Twitter Thread by Mikhail Moosa

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Why do so many South Africans receive a social grant and why has it increased so rapidly over time? THREAD (because I had to tweet about my MA eventually)

> \U0001f4c8| Over 18 million people receive some form of grant payment. Data proves South Africans are increasingly going into poverty due to a failing ANC government and its policies.
>
> The first sharp increase in these numbers started in the 2004/05 financial year.https://t.co/F06VnnAzbx
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> — Democratic Alliance (@Our_DA) January 5, 2021

1/ Of the 18m grant recipients, around 12m (so 2/3) are children. Caregivers (overwhelmingly women) receive the grant on the child's behalf. The child support grant was only introduced in 1998, so not sure why DA asks for data since 1994. Other grants have not increased hugely.

2/ My uncontroversial opinion: it is good for the state to provide social assistance, as it is constitutionally obliged, to children in poor households. Public opinion data suggests most SAns agree with this sentiment: https://t.co/Hxc9BHTq7a

3/ Receiving a social grant is associated with numerous developmental improvements for children - e.g. food security; school attendance - and eases some of the financial burden of carers.

4/ The CSG replaced an earlier cash transfer programme, the State Maintenance Grant, because the SMG discriminated against black women. Only citizens of the Republic - not bantustan residents - could receive it. The SMG failed to provide assistance to the poorest rural children.

5/ "The SMG was introduced in the 1930s to protect white family life." Francie Lund, who chaired the commission to introduce the CSG, wrote a whole book about the process, free to download from HSRC press: https://t.co/99H8vI4XvX

6/ In short, the state introduced the CSG in 1998 to try to expand state support to poor children living in rural areas. Great idea! There is nothing demeaning about the state trying to expand social assistance to children, especially in the first few years after apartheid.

7/ The expansion in social grants - incl pension, disability, foster care - only takes off when there is more and more uptake of the CSG. Civil society groups were crucial in informing eligible carers and facilitating registration.

8/ But there were barriers to the expansion of social grants. First, the means test (i.e. income threshold). The state did not adjust this at all for a few years. With inflation, thousands of children became ineligible because the (very low) income threshold remained the same.

9/ Second, the age of eligibility. In 1998, only children aged 0-6 could receive the CSG. So once a child turned 7, they became ineligible for state support, even though they were probably still poor and needed the grant.

10/ The age of eligibility was only increased around 2003/4, and only incrementally. Importantly, civil society and advocacy groups were instrumental in pushing for this change. Once the age of eligibility increased, more and more children could receive the grant.

11/ Let's pause to consider the context here. By the end of Mandela's presidency, unemployment was already increasing. GEAR was a disaster for labour intensive work and the promise of 'jobs, jobs, jobs' was already beginning to ring hollow. HIV was devastating the country.

12/ Despite GDP growth, poverty was still alarmingly prevalent. Basically, there were - and are - still millions of South Africans who are eligible to receive a social grant, precisely because many people live in poverty. Social grants are targeted at low-income households.

13/ But one of the most significant effects of increased social grants is that it lessened the depth of poverty (i.e. recipients and carers were still poor, but not as poor as they might have been). Grants are well targeted.

14/ Unemployment seems to be a perennial and structural problem, but it is intellectually facile to say 'we should give people jobs not grants'. Of course there are good suggestions for job creation, but grants provide support to millions, many of whom would love to find a job.

15/ Basically, it doesn't have to be either/or. The fact that 18mil people qualify for the low income thresholds of social grants is sobering, but it also means that the state is actively supporting nearly a third of the population with social assistance.

16/ It's also relatively common to hear grant recipients using some of their grant money to try and look for work. (Shock and horror: trying to find a job is expensive). Eg: https://t.co/dtjlWXbwJD

17/ Social grants aren't perfect: the payment system is sometimes dodgy, the queues are terribly long, the admin is slow and inefficient, but most of all, the value of grants is far too low, especially the CSG.

18/ Lots of evidence to suggest that grants barely - if at all - keep up with inflation and the price of food has risen dramatically over last decade (i.e. grants are less valuable now than before).

19/ If I worked for the official opposition, I would not focus on the number of grant recipients. (Also, Stats SA's General household survey suggests that salaries are still by far the major source of income for households): https://t.co/pOp8zF6bxI

20/ Instead, I would argue - as many academics, activists and civil society groups do - for increased grant payments. This provides more social assistance to those most in need during an economic crisis AND could allow potential job-seekers the

means to find employment.

21/ (Affordability is a both political and fiscal concern. Trevor Manuel argued for years that grants could not be expanded because it would be unaffordable and yet here we are, 10mil grant recipients later).

22/ TLDR: most people would prefer to find a job if they could (see Afrobarometer paper), but the expansion in social grants is a good thing. It means that people with little to no income at least have something to provide for their children or family. Tip? Increase social grants