension-eligible person in 1998. They cannot offer a reason for this correlation.

HelpAge International. 1996. Assessment of the Needs of Older People in Shihimu, Northern Province, South Africa. Elim Care Group Project and Elim-Hlanganani Society for the Care of the Aged

The report reflects the findings of needs assessment of old people living in the Shihimu area. The study used participatory rapid appraisal techniques and engaged with nearly 100 older people, of whom 60 were engaged with at pension paypoints. In addition, there were individual interviews with 11 older men and 11 older women, as well as with traders and pension officials, and discussions at three community meetings. On average, households were said to spend about a quarter of their income on food, with female-headed households spending more on food than male-headed households. Other major expenses included schooling and pocket money.

Hunter N. 2002. Annotated bibliography of recent research on the impact of social security grants. Research report no. 52. Centre for Social and Development Studies, University of KwaZulu-Natal

This bibliography, of a total of 140 items, was compiled for the then newly-established Directorate of Monitoring, Evaluation and Audit of the Department of Social Development (DSD). All grants are covered, including the by then defunct state maintenance grant, but there are more references related to the OAP than to the other grants. The terms of reference for the bibliography asked for literature relating to the likely impacts, "conditioning factors", implementation successes and failures, monitoring systems and policy options. "Literature" is defined broadly to include research reports, committee reports, reports from workshops, research monographs, working papers, discussion papers, working documents, background papers, unpublished papers, collected seminar papers, unpublished theses, chapters in books, and articles from academic and popular journals. The review is for the most part confined to literature published since 1990.

Jensen R. 2002. Do private transfers 'displace' the benefits of public transfers? Evidence from South Africa. Journal of Public Economics

The paper seeks to investigate the possibility that public transfers such as pensions "crowd out" private support. The analysis is based on cross-sectional data collected from 600 households by the Bureau of Market Research of the University of South Africa in 1989 and 1992 in Venda over a period where access to the OAP increased significantly and benefit levels for Africans increased to white levels. The study finds no support for the hypothesis that households reduce non-pension income (taken as a proxy for labour participation in the absence of information on employment status of household members) when they receive a pension. There is also no apparent impact on migrant income or on demographic composition of either pensioner or non-pensioner households. There are, however, differences in the levels of private transfers received by households with and without a member in the age group eligible for an OAP. These differences are larger in 1992 than in 1989. This suggests that some crowding out takes place.

Klasen S & Woolard I. 2005. Surviving Unemployment without State Support: Unemployment and Household Formation in South Africa. CSSR Working Paper 129. Centre for Social Science Research, University of Cape Town.

This paper examines how the unemployed are able to get access to resources without direct support from unemployment compensation. Analysing household surveys from 1993, 1995, and 1998, the authors find that the household formation response of the unemployed is the critical way in which they assure access to resources. In particular, unemployment delays the setting up of an individual household by young persons, in some cases by decades. It also leads to the dissolution of existing households and a return of constituent members to parents and other relatives and friends. Access to state transfers increases the likelihood of attracting unemployed persons to a household. Some unemployed do not benefit from this safety net, and the presence of unemployed members pulls many households supporting them into poverty. The authors also show that the household formation responses draw some unemployed away from employment opportunities and thus lower their employment prospects. The paper discusses the implications of these findings for debates about unemployment and social policy in South Africa.

Kola S, Braehmer S, Kanyane M, Morake R & Kimmie Z. 2000. Phasing in the Child Support Grant: A social impact study. Community Agency for Social Enquiry, Johannesburg

The study described in this report was commissioned by the DSD. The core data come from a survey of 999 randomly selected CSG beneficiaries spread across the nine provinces of South Africa, supplemented with data from in-depth interviews with government officials and NGOs involved with the CSG, and district case studies. Over a third (36 per cent) of households were found to be wholly dependant on grants, with 18 per cent wholly dependant on the CSG. Rural households were most likely to be in this position. In Limpopo the CSG accounted for an average of 51 per cent of household income. Three-quarters of the primary caregivers said that they relied mainly on the CSG to support the child, and 79 per cent said that it had improved their ability to care for the child and buy necessities for the child. Those who said there had not been such an impact attributed it to the small size of the grant and the fact that it was used for the whole household.

Lund F. 1993. "State social benefits in South Africa." International Social Security Review, 46(1): 5-25

This article is based on research conducted in 1990 and 1991 into the functioning of the social welfare system in "white" South Africa and the various homelands. The research was based primarily on interviews with officials of the 17 "first-tier" departments responsible for social security at that time. The research reveals stark differences in both the rules and implementation across different areas, particularly in relation to the state maintenance grant.

McKendrick BW & Shingwenyana BZ. 1995. "Are Old Age Pensions for Urban Africans Family Allowances? Implications for the Reconstruction and Development Programme." Social Work/Maatskaplike Werk, 31(3): 228-235

This study investigates whether there is family dependence on OAPs. It is based on data from a survey of 50 women pensioners attending luncheon clubs in Kliptown and Dobsonville, two urban areas, rather than the rural areas in which much of the other existing research is based. The study finds that, as with rural studies, in these areas pensions are used for the family as a whole, including children.

Maitra P & Ray R. June 2003. "The Effect of Transfers on Household Expenditure Patterns and poverty in South Africa." Journal of Development Economics 71(1): 23-49

This paper uses data from the PSLSD of 1993 to examine the behavioural and welfare impacts of private and public transfers. This is done by disaggregating consumption expenditure into eleven groups. The study also examines the effect of economies of scale in terms of household size on the incidence of poverty. In respect of consumption expenditure, the study finds that pension households tend to spend a greater proportion of their budget on food, education and clothing and a lesser proportion on alcohol and tobacco, entertainment, child-care, food eaten outside home, private transfer sent and other items. In terms of gender, male-headed households spend less than female-headed households on entertainment, clothing, childcare and other items but spend more on food, education and fuel.

May J, with Attwood H, Ewang P, Lund F, Norton A & Wentzel W. 1998. Experience and Perceptions of Poverty in South Africa. Dubran: Praxis Publishing

This report reflects the findings of South Africa's participatory poverty assessment (PPA). This exercise was similar to that conducted in many other countries with support from the World Bank, but is widely acknowledged to be among the best research of this type. As with other PPAs, the research is largely qualitative. It is however, extensive, drawing on 15 studies undertaken by 45 researchers from 20 organisations with 25 different communities. The number of participants is estimates at approximately 1,400.

Mohatle T & de Graft Agyarko R. 1999. Contributions of Older Persons to Development: The South African study. HelpAge International, Johannesburg
The paper describes the findings of participatory learning and action research similar to the participatory rural appraisal approach. The four communities studied were Claremont and Kwa-Dabeka, per-urban areas near Durban, Gungeni, a rural area in Limpopo, and Katlehong, an urban settlements with a squatter settlement in Gauteng. The study finds that in most cases the pension is the sole source of income used for ensuring grandchildren are educated.

Moller V & Sotshongaye A. 1996. "'My family eats this money too': Pension sharing and self-respect among Zulu grandmothers." South African Journal of Gerontology, 5(2): 5-19
This qualitative study is based on individual and focus group interviews conducted with 50 grandmothers in urban, peri-urban and rural areas of KwaZulu-Natal in late 1995. Forty-one of the 50 were recipients of either the OAP or disability grant. The article reports that while pension money is shared with other family members, the old people regard it as individual income. The pension is reported to draw "economically weak" people into the household. Basic needs covered by the pension include food, clothing, education and health care needs of children. The study reports that while grandmothers are pleased to be assisting their families, they are also frustrated by the fact that their own needs are neglected through this sharing of the limited money available.

Posel D, Fairburn J & Lund F. 2004. Labour Migration and Households: A Reconsideration of the Effects of the Social Pension on Labour Supply in South Africa. Ninth Annual Conference on Econometric Modelling for Africa, 30 June to 2 July 2004
This paper examined the impact of receipt of the OAP on the labour supply of working-age (16-50 years) adults, including both resident and non-resident household members. It is based on data from the 1993 PSLSD, and restricted to African households. The definition of the household used in this survey required only that the person be resident in the household for 15 days of a year to qualify as a member. Resident members are defined those who lived in the household at least 15 of the previous 30 days. The overall finding is that rural African women are significantly more likely to be migrant workers when they are members of a household in receipt of a pension, especially when the pension recipient is female. The data set used is the same as that used by Bertrand et al. (2000), as is the approach to economic analysis (e.g. the focus on three-generation households). However, the findings are different once non-resident household members are included. Other differences from Bertrand et al. in terms of method are the restriction to rural households, and analysis based simply on labour market participation rather than on hours worked, as the latter information is not available for migrants.

Posel et al. find that in addition to labour migrants in age-eligible households being more likely to be female, they also tend to be more educated, and to be older than those in non-age-eligible households. The authors suggest that the reasons for the relationship between pension income and migration could be that the pension provides the means to migrate, and/or that the pension provides the means for the older person to care for the child/children of the migrant. Female migration is more likely when children are older, reflecting the need for money to pay for education and/or greater ease in leaving children who are older.

Samson M, Babson O, Haarman C, Haarman D, Khathi G, MacQuene K & van Niekerk I. 2001. The Impact of Social Security on School Enrolment in South Africa. Research Paper No. 25. Economic Policy Research Institute: Cape Town

This paper, which was submitted as input to the Taylor Committee, analyses the relationship between social security and school enrolment among school-age children. The first part of the paper provides general arguments and evidence on the links between poverty and education. The second part constitutes the empirical analysis for South Africa of the link between social security and enrolment. Analysis is based on data from the 1997 October household survey (OHS) and focuses on children aged 6-18 years living in three-generational households i.e. households that contain children, working age adults, and adults of pensionable age. The model is applied to consumption quartile sub-samples of the population where the quartiles are determined on the basis of per capita household expenditure. The authors find a significant positive effect of government pension transfers on school attendance rates, which is strongest for the poorest households. The effects are stronger for girls than boys.

Samson M, Lee U, Ndlebe A, MacQuene K, van Niekerk I, Gandhi V, Harigaya T & Abrahams C. 2004. The Social and Economic Impact of South Africa's Social Security System. Commissioned by the Directorate: Finance and Economics, Department of Social Development, Pretoria

This study evaluates the social and economic impact of the various grants in reducing poverty and promoting positive impacts in respect of health, education, housing and "vital services". It also examines the impact on labour market participation and labour productivity, and their macro-economic impact on savings, consumption and composition of aggregate demand. The modelling uses several datasets, including the income and expenditure survey of 2000, labour force surveys of 2000, 2001 and 2002, and October household surveys.

The study finds that South Africa's system of social security successfully reduces poverty, regardless of which methodology is used to quantify the impact measure or identify the poverty line. The authors find that, even after controlling for income levels, children in households that receive an OAP or CSG are more likely to attend school. The impact is greater for girls than boys. For one of the models, the impact of the OAP is found only when the OAP recipient is female. The authors also find that adults in households receiving an OAP, CSG or disability grant tend to have higher labour force participation and employment rates, and to experience more rapid wage increases. This effect is weaker for the CSG than for the other two grants.

Sogaula N, van Niekerk, R, Noble M, Waddell J, Green C, Sigala M, Samson M, Sanders D & Jackson D. 2002. Social Security Transfers, Poverty and Chronic Illness in the Eastern Cape. An investigation of the relationship between social security grants, the alleviation of rural poverty and chronic illnesses (including those associated with HIV/AIDS): A case study of Mount Frere in the Eastern Cape. Economic Policy Research Unit and Social Disadvantage Research Centre, Department of Social Policy and Social Work, University of Oxford and School of Public Health, University of the Western Cape

The research on which this paper is based investigates access of poor rural households to state transfers, with special interest in the impact on a community with high levels of malnutrition and HIV/AIDS. The study also investigates the related issue of the impact of household illness and death on education, distribution of income resources, food intake and health.

The sample is small, at 30 households, all of which contained a child who had been admitted to one of the two hospitals in Mount Frere as a result of severe malnutrition. Virtually all 30 households contained a member who should have been eligible for a grant, but only 16 were receiving a grant. Most who were eligible for the OAP were receiving it, as well half of those eligible for a DG. However, take-up for the CSG was only 7 per cent. Overall, the study finds that grants play an important role in supporting families affected by a crisis generated by chronic illness.

Vorster J, Eigelaar-Meets, Poole C & Rossouw H. April 2004. A profile of social security beneficiaries in selected districts in the Western Cape. Datadesk, Department of Sociology and Social Anthropology, University of Stellenbosch. Commissioned by the Department of Social Services and Poverty Alleviation, Western Cape

The main aim of this study was to develop a socio-economic profile of grant beneficiaries in 12 selected magisterial districts of the province. The main method used was a survey of adult beneficiaries, supplemented by in-depth interviews with experts and focus group discussions with beneficiaries. Sampling was based on SOCPEN data of July 2003. At this point the CSG was available to children up to the age of nine years, but would mainly have been accessed by children under seven years of age because the age extension only commenced in April 2003. Fieldwork was conducted between September and November 2003. A total of 1,480 household-based interviews were conducted, capturing information on 2,650 beneficiaries.

Two of the chapters focus on children. The first looks at the situation of all 3,173 children in beneficiary households, regardless of whether that particular child was a beneficiary. The second chapter focused on the children benefiting directly from each of the child grants. A total of 1,093 CSG child beneficiaries were included in the sample. Only 17 per cent of the CSG child beneficiaries were attending primary school. This largely reflects the age profile given the eligibility rules at the time. Only two beneficiary children had done any paid work.

Vorster J, Rossouw H & Muller G. 2000. Phasing out the State Maintenance Grant within the Context of Developmental Social Welfare. Report prepared for the Department of Welfare, Pretoria. Datadesk, Department of Sociology, University of Stellenbosch

This study, commissioned by the then Department of Welfare, examines the impact of the first year of the phasing out of the SMG after the introduction of the CSG. It is based on a survey conducted in 1999 with 495 adult beneficiaries of the SMG, as well as data from SOCPEN relating to beneficiaries from four provinces (KwaZulu-Natal, Eastern Cape, Northern Cape and Western Cape) which between them accounted for 78 per cent of SMG recipients. In addition, 23 front-line welfare staff dealing with grant recipients and applicants were interviewed, and 41 key informants from the "welfare community". Case studies were conducted in Zoar, a rural village of Western Cape, and Phoenix, a predominantly Indian township of Durban. There were also focus groups with white SMG recipients in Ruyterwacht in Cape Town as well as with regional heads of social security in KwaZulu-Natal.

The study shows that the reach of the SMG was wider than the direct child beneficiary because of pooling of grant income. In particular, non-beneficiary children were benefiting. In some cases the phasing out of the SMG was resulting in the break up of families, and perhaps separation of children from their mothers. There was found to be very low dropout of SMG beneficiary children from school, an unsurprising finding given that school attendance was a requirement for the grant. Withdrawal of the grant appeared to increase pressure for children to get paid work.

Wittenberg M. 2001. Conflictual Intra-Household Allocations. ERSA Working Paper 26. Economic Research Southern Africa, University of the Witwatersrand

This study uses 1993 PSLSD data as the basis for a model intended to investigate "predation" and altruism in the sense of the relative shares contributed to household resources from an OAP, departures from households and household conflict. The paper produces similar regression results to those of Bertrand et al. (2000). Wittenberg finds that the presence of an OAP-eligible person affects the labour supply of men much more than that of women. The effect is particularly strong for men aged 25-49 years.

Woolard I, Carter M & Agüero J. December 2005. Analysis of the Child Support Grant: Evidence from the KwaZulu-Natal Income Dynamics Study, 1993-2004. Report to the Department of Social Development

This paper explores the reach of the CSG, profiles the beneficiaries (i.e. the children) and recipients (the PCGs), and examines the impact on child height as a measure of nutritional status. The authors argue that child height is a likely proxy for other positive outcomes for children. Some parts of the paper repeat the analysis contained in Agüero et al. (2005). Other parts are new. In respect of school enrolment and attendance, the authors suggest that it is too early to assess the impact and that meaningful analysis will only be possible once the cohort of CSG.

The authors confirm the lack of gender bias in enrolments for the CSG. In terms of age, it finds relatively few children under 2 years registered and note that this cannot be attributed (only) to delays in approving applications. The most common reason for not applying for the grant is lack of documents. The analysis of KIDS data confirms the finding by Case, Hosegood & Lund (2004) that children who live with their mothers are more likely to benefit from a grant. Analysis also confirms that the poorest households benefit disproportionately from the CSG in both relative and absolute terms. Comparison of grant receipt with the overall household poverty level suggests that very few children from poor

households are excluded through the means test, but significant numbers of children in non-poor households benefit from the grant. The authors note that the seriousness of this "error of inclusion" depends to some extent on the degree of income-sharing within households.

Yamauchi F. October 2005. Early Childhood Nutrition, Schooling and Within-sibling Inequality in a Dynamic Context: Evidence from South Africa. International Food Policy Research Institute: Washington DC

This paper examines the effect of early childhood nutrition on schooling inputs and outcomes, using height-for-age z score. The analysis is based on data from all three rounds of KIDS, i.e. 1993, 1998 and 2004. Variables used include the results of simple mathematics tests administered to children aged 7 to 9 years in 2004, and nutrition-health outcomes for children aged 1-5 from the 1998 survey. The 1993 and 1998 surveys provide information on anthropometric measures and health outcomes of children. The 2004 survey provides information on schooling decisions and outcomes. The analysis includes a comparison of (usually small) differences between siblings as a way of controlling for household-specific characteristics that might otherwise bias findings. The author finds that children with higher HAZ scores tend to start school earlier and repeat less. However, the effect diminishes at the point where the child goes on to secondary school. Analysis also shows that more household resources in the form of school fees are allocated to healthy children at the early stage of schooling, especially among poorer households. The pattern reverses at later stages. Outcomes for girls are better than for boys on a range of measures, but there is not necessarily a gender difference in the studied effects.

The model on which analysis is based assumes that parents make schooling decisions on the basis of labour market returns from the children either now or in the future. Thus the equations model the possibility that an increase in health capital raises the child wage, which would tend to discourage schooling investment. The increase in health capital is also assumed to relax the current budget constraint because the child is assumed to work to make a contribution to the household income.

Zain P. 1999. A Small Process of Dying: The Impact of the Cancellation of the State Maintenance Grant. Research Report No. 12. NADEL Human Rights Research and Advocacy Project, Cape Town

This study looks at the impact of the phasing out of the SMG as well as, in less detail, the impact of the CSG. The research was conducted in the rural areas of Genadendal, Greyton, Caledon and Bereaville in the Western Cape, Duncan Village and Fort Grey townships in the Eastern Cape, and rural Kwelera and Mooiplaas in the Eastern Cape. The Western Cape areas were chosen because of high levels of dependence on the SMG, and the Eastern Cape areas because of high levels of poverty. Women interviewees were identifies through schools and welfare forums. A total of 30 Western Cape and 80 Eastern Cape women were interviewed. More in-depth follow-up interviews were conducted with 13 women who had answered the questionnaire. There were also five focus groups of between 8 and 20 women, and interviews with government officials and a member of the Commission on Gender Equality, and a group interview with Riviersonderend Advice Office in Caledon. The study finds that the withdrawal of the SMG led to children being mocked by other children when asking for food. Women were also afraid that their children might have to leave school before completion.