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**Crowding out or crowding in informal safety nets? The role of
formal social protection targeted at addressing child poverty in
South Africa**

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Abstract

Formal social protection in the form of cash transfers has been adopted as one of the strategies for addressing child poverty in South Africa. The Child Support Grant (CSG) established in 1998, is the largest social assistance programme in South Africa in terms of coverage and is targeted at poor children through the primary caregiver. Prior to the grant, the majority of poor children in South Africa lacked access to formal social protection and mostly relied on informal safety nets provided by extended family, neighbours and community members. In view of the critical role that informal safety nets play in the provision of social support to poor children and for the CSG to produce maximum benefits for the recipients, the grant needs to be designed in a way that builds on pre-existing informal safety nets rather than displacing them.

The purpose of this thesis is to investigate the nature of the interaction between formal social protection, specifically the CSG, and informal safety nets, and to examine whether the grant displaces, ‘crowds out’ or strengthens, ‘crowds in’ the various forms of informal safety nets. The thesis also provides suggestions on how social protection measures might be designed to crowd in more informal support. The thesis is a literature review based study and involves systematic identification, selection and assessment of relevant texts. In terms of the theoretical framework, the study considers exchange versus altruism as motives for provision of informal support.

Findings of the study seem to suggest that the grant had both positive and negative effects on the various forms of informal safety nets, albeit mostly modest effects, which might be due to the low value of the grant. The majority of the reviewed texts reported a slight increase in the social status of the grant recipients due to access to the CSG and some improvements in their capacity to borrow, lend and pool resources within the extended family and community. On the other hand, several texts reported a decrease in cash gifts and also father child support as a result of receiving the grant. A few texts in the review discovered modest positive effects on CSG recipients’ membership in stokvels compared to non-recipients of similar socio-economic status. Modest to no effects were also documented for the grant’s effects on child care and living arrangements. Generally, the findings of the review suggest that the effects of the grant, both positive and negative were quite modest to result in significant crowding out or crowding in of informal safety nets in South Africa. The thesis suggests caregiver support and use of conditionalities as possible designs to crowd in informal safety nets.

1. Introduction

Formal social protection in the form of cash transfers is a major strategy for addressing child poverty in South Africa. The Child Support Grant (CSG) established in 1998, is the largest social assistance programme in South Africa. Although the CSG transfers are modest, the programme is significant for its focus on poor children and the high number of beneficiaries. Prior to the grant, formal social protection was inaccessible to the majority of poor children in South Africa. Most children depended on informal safety nets. The study examines the relationship between formal social protection and informal safety nets for poor children in South Africa. This section introduces and sets out the research questions, background, scope and relevance of the study.

1.1 Research questions

The objective of the study is to investigate whether formal social protection strengthens, ‘crowds in’ or weakens, ‘crowds out’ informal safety nets for children living in poverty in South Africa. Specifically, the study focuses on the relationship between the major formal social protection mechanism, CSG and poor children’s informal safety nets. This objective is operationalised through the following key questions;

With specific reference to the CSG:

1. What is the relationship between formal and informal social protection that address child poverty in South Africa?
2. Has formal social protection led to crowding out or crowding in of informal safety nets for children living in poverty in South Africa?
3. How might formal social protection measures be designed to crowd in more informal social protection?

1.2 Limitations

The study is a systematic literature review. Although empirical research on the CSG programme in South Africa is relatively extensive, the majority is limited to a few themes such as impact on child labour, school attendance and nutrition. The impact of the programme on informal safety nets has not received much direct attention. Most of the studies on the programme address the

effects on informal safety nets peripherally. This study picks out from these studies the points relevant to the issue of informal safety nets.

1.3 Structure of the study

This study is organized into six sections which are as follows. Section one provides the introduction to the study and contains the research questions, background, scope and relevance of the thesis. Section two presents the definition of key concepts of the study and also the theoretical underpinnings upon which the work is based. In section three the methodology of the study is presented and section four is a presentation of the findings of the study. The fifth section provides the discussion and section six presents the conclusion of the study.

1.4 Background

Formal social protection is a widely recognized policy framework for alleviating the effects of poverty (Devereux; 2010; Thomas, 2005; Teruel and Davis, 2000). Formal social protection in the form of social assistance programmes have long been a part of welfare systems in high income countries. However, formal social assistance has scarcely been available in most low and middle income countries except for segmented, short-term safety nets accessible to a few (Lund *et al*, 2008). As such, informal safety nets have been the major form of social protection available for poor households with children in these countries (Barrientos 2010: 13).

Informal safety nets, however, in isolation have a limited capacity to address child poverty. As Holzmann (2001) notes, informal mechanisms are best suited to deal with idiosyncratic (uncorrelated) risks as opposed to covariant (correlated) risks among individuals. Factors such as widespread economic crises, unemployment and the effects of HIV and AIDS epidemic, especially in Africa, have stretched informal networks. Poor households are forced into dysfunctional strategies of coping with poverty such as reducing the quality and number of meals, selling assets and taking children out of school (Foster, 2005). It is for this reason that formal social protection has increasingly gained attention among international organizations such as the World Bank and International Labour Organisation as well as national governments, as an important policy framework for tackling chronic poverty in low and middle income countries (Barrientos 2010: 12).

Starting from the mid-1990s, there has been a rapid escalation of formal social protection programmes that provide cash transfers in middle and low income countries (Fisbein and

Schady, 2009). Latin American countries have been viewed as major pioneers in extensive, non contributory cash transfer programmes that target children living in poverty. For example Mexico's Progresa (renamed Oportunidades) was introduced in 1997 to support poor households with children of school age in marginalized rural areas and later extended to urban areas (Barrientos and DeJong 2006). The cash transfer benefits are conditional on children having a school attendance record of at least 85% (*ibid*). Similar programmes with an educational and health clinic attendance conditionality exist in Brazil (Bolsa Familia), Nicaragua, and Bolivia among other Latin American countries.

South Africa has the most extensive cash transfer programmes in Sub-Saharan Africa, among these, the CSG established to alleviate child poverty. The experiences of South Africa with the cash transfer programmes might provide crucial learning points for other countries in the region seeking to establish similar programmes. South Africa is more economically developed compared to most other Sub-Saharan African countries, but is also affected by widespread poverty, high unemployment, high rates of HIV and AIDS and large scale rural-urban labour migration (Barrientos and DeJong 2006).

This study examines the interplay between formal social protection and informal safety nets for children living in poverty in South Africa. The study seeks to find out whether or not formal programmes undermine or strengthen informal safety nets. In South Africa, informal safety nets are the mainstay of children living in poverty hence the possibility of crowding out of these informal mechanisms should be a concern. The next sub-section provides more detailed information on the CSG programme.

1.5 The CSG programme

The CSG is the largest social assistance programme in South Africa in terms of number of recipients. It is also the main cash transfer programme supporting children living in poverty in the country. There were 10, 5 million CSG beneficiaries in 2011 (approximately 55% of all children in South Africa) (Laryea-Adjei *et al* 2011:3). The grant is fully publicly funded through tax finances and was established in 1998 after the fall of apartheid. The CSG replaced the State Maintenance Grant (SMG) introduced in the 1913 which was designed to support poor widows and abandoned women and their children up to age eighteen (Lund *et al* 2008, Patel 2011, 368). The SMG was originally targeted at poor, white women and their children and expanded over

time to include the Indian and the coloured population. Coverage was eventually extended to the Africans but only a few African women were able to access it (*ibid*).

The CSG, in contrast to the SMG, was established to provide wider formal social protection coverage and to target poor children irrespective of household arrangements (Lund 2002, Mirugi-Mukundi 2009:20). The grant is designed to ‘follow the child’ and targeted through the primary caregiver (Lund, 2002; Patel, 2011:371). The primary care giver is defined as someone older than 16 years, whether related to a child or not, who takes primary responsibilities for meeting the daily care needs of the child (Centre for Social Development in Africa (CSDA) 2012: 5). Primary care-givers who are not the biological parents of a child can apply for the grant without going through the court processes to formalize their roles (Mirugi-Mukundi 2009:21). They are only required to submit an affidavit signed by a commissioner of oaths confirming their role as primary caregiver.

Qualification for the grant is based on a means test. The means test is set against the net income of the primary caregiver (and spouse if married) and includes income from all available sources such as *inter alia* employment wages, rentals and income generating projects (Mirugi-Mukundi 2009:21). The test also considers registered wealth such as pension funds, insurance and savings but not personal assets such as houses and livestock. Initially, the means test was set against total household net income contributed by all adult members of the household (Mirugi-Mukundi, 2009:21; Patel, 2011: 372). However, due to low initial uptake and the need to simplify the means test, the requirement was changed to the test being against total net income of only the primary caregiver and spouse if married (Patel, 2011: 372). The income of the co-habiting spouse is not considered. Furthermore, there are no stringent requirements pertaining to proof of income. Applicants are required to either produce documents verifying their income such as pay slips or submit an affidavit on self reported income (if any or none). The affidavit has to be signed by any commissioner of oaths (Patel, 2011: 372). The relaxed requirement concerning proof of income is meant to make it easier for the target group to apply.

Initially, CSG applicants residing in rural areas and urban informal settlements with higher incomes were eligible for the grant compared to those living in formal urban houses because the former were considered to have less access to social services compared to the later (Patel 2011: 373). However, distinctions based on residential location were later removed. The income

threshold is inflation adjusted. In 2012, applicants were means tested against net income of below 2 500 South African rand per month (about US\$ 324) for single caregivers. For caregivers with married spouse, the means test was measured against combined net income of below 5 000 rand (approximately US\$ 648) per month (CSDA, 2012: 5).

Furthermore, the means test is not a discretionary one that leaves a lot of room for street level bureaucrats to use their best judgment on deciding who is eligible. Rather, applicants whose incomes are at or below the required threshold are eligible for the grant. The benefit level is uniform for all CSG recipients in the country. The grant is modestly valued and meant to address the basic need for meeting food costs of a child (Patel, 2011: 372). The grant amount in 2011 was R260 (approximately USD37) per month per child and an applicant can apply up to six non biological children (Laryea-Adjei *et al* 2011:2). Furthermore, the CSG programme has gradually extended the age limit of eligible children from 7 years in 1998 to below 18 years in 2011 (*ibid*).

The CSG was designed with the intention of targeting women as recipients with the expectation that women would be more likely to use the money on essential items that will benefit the child. Evaluation studies reveal that the grant is well targeted at poor households with children and particularly the poorest (CSDA, 2012; Department of Social Development (DSD) *et al*, 2011; UNICEF, 2008).

The role of the CSG in addressing child poverty needs to be understood within the context of pre-existing informal mechanisms of social protection for dealing with the issue. The net benefits of public welfare may be limited if such welfare serves to crowd out private or informal effort. In the next sub-section, various debates from studies on the effects of public welfare on informal safety nets are presented.

1.6 Studies on the possible effects of formal transfers on informal safety nets

There is extensive debate on whether public welfare transfers crowd out or crowd in informal transfers. These debates are based on the pioneering and influential work of Becker (1974) and Barro (1974) who contend that access to public transfers may provide less incentive to participate in informal risk sharing arrangement leading to substitution of informal arrangements. This consequently reduces the effect of public transfers on poverty, leads to disruption of social

cohesion and may foster dependency on public transfers (Heemskerk et al 2004, Cox and Jimenez 1998, Dercon and Krishnan 2004).

A variety of studies in both high and low income countries have empirically explored the extent and magnitude of crowding out effects of public transfers with mixed results. Some studies find modest or no effects of public transfers on informal transfers (for example Altonji et al 1997; Kang, 2004; McGarry and Schoeni, 1995 and Rosenzweig and Wolpin 1994). Other studies, for example (Cox et al 1998; Dercon and Krishnan, 2004; Jensen 2002; and Kang and Sawada, 2003) find evidence for existence of crowding out effects.

In some cases, mixed results occur for studies conducted in similar settings. For example, Jensen's (2003:96) study in South Africa finds that there is a reduction in informal transfers to the elderly of 25 to 30 rand for each 100 rand of social pension transfers. Lund (2002) argues to the contrary and states that in actual fact, the cash transfers for the elderly crowded in care, security and micro-enterprise formation in South Africa. Lund (*ibid*) postulates that the presence of the pension income helps to ensure that the elderly people receive care and support when frail and sick. It also empowers them to play a more active role in households in which they live and facilitate pooling of resources within the household for economic activities. According to Lund (*ibid*), generous public welfare transfers such as the old age pensions in South Africa tended to benefit social cohesion and informal risk-sharing arrangements by providing predictable income available to risk-sharing networks.

There are also arguments that in some situations, some crowding out of some informal arrangements may be beneficial (Murdoch and Sharma, 2002). For example, some crowding out might be beneficial in situations where informal arrangements create poverty traps by reinforcing economic and social inequalities based on gender, age, ethnicity or class (Foster, 2005).

This study examines and synthesizes the evidence relating to the relationship between informal safety nets and formal social protection (with particular reference to the CSG programme) and the impact of the former on the latter.

1.7 The South African Context

South Africa is ranked 123 out of 187 countries in the United Nations Development Programme

(UNDP)'s human development index (UNDP homepage). Various studies have measured child poverty in South Africa using different definitions and data (Wilkinson 2010; Barnes et al, 2006, Proudlock et al 2008). These studies estimate that between 60% and 80 % of all children in South Africa live in poverty. The Income and Expenditure Survey (IES) conducted in 2005 and 2006 reported that about 11, 8 million (62%) of children in South Africa live in poverty based on US\$2 a day poverty line (Human Sciences Research Council homepage). However, South Africa's General Household Survey (GHS) time series analysis reported a decline in child poverty from 75% in 2002 to 68% in 2006 (Wilkinson, 2010: 9). This decline in child poverty has been attributed to the CSG, among other factors.

South Africa before the onset of democracy in 1994 had a long legacy of colonial and apartheid policy. This policy affected most facets of South African life including livelihoods, the nature of social protection provision as well as household structures of African families. The colonial government set up Bantustans (territory or areas set aside for African, South Africans) in order to facilitate the policy of 'separate development' (Du Toit and Neves 2009:9). African people's access to urban areas was restricted through the policy of influx control, with mostly able-bodied men having access as migrant labourers in mines, plantations and industries while young women could be employed as domestic servants. Children mostly remained in the Bantustans in the care of grandparents and other members of the extended family.

In addition, traditionally, African South African households have fluid arrangement with regards care of children (Mayrand, 2009). Children move and take up residence relatively easily among the extended family. These same patterns of childcare have been replicated in the urban context in post-apartheid South Africa as more people have moved to urban areas in search of employment. It is against this background that extended family networks have been the main source of safety nets for poor households with children in South Africa (Foster, 2005). The community also assists extended family efforts and contributes to household support systems.

1.8 Relevance

Determining the effects of public welfare programmes on already existing informal safety nets is a key issue from both a policy and research perspective. If formal social protection largely crowd out informal mechanisms, this may mean that the welfare impact of public programmes is

smaller than perceived (Gerardi and Tsai, 2010). This has implications for the efficiency of the programme and its effectiveness in alleviating child poverty.

There is a considerable body of empirical studies assessing the effects of the CSG on poverty and human development indicators such as health, nutrition and education (Bray and Brandt, 2007; Case *et al* 2005; Hunter and Adato, 2008; UNICEF 2008;). The various studies indicate a general consensus that the cash transfers have had significant positive effects on school attendance, nutrition and health status of grant recipient children in South Africa. However, relatively few empirical studies on the CSG focus primarily on the interaction between the grant and informal safety nets. The majority of studies on the CSG discuss informal safety nets peripherally, while focusing on other themes. The CSG studies that focus on informal safety nets are mostly limited to a specific aspect of informal support such as child care, paternal involvement and gender relations.

This study, using a systematic literature review, seeks to contribute to literature on the CSG in two ways. Firstly, through providing a synthesis of the various empirical studies conducted on the CSG program and its effects on informal safety nets. Due to the fact that the CSG program is relatively new, literature that synthesizes primary research on the CSG and informal safety nets is largely missing and this research seeks to address this gap. Secondly, the study seeks to provide a holistic approach that considers the effects of the CSG on a broad range of informal safety nets available for children living in poverty. In addition, the study draws on the experiences of other social assistance programs in different countries around the world to contribute ideas on how the CSG might be designed to strengthen informal safety nets.

2. Definitional and theoretical framework

The previous section provides the introduction and background of the study. This section consists of two main sub-sections that present definitions of key concepts and the theoretical framework of the study.

2.1 Key concepts

In this sub-section, definitions of key concepts of the study are presented and these are; formal social protection, informal safety nets and child poverty.

2.1.1 Formal social protection

There are a variety of definitions of formal social protection reflecting different perspectives on its role and scope. For example the ILO cited in Barrientos (2010: 11) emphasizes social protection as arising from rights and defines it as ‘entitlement to benefits that society provides to individuals and households - through public and collective measures- to protect against low or declining living standards arising out of a number of basic risks and needs’.

The World Bank on the other hand through its Social Protection Strategy Paper adopts a social risk management framework where social risk management involves public interventions ‘to assist individuals, households and communities in better managing income risks’ (Holzmann and Jorgensen 1999: 4). Thomas (2005: 7) adopting the World Bank perspective on social protection defines it as ‘a range of protective, preventive and promotional public actions, carried out by the state or privately which seek to guarantee relief from destitution, avert deprivation and enhance real incomes and capabilities for households and individuals.’

The United Nations views social protection as underpinned by shared fundamental values with regards acceptable levels and security of income, health, education and other basic services (United Nations 2000: 4). United Nations defines social protection as ‘a set of public and private policies and programmes undertaken by societies in response to various contingencies to offset the absence or substantial reduction of income from work, to provide assistance to families with children as well as provide people with basic health care and housing’ (*ibid*).

Social protection programmes may be in the form of provision of basic services for example in health, education and housing among others. It may also be in the form of subsidies, social insurance and social assistance. This study focuses on a non-contributory, cash transfer, social assistance programme which is considered a more recent innovation in formal social protection.

2.1.2 Informal safety nets

Devereux (1999: 13) conceptualized informal safety nets as a ‘subset of coping strategies that involve drawing support from other households’, individuals and associations particularly during periods of livelihood hardship. Holzmann (2001) points out that informal social protection include not only informal coping strategies, but also mitigation strategies. Mitigation strategies, according to Holzmann (*ibid*), help individuals to reduce the impact of a future risk, for example through informal insurance mechanisms.

Informal safety nets are mostly based on shared cultural values and norms about solidarity and support and are also commonly referred to as informal support networks, informal risk sharing arrangements or private transfers (Arnall *et al*, 2004). Support from informal safety nets may be in the form of material assistance or services such as provision of labour, child care and accommodation among others. Informal safety nets may also be in the form of participation in local mutual assistance associations such as rotating credit and micro-finance groups that perform a range of functions such as providing social insurance and loan facilities (Arnall *et al* 2004).

Informal safety nets, according to Foster (2005), are commonly provided through the organizational infrastructure of social networks; mostly extended family and community networks. According to Levine (1990) cited in Foster (2005), extended family networks consist of individuals who by birth, adoption, marriage or declared commitment share deep personal connections and in most cases are mutually obligated to provide and entitled to receive support of various forms, especially in times of need. Community networks on the other hand consist of people in social interaction within geographic area and having one or more additional ties (Hillery, 1955 cited in Foster, 2005). These in most cases include neighbours, friends and community associations.

Benda- Beckman and Kirsh (1999:26) propound that despite the importance of informal safety nets, there is need to avoid romanticizing or glorifying these systems because some may also involve exploitative, asymmetrical and patronage relationships. Benda- Beckman and Kirsh (1999:28) made reference to informal safety nets in Southern African countries, some of which were found to be predatory such as the katapila in Mozambique which is a money lending system with arbitrary interest rates. Furthermore, informal safety nets are also not static systems, but change over time. Thus, it is important to be aware of the possible positive and negative aspects of different forms of informal support systems.

2.1.3 Child poverty

Minujin *et al* (2006: 483) observes that most poverty studies do not differentiate child poverty from general poverty perspectives. Laderchi *et al* (2003: 6) identifies four different perspectives of poverty; monetary, capability, social exclusion and participatory approaches. These approaches are discussed briefly below.

The monetary approach view poverty in terms of deprivation of means (incomes) and is based on analysis of incomes and expenditures. Child poverty within this perspective is defined as a headcount of children living in households where resources, expressed in monetary terms fall below a certain level, viewed as insufficient to purchase the goods required for material wellbeing (Nobel *et al* 2007: 54-55). The approach distinguishes between absolute and relative poverty. Absolute poverty is identified by an income based poverty line that represents the minimum level of income necessary for individuals and households to buy the goods necessary for their survival (Minujin *et al* 2006:483). Relative poverty measures on the other hand draw the poverty line at a given percentage of median national income and are mostly used in developed countries (*ibid*). The monetary approach is the most commonly used to define and measure poverty by international development organizations and governments. However, this approach has limitations in measuring child poverty because for example, it does not consider issues such as household structure, age and gender. Studies have shown that the burden of poverty is carried unequally within the household with children and women bearing greater adverse effects. Also children's wellbeing also depends on non-market goods such as care and security.

The social exclusion and participation approaches define poverty as exclusion from cooperative activity and not being "able to participate in the social life of a community at a minimally acceptable level", (Kanbur 1987:64 cited in Barrientos, 2010). These approaches are important in highlighting marginalization and failure to participate fully within a society (and not necessarily income), as the root causes of poverty. Also poverty due to social exclusion or lack of participation in social life is more likely to be permanent as opposed to transitory. Thus, the approaches provide a dynamic view of poverty as opposed to a static one. The approaches may be useful in defining poverty since the consequences of social exclusion for children are normally life-long and intergenerational.

Sen, the pioneer of the capabilities approach point to the limitations of the income approach and argues that income alone may not be a reliable indicator of wellbeing because of the differences individuals face in transforming the income into valuable achievements (functionings) (Sen, 1999). Poverty within this perspective is viewed as deprivation of ends, the failure to realize individual potential or capability and to achieve rational life plans (*ibid*). As such, Sen underscores the need to focus on outcomes as opposed to means which may not achieve the

intended goal of wellbeing. Sen's focus on wellbeing and outcomes is also important in researching child poverty

However, despite the usefulness of the different poverty perspectives, Minujin *et al* (2006: 285) and Mirungi- Mukundi (2009) argue that there is need for child specific definitions of poverty because children may experience poverty differently from adults. Nonetheless, for practical reasons, this study relies more on the monetary approach that utilises household income in defining child poverty. This is because measurements based on the monetary perspective are more available in literature and offer a simpler way of profiling child poverty.

2.2 Theoretical framework

This sub-section outlines the theoretical approach of the study and discusses altruism and exchange theories. Altruism and exchange theories are the two main perspectives used in literature to examine informal transfer behavior and both hinge on examining motives for providing informal transfers. Barro (1974) states that exploring the motives for why people provide informal support is important in studying the effects of formal transfers on informal ones because different motives may imply different outcomes of formal transfers. Exchange and altruism theories have been used to explain informal transfers in both the developed and developing countries.

2.2.1 Altruism

The concept of altruism as the main reason for explaining pro-social behavior straddles sociology, economics and social psychology disciplines. Broadly, altruistic behavior relates to giving of material and non-material support to others in situations where there are no perceived or expected gains (Tomini, 2010: 4). Altruism is essentially one-sided, with resources flowing in one direction, involving sacrifice of self-interest and without consideration of mutually beneficial relationships. The giver does not expect anything in return. According to Kolm (2006), altruism is mainly related to normative behavior and triggered by psychological sentiments such as sympathy, empathy, affection, compassion and pity.

Within the economics discipline, Becker (1974) proposes a theoretical model of altruistic transfers that predicts a decrease in informal transfers with increase in recipient's public transfer income. Due to the fact that altruistic transfers occur because of the unconditional concern for the welfare of the receiver, providers may adjust and cut back their provisions in the presence of

alternative income from public transfers. As such, public transfers may merely displace or ‘crowd out’ informal transfers, leaving the economic wellbeing of the recipient unchanged (Cox and Fafchamps, 2008).

2.2.2 Exchange

Exchange theory also straddles sociology, economics and social psychology disciplines. Although social exchange theory and economic exchange theory may have some differences, they both share the premise that human relationships are governed by the principle of reciprocity and the expectation of receiving something in return for valued goods, services and sentiments, either immediately or in future (Gouldner, 1960; Kolm 2006a; Silverstein *et al* 2002: 4). As such, informal transfers are not one-sided but constitute mutually beneficial exchanges.

Different forms of exchange have been considered including immediate, short term exchange and delayed, long term exchange that might occur over a life-time and across generations (Agree *et al* 1998:4). Exchange can also be restricted, involving transfers between pairs or dyadic relations (*ibid*) or generalized where the initial giver could be paid by a third person and not necessarily by the initial receiver (Kolm 2006a). Generalized exchange concept embodies a wider network perspective where resources are redistributed from one network member to another.

Seminal work by Cox (1987) identified mutually beneficial exchange, rather than altruism as motive for intergenerational transfers. In Cox’s theoretical model, crowding out between formal and informal transfers does not necessarily occur. Cox predicted that formal transfers exerted either a negligible effect on informal transfers or may increase informal transfers by providing additional resources for exchange between and within households. In this way, exchange motivated transfers may strengthen the effects of informal transfers.

Although altruism and exchange motivations are sometimes presented as mutually exclusive, it may be possible for transfers to be motivated by both altruism and exchange (Kalmijn, 2005: Kolm and Ythier 20006; 168). Silverstein *et al* (2002) contend that it is rare to observe purely altruistic or purely exchange behavior in informal transfers but normally a mixture of multiple motives. Furthermore, Cox *et al* attempted to reduce the dichotomy between altruism and exchange motives and proposed a mixed motives approach that combines elements of both

altruism and exchange (Cox *et al*, 1998). In a mixed motives model, altruism is the dominant motive at low income levels below some threshold. The exchange motive takes over once the income threshold is reached and the relationship changes. This model suggests that crowding out applies when formal transfers are given to very poor households with income below some level. For households with income above some threshold, formal transfers would have negligible effects on informal transfers.

For the purposes of this study, when going through the various studies in this review, the paper will examine which of these theories (exchange and altruism) on what motivates informal support seems to get most empirical support in various studies.

3. Methodology

This is a literature review study. The study involves a systematic review of primary research studies on the relationship between CSG and informal safety nets. Studies on how the CSG might be designed to strengthen informal safety nets are also included.

A systematic literature review involves a systematic and explicit identification, selection and assessment of relevant research studies with regard to a particular research question (MacDonald 2003:4). A systematic approach is meant to reduce biases in the process of research synthesis. A literature review is an important approach to “conceptualize research areas and to survey and synthesize prior scientific research” (Webster and Watson, 2002) with regard to a research question. The approach also directly contributes to a cumulative culture, which is desired in any research field (*ibid*). A literature review approach is appropriate for this thesis because it provides a cumulative insight of the current state of scientific research on the relationship between the CSG programme and different categories of informal safety nets. Also a review study makes it possible to consider where the balance of evidence lies in relation to the effects of the CSG programme on informal safety nets. This section outlines the search strategy, selection criteria, data extraction and synthesis approach as well as issues of internal and external validity and also limitations of the study.

3.1 Literature search strategy

The initial search occurred between April and June 2011. A second search for more up to date studies was also conducted between June and August 2012. The literature search was guided by

the study's research questions. The first research question is, 'what is the relationship between formal and informal safety nets, with specific reference to the CSG?' The second research question is 'has formal social protection led to crowding out or crowding in of informal safety nets for children living in poverty in South Africa?'

Relevant studies for the first two research questions were identified through a search of electronic academic databases and official websites of relevant organisations for primary research studies. The databases searched included the following; BYBSIS, Academic Search Premier, Social Sciences Citation Index and Google Scholar. The websites of relevant organizations such as the South African Department of Social Development were searched for research reports. Additionally, citation tracking of articles citing a particular study was possible with Google Scholar and Social Science Citation Index. Reference lists of main studies were also used to check for more relevant texts. The search was limited to English language studies.

The search terms used in the databases were applied to all the other searches to ensure homogeneity. The main search terms adopted were: *Child Support Grant, South Africa + informal safety nets*. The initial search with these main search terms yielded about fifteen articles. To broaden the search, related concepts and synonyms were used and these included; *Child Support Grant + informal transfers, Child Support Grant + private transfers, Child Support Grant + informal risk sharing arrangements, Child Support Grant + inter and intra household social solidarity, Child Support Grant + role of extended family, and Child Support Grant + remittances*. The search yielded considerable amount of hits, about fifty six in total, which included journal articles, discussion papers, commissioned research reports and academic theses.

The third research question is 'how might social protection measures be designed to crowd in more informal social protection?' The search for relevant literature on this question involved a two stage process. The first stage involved identifying primary and secondary texts reporting generally on research designs of different social assistance programs worldwide. The study used the following electronic databases for the search; BYBSIS, Academic Search Premier, Google Scholar and Social Science Citation Index. The search terms used were; *social assistance programmes + design, social transfer programmes + design*. The search resulted in a total of twelve articles.

The second stage of the process involved detailed examination of the twelve texts. From these texts, two designs; the use of conditionalities and also mechanisms for caregiver support were picked as appropriate designs to strengthen CSG. A second search for literature reporting on the two designs was conducted in the databases mentioned above. Citation tracking and identifying texts from reference lists of relevant studies was also done. The following search words were used; *social assistance programs + conditionalities, cash transfer programs + conditionalities, social assistance program + children + caregiver support*. The process resulted in twenty-two texts being identified.

3.2 Selection criteria

The selection stage for studies on the CSG programme involved a detailed examination of the fifty six retrieved articles. The studies were assessed for quality and relevance. Studies were included if they were based on primary empirical data, if they contributed to understanding the effects of the CSG on informal safety nets and if the methods, findings and analysis were detailed enough to provide a sound basis for the conclusions reached.

Further inclusion criteria was for research studies published in reputable refereed academic journals or commissioned research reports and working papers from reputable research and development organizations. Master theses were also selected due to their relevancy to the topic. Two 'grey' literature studies with strong research designs were also selected due to the relevance of the research. Theoretical papers not reporting empirical data were excluded for the review.

The selection process resulted in twenty articles on the CSG being included for the review; eight articles from referred journals, four Master theses, four commissioned evaluation studies, two working papers from reputable research organizations and two grey literature studies. For a list of reviewed texts, their research designs and study focus see appendix.

For literature on how formal social protection might be designed to crowd in informal support, fifteen texts were selected from the twenty-two retrieved. The selected studies focused on the experiences of either one or more social assistance programme /s with conditionalities and / or caregiver support as part of their program designs. Selection criteria also included studies published in academic referred journals, academic books, commissioned reports and working papers from relevant reputable international organizations.

3.3 Data extraction and synthesis

Data extraction involved summarizing and sorting into categories the key findings of each research paper based on the themes derived from the research questions of the study. The extracted data also included detail on the methodology of each research paper. For the studies on the CSG, the findings of each research paper were noted whether they reflected CSG as crowding in, crowding out or having no effect on informal transfers. The findings across the different categories in all the included studies were then combined and analyzed using narrative synthesis.

The narrative synthesis approach is a mechanism of synthesizing findings from multiple studies (both quantitative and qualitative) and relies primarily on the use of words and text to explain the findings of the review (Pope *et al* 2007). The process involves exploring relationships within and between reviewed studies. The approach includes interpretive analysis which involves exploring alternative interpretations of relationships across and between studies (*ibid*).

The study in addition uses theory testing as a mode of analysis to investigate which theoretical perspective between exchange and altruism approaches gets the most support from the reviewed studies.

3.4 Internal and external validity

Internal validity generally relates to the extent to which the findings of a research ‘accurately’ represent the phenomenon under study. Randomised studies that involve random assignment of units to two groups are considered to lead to high internal validity (Chambliss and Schutt 2006, 139). Internal validity in both quantitative and qualitative research might also be enhanced by systematic, explicit and transparent processes for carrying out the research (Golafshani, 2003: 298). This study, to minimize selecting papers with low internal validity, attempted to include papers (both quantitative and qualitative) with detailed explanations of systematic and rigorous research designs.

External validity, on the other hand, relates to the extent to which findings from a study or set of studies can be generalized across contexts and time. Collingridge and Gantt (2008: 390) espouse that studies that build on existing theoretical concepts, adopt sound research designs and clearly define how the findings apply to other contexts, might produce results that can to some extent be

generalized across settings and time. The thesis did not, however, set out criteria for assessing the external validity of the studies under review.

3.5 Methodological limitations

A literature review study is a useful way of synthesizing diverse types of evidences relating to the effects of the CSG programme on informal safety nets. However, there are several limitations and weakness that were noted in carrying out the study. The limitations are in relation to the search process, data synthesis and analysis process and also to the quality and scope of the selected research papers. These limitations are discussed further below.

With regards the search process, the current study was limited to English language studies which could be a source of bias. Notwithstanding this weakness, the study attempted to reduce chances of excluding important works through an extensive search process that covered electronic data bases, reference lists of important research studies, citation tracking and websites of relevant organizations. Another limitation in the search process was that some papers might not have been identified using search terms because their titles do not contain the search words adopted by the study. To address this potential weakness, the study attempted to use a wide combination of search terms that captured the essence of informal safety nets for poor children in South Africa. Also the use of reference checking and citation tracking was useful in identifying key studies with title which would have otherwise not been captured through the use of search terms.

The process of data synthesis involves combing diverse sources and evidences from both quantitative and qualitative researches. This process is necessarily interpretive and there is need to acknowledge that one cannot completely eliminate judgment from the process. Decisions have to be made about several issues, for example, the essential characteristics of informal safety nets and the main categories relevant to the study. The study attempted to be reflective of how the potential biases of the reviewer could be minimized.

There are several limitations with regards the quality and scope of existing research in the area under study. Firstly, the quantitative studies on the relationship between CSG and informal safety nets are correlational and cannot thus determine cause-effect relationships. To establish causal relationships, research would require experimental designs in tightly controlled conditions, which is difficult in social science research. Nonetheless, correlational research is

able to reveal significant associations between CSG and aspects of informal safety nets. A further weakness in the majority of quantitative studies used in the review is that they utilize national and regional general household surveys. These are surveys meant for general use and do not specifically address the issue of the CSG and informal safety nets. Only three quantitative studies used cross-sectional data obtained for the specific purposes of the studies.

The research involves sensitive issues of household finances and private life which respondents might not be willing to accurately report. The qualitative studies in the review used mostly interviews and focus group discussions to assess the effects of CSG on informal safety nets. Respondents' reports may be affected by social desirability and self-enhancing biases. As such, in this review, results should be tempered by the consideration that the research studies might be providing a partially accurate portrayal of the relationship between the CSG and informal safety nets.

Furthermore, the interest of this study is on the interplay between formal and informal social protection that address child poverty. However, there is no data that separates child and household poverty. As such, poor household are used as the unit of analysis in discussing the effects of the CSG on informal safety nets.

4. Findings

This section presents the main findings of the literature review. The findings are based on the study's research questions. The first subsection presents findings on the first research question; what is the relationship between formal and informal social protection that address child poverty in South Africa, with specific reference to the CSG? The second subsection presents findings on the second question; has formal social protection led to crowding out or crowding in of informal safety nets for children living in poverty in South Africa? The third subsection considers findings on the third research question; how might formal social protection measures be designed to crowd in more informal social protection?

In addition, although methods have been commented on in the methods section, the first and second subsections also provide comments on the methods of specific texts used within each of the subsections.

4.1 The relationship between CSG and informal safety nets

Findings on the relationship between the CSG and informal nets are presented in two parts. The first part presents findings on the sources of informal support available for households with children living in poverty. The second part presents findings on ways in which informal networks change in the face of the CSG.

4.1.1 Sources of informal support for households with children living in poverty

The extended family, neighbours, friends and other community members are the main sources of informal social support identified in the studies.

Fifteen of the twenty studies in the review identify extended family as the most important source of informal safety nets for poor households with children in South Africa. The extended family is culturally ‘obligated’ to provide informal support when needed. The range of ‘obligated’ kin is wide, starting with immediate family but also encompassing more distant kin, clan members and even involving pseudo kinship relations.

Arnall *et al* (2004: 451) conducted a qualitative study in Mooiblom, an informal urban settlement in South Africa on the perceptions of residents concerning sources of informal safety nets available to them. From the interviews with thirty six respondents, 69% ranked extended family as the major source of support, 19% friends, 7% immediate neighbours and 5% patrons (*ibid*). Furthermore, the Department of Social Development (DSD) *et al* (2011) carried out a qualitative study that utilised seventy two focus group discussions (FGDs) in four South African provinces. The study discovered that poor households were more likely to reside in three and four generational households compared to relatively non-poor households. The intergenerational household in most cases was a source of intra-household support and availability of resources enhanced the capacity for this form of support.

The extended family provide informal support in the form of gifts such as cash, clothes, food and other household items (DSD *et al* 2011; Hunter and Adato, 2007; UNICEF, 2008). They also provide remittances, loans, accommodation and child care services. Among the extended family, grandmothers play a significant role in child care giving (UNICEF, 2008; Hunter and Adato, 2007; Bray and Brandt 2007; Mayrand 2009 and Williams 2007).

Eleven of the twenty reviewed texts identified friends, neighbours and community members as the other sources of informal safety nets available to poor households. Arnall *et al* (2004:451) discovered that the role that friends, neighbours and community play in providing informal safety nets is not obligatory and is less dependable compared to that of the extended family. Respondents in Arnall (2004: 452)'s study reported receiving larger value goods, cash and services from family members though less frequently. Friends and neighbours provide small value goods, cash and services but more frequently. Community members are sources of mutual support associations such as rotating saving and credit associations (ROSCAs) and stokvels (Bray and Brandt, 2007; Heijstek, 2012; and Hunter and Adato, 2007). These associations are based on mutual savings and every member of the group takes up the collective savings on a regular basis and purchases some big or valuable asset for the household.

Seven of the twenty studies in the review pointed out that although the extended family, friends and community were sources of informal support, poor households tended to have weak informal support. Poor households were found to be also poor in social capital. They have fewer friends, neighbours and relatives in whom they can depend on in times of crises and were less likely to receive assistance compared to better off households. The Centre for Social Development in Africa (CSDA) (2012: 33) discovered that within the kin and community networks, poor households with no resources of their own lack status. Consequently, they are disadvantaged by patriarchal discourses and gender roles. Poor, marginalized households are less able to make effective claims on kin for scarce resources (*ibid*).

In addition, UNICEF (2008) also discovered that poor households were more exposed to exploitative and patronage relationships if they did not have resources of their own. For example, poor households could resort to providing their labour and that of their children to work in fields of better off neighbours in exchange for food and small cash without the hope of moving out of the poverty cycle.

Based on the reviewed texts, table in figure 1 provides a summary of the sources of informal safety nets for poor households, nature and frequency of support and also level of access to the informal safety nets by the poorest households.

Figure 1, Informal safety nets for poor households in South Africa: A tentative synthesis of the readings

Sources of informal safety nets	Nature of informal support	Frequency	Level of access by poorest households
Extended family, intra- household	Child care, sharing resources, chores	Daily	High since most live in multi-generational households
Extended family, inter- household	Cash gifts, material support, accommodation, child care giving	Occasionally but relatively high value	low
Friends, neighbours and other community members	Cash loans and gifts, child day care, mutual associations, labour exchange	Frequently	low
Local retailers, patrons	Food items, basic household goods	occasionally	Very low

To sum up, reviewed studies highlight the extended family, neighbours and other community members, at varying levels, as sources of informal safety nets. On the other hand, several texts discovered that access of the poorest households to these informal networks is limited due to their marginalized positions and lack of resources. It is important to point out the limits of the review literature in understanding the area of informal safety nets for poor households with children in South Africa. The findings presented above are mostly based on qualitative studies on the perceptions and experiences of research respondents. The information is mostly derived from reported and not observed responses and as such, might be affected by reporter biases. Moreover, the methodological designs do not make it possible to quantify the magnitude of the informal transfers and contribution to total household welfare. As such, the literature provides a general insight into the sources and nature of informal safety nets available to poor households but

caution might be needed in drawing strong conclusions concerning the contribution of the informal transfers towards the households' welfare.

4.1.2 Ways in which the informal networks change in the face of the CSG

Three quarters of the review studies noted changes in intra and inter household relations in response to the presence of the grant. There were changes in the direction of flow of resources, in the status and decision making powers of recipients, in gender relations and in family cohesion among others.

Heijstek (2012) in her qualitative study in Doornkop, a poor residential area in Johannesburg asked study respondents if they had experienced any changes in informal social support due to the grant and the majority of the respondents reported that they had not. However, after in-depth interviewing, the author discovered that grant recipient had increased their capacity to participate in reciprocal relationships involving low value cash gifts and thereby slightly increasing their social standing within the community. Similar findings to that of Heijstek (2012) have been reported by several authors, where deeper probing of respondents revealed that some were able to use part of the cash transfer to settle debts owed neighbours and kin (DSD *et al*, 2011). Others reported being in a position to contribute gifts and cash into the network. Neighbours and relatives were being more willing to lend them money in times of need (Mutshaeni, 2009: 68). The flow of resources was no longer uni-directional and this improved their standing in the network.

The CSG was also reported to have a positive impact on intra and inter household gender relations (Patel, 2011, Goldbatt 2005, Van Til 2012). The grant is mostly targeted to female caregivers. The reviewed studies document that targeting female caregivers had a positive effect on the decision making and bargaining powers of the women *vis-à-vis* male partners and relatives. The study carried out by DSD *et al* (2011) reports that male respondents reported that they had little say in how the grant was used and had to bargain and borrow when they had some urgent need for cash. According to CSDA (2012: 63), Van Til (2012), and Mkhize-Ndlovu (2009), the grant enhanced women's power and control over household decision making in financial issues, in relation to general household spending and wellbeing of the target children. Also teenage mothers abandoned by their partners were more able to receive support from family and relatives compared to before inception of the grant.

Ten of the twenty review studies report improvements in family cohesion due to access to the CSG. UNICEF (2008:2) found that approximately 51% of recipient household reported pooling the grant money with other household income such as remittances, wages and gifts. Surrender *et al* (2007: 21) found that some poor intergenerational households were also recipients of multiple grants such as Old Age Grant (OAG) and Disability Grant (DG). Williams (2007) utilized data from the General Household Survey 2002-2005 and found that 21, 7 % of CSG recipients live in households with OAG while 14, 3 % live in households with DG. Surrender *et al* (2007) and Hunter and Adato (2007) state that the pooling of the grants strengthened kinship networks since benefits accrue to all members of the household as well as extended members.

UNICEF (2008:19-20) reported that recipient households were more able to purchase cell-phones than non-recipient ones in rural areas. Purchase of cellphones, according to the UNICEF (*ibid*), allow communication between spatially distributed informal networks, promoting cohesion. The cell phones helped to improve communication, build social capital and also reduce the transactional costs of seeking employment (UNICEF 2008: 20).

Despite the reported positive effects on informal relationships that were due to access to the grant, DSD *et al* (2011: 43) points out that the grant could also be a source of tension and conflict within the extended family, especially intergenerational conflicts. The study cites perceptions about the grant expressed in a series of FGDs where teenage mothers were perceived as not responsible enough to use the grant wisely and rely on grandparents and other relatives to look after the children yet they do not relinquish control of the grant. In one reported case, the grandmother narrated that she woke up one morning and found her grandson abandoned at her gate by the teenage mom who could not be located yet the mom did not surrender control of the grant. However, Case *et al* (2005: 469), using information on the CSG national grant beneficiaries records, discovered that only 3, 7% of children in CSG had teenage mothers.

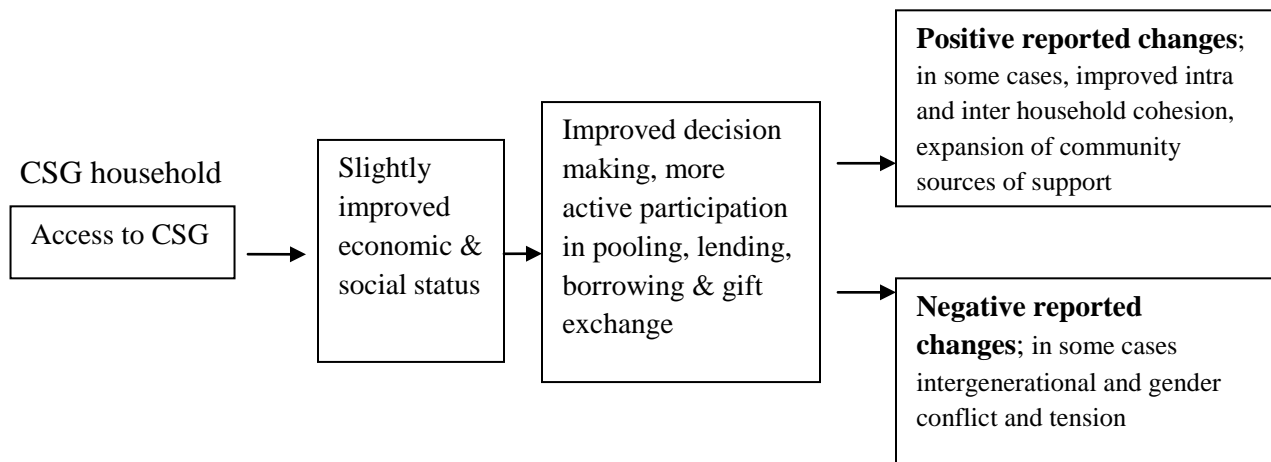
There were reported cases, though few, of conflict within the extended family as different members competed to be registered as the primary care givers so that they could collect the grant (DSD, *et al*, 2011: 30).

Two studies point out that the size of the CSG transfer is too small to have a significant impact on gender relations (Heijstek, 2012; Mutshaeni, 2009). They espouse that targeting women as

primary caregivers might reinforce the stereotype care giving roles of women and add to the burden of responsibility that women have.

The diagram below shows the various changes in informal safety nets due to access to the grant.

Figure 2: Access to CSG and changes in informal safety nets



Source: Author

The findings presented in this sub-section indicate that the grant had several reported positive changes on the position of the recipient household with regard informal networks but there were cases where the grant could also be a source of conflict. However, the studies reviewed were not able to provide direct evidence that the CSG transfer was responsible for the positive and negative ‘changes’ reported without discounting other possible confounding factors. For example, studies did not distinguish between households receiving the CSG transfers only and those receiving multiple grants such as OAG and DG in addition to CSG. Additionally, most of the conclusions drawn were from qualitative studies and based on self reported responses and also from deeper probing of respondents’ responses which might only provide a partial picture of the ‘reality’. As a result, in the reviewed studies above, the evidence has to be interpreted with care and conclusions cautiously drawn. The next section addresses the issue of whether access to the grant crowds in or crowds out informal safety nets.

4.2 CSG crowding out or crowding in informal safety nets

Assessing whether the CSG crowds out or crowds-in pre-existing informal social networks requires consideration of three important issues; 1. Whether participation in CSG programme

influences the likelihood of receiving and giving informal cash transfers? 2. Whether participation in CSG programme influences the nature of care arrangements for children. 3. Whether participation in CSG programme influenced participation in inter-household community risk sharing arrangements such as rotating credits and stokvels. Each of these will be considered below.

4.2.1 Effects of the grant on informal cash transfers and material support

Four of the twenty review studies document that the majority of grant recipients reported receiving limited remittances from family members outside the immediate household prior to accessing the grant (CSDA 2012, Heijstek 2012, Mkhize-Ndlovu 2009, Mutshaeni, 2009). CSDA (2012: 16)'s study of poor, female-headed household document that approximately 17,4% reported receiving regular, limited remittances from family members outside the households while 82, 6 % reported that they rarely received remittances and other material support from outside immediate household. However, family members outside the household and neighbours were an important source of loans and gifts during periods of crises such as ill health even prior to grant access.

While respondents in Heijstek (2012: 44)'s study mentioned that access to the grant did not have an effect on giving and receiving cash transfers, in-depth interviews revealed that in some cases, family members outside the household and neighbours were no longer providing cash gifts as they now considered grant recipients as less needy. The grant money was considered sufficient to provide for their needs, especially relating to the child/ren's welfare. The study discovered that even school teachers and community leaders expected children in households receiving the CSG to meet school requirements such as buying school uniforms and stationary.

On the other hand, Case *et al* (2005), CSDA (2012) and Mutshaeni, (2009) document that the majority of respondents reported the regularity of the grant made it easier to secure credit within the community in the form of small loans for health and other contingencies. Family members were also likely to provide loan of relatively larger sums of money 'since they were now earning' (Heijstek, 2012). Respondents reported that prior to accessing the CSG, it was difficult for them to secure loans and they were more likely to receive very minimal amounts from a small circle of informal network (DSD *et al* 2011). Thus, access to the grant made it possible to expand the informal sources social support within the community. They could even borrow food

items from local shops since they were considered credit worthy because of the regular income. Neves *et al* (2009: 55), using 2001- 2003 data from Labour Force Survey, found that on average grant recipients tend to borrow 3, 9% more from family, 1, 9% more from neighbours and 0,7% more from local dealers compared to eligible non-recipients.

Heijstek (2012) documents respondents who reported occasionally using part of the grant to buy food items for struggling family members such as siblings and extended family. However, some respondents in Heijstek (2012) and in DSD *et al* (2011) reported that the grant money was not sufficient enough to spare any for others. In contrast, Du Toit and Neves (2009) documents cases of splitting, pooling and circulating grant money among extended family members, although the authors combined recipients of CSG, OAG and DG in the study.

Du Toit and Neves (2009: 20-24) provides a case study showing how the grant released pressure from the son working in the city who used to send remittances on a monthly basis and that he reallocated the money towards matriculation in studies which enabled him to get a better paying job and purchase more valuable assets for the mom who was taking care of two grandchildren. In the end, the son in the city was more able to help more members of the extended family.

Eyal and Woolardy (2011), Surender, *et al* (2007) and Williams (2007) discovered that the CSG transfer had a positive effect on grant recipient households' labour market participation, though in low wage, menial employment. Williams used data from the General Household Survey 2002-2005 and also the Labour Force Survey 2004-2005 and found that 14, 1% of mothers accessing the grant were more likely to move from unemployment to labour force participation compared to 13, 3% of non-recipients. Formal employment might have positive spinoffs of remittances sent by the mothers, according to Eyal and Woolardy (2011: 18).

On the other hand, six of the reviewed texts document reports from research respondents that receipt of the CSG may have a negative impact on payment of child maintenance by the fathers of the children, especially non-resident fathers. CSDA (2012: 23) carried out a survey of 343 households selected through systematic random sampling in Doornkop, Johannesburg and found out that 29, 7% of the respondents receiving the grant stated that the fathers no longer provided support for their children now that they were getting the CSG. However, 60, 8% of the respondents stated that the fathers of their child/ren never paid child maintenance, even prior to

accessing the grant. Beernick (2012: 31)'s research on the effect of the grant on men's involvement in child support documents that the grant affected financial support but not other forms of paternal involvement, social and cultural.

According to Budlender and Moyo (2004), the Maintenance Act 99 of 1998 espouses that parents are legally liable to contribute towards child support, including a non-resident parent. Every magistrate's court in the country is a maintenance court and responsible for determining the amount payable and enforcing payment by non-resident parent through issuance of a court order (ibid). South Africa does not, however, have a child support enforcement agency. Notwithstanding the legislation, implementation of child maintenance requirements is generally poor due to *inter alia* commonly held negative socio-cultural attitudes towards claiming of maintenance, whereby a maintenance court order is viewed as a punishment and not as a form of support for the child (Goldbatt 2005: 249 and Budlender and Moyo 2005). Furthermore, many court officials have negative attitudes towards maintenance claimants and make the process cumbersome for the complainants (Budlender and Moyo, 2005). Heijstek(2012) and Beernick (2012) found that most female respondents expressed that they were reluctant to claim child support through the courts.

The findings presented above indicate a mixture of both an increase and a decrease in cash and material support due to access to the grant. Most of these findings are based on interviews of grant recipients and comparison groups. The authors acknowledged that the area of private cash transfers is sensitive and respondents might not be too open about the subject. In-depth interviewing allowed researchers to get a 'better' picture but provide only partial understanding of the area. Also the reviewed texts lack quantitative data on remittances and the pattern of sending remittances before and after access to the grant. Thus, although it provides some important insights into the area, the methodological designs used in the studies might not be strong enough to draw conclusions with a high degree of certainty. Findings on the effects of access to the grant on the care giving and living arrangements of recipient children are discussed in the next section.

4.2.2 Care giving and living arrangements of children under CSG

Half of the twenty texts reviewed mention that, generally among both grant recipient and non recipient households, child rearing practices were found to take place within the context of the

extended family system. Studies found that it common for children to be taken care of by a range of care givers and move between different families and relatives. These care giving arrangements were made without the involvement of the welfare system and ranges between one and ten years in kinship care (Bray and Brandt, 2007 and CSDA (2012:14).

Mayrand (2009: 2-3) found that for both CSG recipients and non-recipients, about 52% of the fathers were living elsewhere, either working away from home or having deserted the family. Women mostly provided the bulk of childcare. Also using data from a provincial general survey, the KwaZulu Income Dynamics Survey (KIDS), Mayrand found that approximately 80% of the registered CSG care givers were biological mothers although it was also discovered that some of the mothers not did not reside in the same household with the child/ren yet collected the grant. An estimated 20% of all children less than 18 years lived away from both biological parents (Mayrand 2009: 2). These were mostly in care of grandmothers (50%) and the rest (50%) aunts and other extended family. Children thus lived with close relatives and were taken care of within the extended family.

Mayrand (2009) studied the effects of CSG on child rearing practices. The research used a combination of qualitative and quantitative methods. The focus of the study was on assessing the impact of the CSG on parent's decision to raise their children versus placing their children in kinship care. Using data from 1998 to 2004 KIDS, Mayrand (2009:5) found that the CSG programme increased by 5% to 7% the number of children cared by their biological parents. Receipt of the grant made it possible to be involved in child care work and also to get more support from relatives for care. Williams (2007) and Eyal and Woolard (2011) on the other hand, found that grant receipt increased the likelihood of biological mothers in rural areas leaving their children in the care of grandparents and aunties while they moved to urban areas in search of formal employment.

In terms of child care practices, respondents in Heijstek (2012: 39) did not see much difference in the way neighbours and family assist with child care due to access to the grant. According to the study, respondents reported that day to day child care typically occurred between household members and neighbours and that a significant proportion of practical care giving happens in relationships and physical spaces outside the immediate household. Children spent time

socialising and eating with other children of close neighbours and watched by adult neighbor or extended family. According to the findings, many different people contribute to care giving, either directly or indirectly and respondents did not think that access to the grant had affected this practice. Additionally, three quarters of the reviewed texts concurred that grandmothers continued to be the most important providers of kinship care to children living away from their parents.

The findings from the texts presented above suggest limited influence of CSG on the care giving and living arrangements of recipient children. However, the methodological designs adopted by the authors are not strong enough to draw strong conclusions on the matter. For example, Maryland (2009) utilizes the KwaZulu Incomes Dynamics Survey, a general survey, not specifically intended for her particular study, to derive her conclusions. The data is based on the assumption that the registered primary care giver resides with the child/ren which might not be the case. As such, inasmuch as the findings are important in raising the possibility of the various presented effects of the grant on care giving and living arrangements, there is need to remain cautious about drawing strong conclusions about the findings.

4.2.3 Effects of the CSG on participation in community risk sharing arrangements

Only two of the reviewed texts, Neves et al (2009) and The DSD *et al* (2011) provide information in considerable detail concerning grant recipients' participation in community risk sharing arrangements. The studies indicate that the most common community risk sharing arrangements among both rural and urban low income communities included *umcalelo* or informal savings groups, burial societies and community health insurance (Neves *et al* 2009:72; DSD *et al* 2011). Neves *et al* (2009:72) reports that *umcalelo* savings were intended for home-building, furniture and capital for income generating projects.

The CSDA (2012: 2) documents that approximately 21, 7 % of the CSG recipients in their study reported using part of the grant in building up savings through participation in informal savings associations, especially for those in rural areas. Respondents reported that the regularity and predictability of the CSG grant made it possible for them to become more active participants in risk sharing arrangements within their community (*ibid*). According to the study, these informal savings and insurance arrangements, though flexible in nature with room to negotiate terms, they require a regular transfer of cash into the associations in order to work well. Membership is

premised on the capacity to make the required payments and the very poor households without predictable source of income may find themselves excluded.

Neves *et al* (2009) utilized survey data from South Africa's Labour Force Survey conducted 2001-2003 and uses a quasi-experimental propensity score matching to compare social grants recipients and non-recipients of similar socio-economic status. The survey provides information on participation in informal mutual savings associations and other saving arrangements. The study found that on average 3, 2% more grant recipients participated in stokvels and other savings associations compared to non-recipients, indicating modest effects. DSD *et al* (2011: 50) carried out FGDs in four South African provinces, three localities in each province and asked respondents about uses of the grant. Approximately three quarters of CSG recipients are found in these four provinces. Membership in burial societies and stokvels was mentioned among some of the uses of the grant in all of the provinces, though reported as used by fewer grant recipients compared to food and school related expenses.

In contrast, Heijstek (2012: 39) documents responses that the size of the transfer was not enough to channel some of it towards stokvels. Also respondents reported that they would not use the grant money for stokvels because it was meant for children.

The findings from the reviewed texts presented above seem to suggest that grant receipt had a positive association with participation in informal risk sharing arrangements although respondents in Heijstek's study reported otherwise. The reviewed studies that addressed participation of respondents in risk sharing arrangements are few and only two of them in considerable detail. Neves *et al* (2009) used data from Labour Force Survey that contains information on social grant membership and also membership in risk sharing groups. This makes it possible to gain some insight into the general trend in the two variables although the authors did not distinguish between CSG recipients and recipients of old age and disability grants. There could be a possibility that the more generous old age and disability grants were the ones mostly associated positively with participation in mutual assistance arrangements. There is, thus need to be cautious about drawing strong conclusions concerning the effects of the grant on participation in risk sharing arrangements.

4.3 How the CSG might be designed to crown-in informal transfers

This section adopts a comparative approach and provides evidence from experiences of other social assistance programs in different parts of the world to make suggestions on modifications that the CSG might make to its design in order to strengthen the relationship between the grant and informal safety nets. The findings are based on a review of relevant texts and focus specifically on two social assistance designs; conditionalities and caregiver support.

4.3.1 Conditionalities

The provision for ‘active’ conditionalities in social benefits programs has become increasingly popular worldwide. According to Overbye (2012), there is a general diffusion of active requirements in tax-financed social assistance programs globally. This subsection presents findings on different countries that have utilized this approach in the design of their social assistance programs.

Active conditionalities involve linking cash or in-kind benefits to compliance with preset conditions or participation requirements in certain activities or programs. This approach has been juxtaposed with ‘passive’ policies that are entitlement based and do not emphasize the issue of obligations or conditions on the part of recipients (Lodemel and Trickey 2001). Sanctions, such as reduction in or termination of benefits are commonly a component of active conditionalities programs.

Welfare reform in the USA and in Europe has sought to shift from ‘passive’ guaranteed social benefits towards conditioned benefits. In 1997, USA replaced the country’s main social assistance program targeted at families with poor children, Aid to families with dependent children (AFDC) with Temporary Assistance for needy families (TANF). The former involved guaranteed benefits to all families with children and having resources below state determined subsistence levels. TANF however conditions receipt of benefits on parents’ complying with work requirements activities such as active job search, attaining qualification for work or engaged in work (Roberts, 2005:2).

Another important component of the TANF program is the child support cooperation requirement. Lone parents (normally mothers) under the TANF program, are compelled to pursue child maintenance from the fathers (or mothers) of their children. This includes cooperating with the Child Support Enforcement Agency such as supplying relevant information

and evidence as well as appearing as a witness at hearings (ibid: 3). Skinner *et al* (2007: 7) point out that in addition to USA; most OECD countries require lone parents on social assistance to cooperate with courts or responsible government agencies in obtaining financial support from non-resident parents. United Kingdom (UK) and Norway, among other European countries have universal child benefits and at the same time uphold that children are entitled to care and support from both parents, including a non-resident parent. Enforcement of child maintenance is done through the Child Support Agency in the UK (Atkinson and McKay, 2005:9). In Norway, the state provides advance maintenance, a payment guaranteed by the government and then takes over the responsibility for collecting due payments (Skevik, 2003).

As with USA, most Western European countries have adopted active conditionalities policy ideas although their scope and structure varies from country to country. For example, UK introduced the ‘New Deal’ activation programme during the Blair administration targeted at unemployed youths, long term unemployed adults, single parents and the disabled. Scandinavian countries have introduced qualification and higher benefit integration programs for the unemployed and recent immigrants. Cash benefits are conditioned on participation in these programs (Overbye 2012). In Germany, welfare reform in 2005 referred to as Hartz IV instituted activation policies where unemployment benefits were tied to activation requirements (Knuth, 2007).

Brazil and Mexico pioneered CCTs for poor households with children in the mid 1990s in programs known as Bolsa Familia and Oportunidades (formerly Progresas) respectively. The two programs have health and education components and are nationwide programs. For households to receive cash, they have to actively ensure regular school attendance, visit to health centres and vaccination against childhood diseases (Rawlings 2005:34). Perceived successes in these programs has resulted in significant growth in interest in CCTs and within a decade have spread across Latin America, the Caribbean and currently operating in more than thirty countries of the Global South including Africa, middle- East and Asia (Pecka and Theodoreb 2010:1). The CCTs in the different countries vary in scope but are all are geared towards providing both needed social assistance while promoting long term human capital development. Rawlings (2005: 34) notes that the most popular conditional cash transfers in Latin America comprise a combination of education, health and nutrition components.

Several impact evaluations, especially of Mexico and Brazil's CCT programs suggest that conditionalities do contribute in encouraging school attendance and in following health protocols in checkups and vaccination of children (Pecka and Theoreb, 2010). However, substantial administrative capacity is required to run CCTs and workfare programs as they require a means to monitor compliance with pre-set conditions. Inclusion of conditionalities concerning, for example, child maintenance from fathers might reduce crowding out of informal safety nets as a result of access to the grant. The next section considers caregiver support as another program component that might strengthen effects of child support grants on informal safety nets.

4.3.2 Establish mechanisms for caregiver support

In this subsection, the study presents findings on examples of social assistance programmes in different countries that have attempted to establish support mechanisms for caregivers. These include provision of training, counseling, and child care facilities.

While caregivers, whether parents or informal kinship provide important social protection for poor and vulnerable children, they may face challenges such as ill health, lack of education and lack of childcare facilities (Fiszbein and Schady (2009:18)). The wellbeing of caregivers affects the children's lives (UNICEF Social Protection Framework, 2012: 9). Furthermore, according to Fiszbein and Schady (*ibid*:21), cash transfers for poor children may achieve an increase in school attendance and health care visits but produce modest effects on final outcomes in health and education if important constraints at household level are not addressed in the design of the cash transfer programs. They point out that, for example a CCT, by itself or even in combination with high quality schools and health centres, is unlikely to remedy home environment inadequacies. Fiszbein and schady (*ibid*) espouse that cash transfer programs might benefit from experimentation to see what combination of cash, conditions, information provision and caregiver support is most effective in ensuring comprehensive welfare provision for target children.

The TANF program in the USA has created state operated kinship caregiver program to assist people caring for relatives' children. The program, for example in New York, works with community based organizations in facilitating the delivery of services that address caregivers' needs (New York State Office of children and family services homepage). Activities have been established that provide opportunities to build skills in child care and in family support and

counseling. Social workers pay visits to children in kinship care to discuss special needs of different caregivers and the children under their care.

In Mexico, the Oportunidades CCT program attempts to expose parents to ‘new’ parenting practices and information by conditioning transfers on participation in talks (*platicas*) (Friszbein and Schady (2009:26). The CCT program in Guatemala has established education, training and health activities associated with the programs’ objectives. The program works with community representatives, municipal promoters and regional coordinators. In addition, the program provides counseling materials to health centres and also funds for hiring additional medical personnel in targeted municipalities (Hurtado 2011:3).

Akhter *et al* (2009:74) report that in Bangladesh, in addition to cash transfers, participants in various cash transfer programs are also provided with development support such as basic literacy and numeracy, income generating activities, life skills and counseling. Women are provided with information and counseling on health and nutrition issues in the families.

The National Rural Employment Guarantee (NREGA), public works social assistance program in India has a provision for children care facilities at worksites. The NREGA act stipulates that wherever there are at least five children less than six years at the site, child care facilities should be provided at the site (Oxfam, 2010). This alleviates difficulties caregivers may have in accessing child care facilities while they earn a living.

In addition to the need to offer support, information and training to parents and kinship caregivers in general, there is also need to pay particular attention to the role and needs of grandparents (UNICEF Social Protection Framework, 2012: 09). Evidence from Latin America, Africa and Asia indicate that there is a significant and increasing role of grandparents as primary care givers (*ibid*). However, some elderly grandparents may be faced with challenges of being above working age and not having access to adequate financial resources, age-related ill health and diminished capacity to actively attend to the educational and health needs of the children. For example, in China, paternal grandparents are the main primary care providers of orphaned children although financial responsibilities may be distributed among the extended family (Shang 2008:210). In addition, children are normally left in the care of grandparents in rural China by job-seeking parents who migrate to urban areas (Chen, Short, and Entwisle (2000). A

significant number of the grandparents in Shang (*ibid*)’s study, although being caregivers, were in need of support and health care services themselves. Most suffered from age-related chronic illnesses and needed financial support to seek medical assistance.

In South Africa, as with the rest of Sub-Saharan Africa, high HIV and AIDS prevalent rates in conjunction with high rural-urban migration rates has increased the importance of grandparents as primary caregivers. The old-age social pension introduced in South Africa has improved elderly people’s financial positions and this has reportedly led to significant spillover positive effects for poor children in households receiving a grant (UNICEF Social Protection Framework, 2012:10). For example, UNICEF Social Protection Framework (2012:10) reports that on average, children with caregivers receiving a pension grew 5 centimeters taller compared to children in poor households without a pension.

In conclusion, findings presented above indicate that caregiver support in the form of services and training might empower the caregivers to be more effective in catering for the needs of grant recipient children, thereby strengthening the effects of the grant on informal social support. The next section is a discussion of the study’s findings.

5. Discussion

This section synthesises findings presented in section 4. It is divided into 4 subsections; firstly, the theoretical considerations on the relationship between informal safety nets and the CSG, secondly, crowding in and crowding out effects of the grant, third, strategies to crowd in informal transfer and finally, areas for further research.

5.1 Theoretical considerations on the relationship between the CSG and informal safety nets

The two motives for provision of informal transfers, exchange and altruism, are considered in examining which of the two influence the various forms of social support available to household with children living in poverty. Altruism theory predicts a decrease in informal transfers with increase in formal transfers, while exchange theory predicts either a negligible effect or an increase in informal transfers in the face of formal transfers.

The various studies show that access to the CSG does not have a uniform effect on all forms of informal safety nets but that there are variations depending on the form of informal transfer and

the source of the social support. Generally, however, the CSG has mostly modest effects, both positive and negative. This might be attributed either to the low value of the grant or to the possibility that exchange might be the dominant motive behind the informal transfers since it also predicts minimum effects.

Studies show that the extended family, neighbours and community are the sources of informal safety nets for poor households in South Africa. The extended family is considered to be the most important source of informal transfers. However, claims on kin and community are negotiated and poor households with no resources of their own have considerably weak claims compared to well off households. Poverty exposes vulnerable households to asymmetrical power relationships based on gender and class. For example, one study reported that the majority of female-headed households rarely received material support from extended family and community. Additionally, poor households were also more likely to have a small network of kin and friends who they could turn to for help. Studies concur that access to the grant resulted in slight improvement in the social status of recipients within the extended family and community networks. It was easier for CSG recipients to obtain loans in cash and kind from family, neighbours, local retailers and other community members compared to prior to access to the grant. The grant provides the resources for participation in exchange or reciprocal relationships. This suggests that the exchange motive might be more dominant than altruism in provision of informal support although the effects were modest.

Concerning child care and child rearing practices, the CSG has modest to no effects. Support in the day to day care of children is high in the community and among extended family and there is no noticeable change in the face of the grant. Also grandparents continue to play a central role in kinship care. These modest to no effects of the CSG on child rearing practices might point to the exchange motive being the dominant motive since this theory predicts negligible effects or increase in informal transfers. However, this might also be possible that the low value of the grant.

On the other hand, there are other forms of informal safety nets where altruism motive seem to dominate. For example, there were cases of a decrease in cash gifts from neighbours and family as the grant recipients were considered as less needy compared to other family and community members. The grant, though small was expected to be adequate enough to cater for the welfare of

the child/ren and the household within which they live. Family and friends substituted cash gifts for cash loans. This may point to a mixed motive scenario, where the altruism motive appears to dominate prior to access to the grant, but switched to exchange motive in the presence of the grant. It is however important to note that CSG households reported limited access to the cash and material support prior to access to the grant. This might suggest that although the altruism motive seems to dominate where cash gifts were concerned, altruistic transfers were limited.

In terms of child maintenance from non-resident fathers, altruism motive seems to dominate since studies reported decrease in cash and other material support by the fathers due to access to the grant. However, child maintenance in South Africa is a socio-culturally sensitive issue and the majority of non-resident fathers are reported to not pay child maintenance even in the absence of the grant. Also, other forms of paternal involvement, cultural and social were not affected by the CSG.

From the above discussion, it would appear that different forms of social support are influenced by different motives and hence some decrease whereas others increase in the presence of the grant. It is important to be aware of these variations so as to identify the forms of informal safety nets that might need strengthening and those that do not. However, these effects were minimum and could be a result of other factors such as the low value of the grant.

5.2 Crowding in or crowding out informal safety nets?

This subsection considers how the various forms of informal safety nets interact with CSG and whether this can be considered as crowding out or crowding in.

With reference to remittances and cash gifts CSG households had limited access to these prior to accessing the grant. These households were less likely to have household members who had been able to migrate in search of work. For some who had migrant household members, remittances were erratic since the migrant workers were more likely to be employed under precarious conditions as casual, seasonal and temporary employment. Further, their kin networks were also likely to be struggling as themselves and as such, did not provide meaningful regular support but were important in crises situations. As such, these households did not benefit much from remittances and cash gifts prior to accessing the grant. Hence, it is not possible for the grant to crowd out what did not exist prior to the grant. However, a few studies found that the grant

slightly increased the labour market participation of biological parents, which might create potential for greater role of remittances among recipient households. This can be considered as crowding in of informal support.

There was an increase in neighbours and family borrowing cash, food items and other small basic goods due to access to the grant. Also, some respondents reported sometimes donating part of the grant to needy family members residing elsewhere. There were also cases of intra and inter household pooling, splitting and circulating of the grant. This has in some cases been interpreted as crowding out since grant recipients would be giving away part of the grant. However, most of the authors in the review argued that the capacity to reciprocate and contribute resources towards the informal networks improved the social status of the grant recipient household within these networks and facilitated greater cohesion and cooperation within the networks. Thus, this entails a different interpretation of the concept of ‘crowding out’ that considers the cultural context where informal safety nets are strengthened through mutual reciprocity and not only passively receiving informal support without giving any back.

There is a case study where a grant recipient household received regular remittances from migrant son experienced a reduction in the regularity with which remittances were sent upon accessing the grant. The son redirected the money towards his educational studies and was able to get a higher paying job and contribute more towards the grant receiving household. The reduction in remittances might be interpreted as a negative effect but also allows for a different interpretation where in the short term, the CSG may crowd out remittances from migrant members, but this may allow migrants to spend the money on their own human capital development, making them higher earners and being more beneficial to their households in the long run. This illustrates that a narrow focus on short term crowding in or crowding out is not sufficient in evaluating if the CSG is beneficial or not.

The CSG grant had positive effects on gender relations. The grant seems to have improved the decision making powers of the women within the household and extended family. However, one may argue that the focus on women as primary care givers might possibly alienate men from taking greater role in caring for children.

The adverse effect of the grant mainly relate to reduction in child support by the fathers. The majority of grant recipient households in the review studies had fathers not residing in the same households. Respondents from the various studies reported a reduction in support from these fathers. This may be considered as a negative effect of the grant and would need further research to ascertain the magnitude of the problem.

One can argue that some degree of crowding out might be necessary or even desirable, as long as the crowding out effects is not greater than the value of the grant. For example, from the findings, the crowding out of cash gifts made way for greater value and more easily available cash loans, which represents some trade-offs that might be necessary when considering the debate around crowding in and out of informal support. However, crowding out that has potential for adverse socio-economic wellbeing of the children such as reduction in paternal support might need further attention.

It is also important to avoid a romanticized view of informal support systems as egalitarian and non-contested since they also involve exploitation of poorest members of family and community. It is possible that some of the trade-offs might be too high for the poorest in a community who may find themselves in situations where their only opportunity to get informal support would be to “give back” items and services that, from a social policy perspective, would be preferred that they did not have to provide. For example, the case where poor households would resort to providing their labour and that of their children to work in fields of better off neighbours in exchange for food and small cash without the hope of moving out of the poverty cycle. Hence one can argue that not all forms of informal safety nets are beneficial and should be preserved. Thus, it is not always negative if public support crowd out some forms of informal support.

Generally, the findings indicate that the grant had modest positive and negative effects. This might suggest that the CSG has not led to significant crowding in or crowding out of informal safety nets. Since most evaluation studies on the CSG have found that the grant has had significant positive effects on school attendance and child nutrition, it is noteworthy that these improvements have not been at the cost of significant crowding out of pre-existing informal safety nets. Nevertheless, more can be done in the design of the grant to crowd in informal transfers. The next sub-section discusses strategies that might be used to crowd in informal safety nets in the context of the CSG.

5.3 Strategies to crowd in informal transfers

This sub-section discusses the two social assistance designs, conditionality and caregiver support, and how these might be applied to the CSG program.

Conditionalities concerning school and health care attendance, active job search and child support cooperation have been used by various social assistance programs to reduce possible adverse effects of the grant. From the findings on the CSG, the main possible negative effect of the grant is the crowding out of child support from the fathers. Similar to the TANF programme in the USA, the CSG might consider incorporating conditionalities of the grant related to continued support by the fathers of the children. This has to be sensitive to the cultural context and might even be in the form of counseling where fathers are required to participate in education and counseling sessions regarding the role of the grant and the need to crowd in support for the recipient children in order to maximize their welfare. Conditionalities tied to active search or participation in employment, involvement in income generating projects and also in human capital development of primary might also be applied to the CSG design.

With regards caregiver support, CSG recipients may also benefit from services such as training, counseling and provision of child care facilities. Grandmothers are the main kin caregivers in South Africa and may need support with child care especially those experiencing age related ill-health. The pension has also been linked to higher school attendance and nutritional status in children receiving care from the grandmothers or residing in the same household. Provision of other supports to the grandmothers and other kin caregivers might assist to further strengthen the capacity of the caregivers to provide effective support.

To conclude, it is important to note that the eventual crowding in or out of informal support by grant might not be the only effect of the grant worth considering. For example, there is a possibility that the grant might encourage teen pregnancy as they would be guaranteed of some basic financial assistance from CSG. Conversely, the effect may be positive such as encouraging recipients to stay longer in school due to the availability of financial support to continue with their education. All these should also be important in making decisions about the design of the grant. However, this thesis reviewed literature related to crowding in or out of informal safety nets and not the whole debate about the eventual positive and negative effects of the grant.

5.4 Further research

Studies in this review have provided some insights into possible positive and negative effects of the CSG grant with regards informal safety nets. However, most of the points raised by the texts would require the adoption of more rigorous research designs in order to be able to draw strong conclusions about those issues. There is need to research more into the effect of the CSG on paternal support. There is also need for more quantitative studies on the CSG effects on remittances, cash gifts and children's living arrangements to find out if the findings highlighted in the reviewed texts can be generalized to the majority of CSG recipients.

6. Conclusion

The main objective of this thesis has been to examine whether formal social protection aimed at addressing child poverty, with specific reference to the CSG programme, strengthens 'crowds in' or weakens 'crowds out' pre-existing informal safety nets for children living in poverty. The thesis is based on a review of literature, comparing and discussing arguments and findings of the different texts. The thesis utilized the theoretical framework that compares the exchange and the altruism motives for providing informal transfers and sought, from the findings of the review, to find out which of the two motives got support from the literature. The thesis documents two research designs that might help to the CSG to strengthen informal safety nets and these are the use of conditionalities and also caregiver support.

The results of the study indicate that the CSG have varying, though modest effects on different forms of informal safety nets. Access to the grant increases the social status and decision-making powers of the recipient households. There is also an increase in intra-house cohesion as a result of pooling and circulating of the grant with other household income. It is easier to get cash loans from family members, neighbours and other community actors. They are also slightly more able to participate in risk sharing arrangements as the grant's effects on participation. On the other hand, the grant can be a source of gender and intergenerational conflict. There is a decrease in cash gifts and also in provision of child maintenance by the fathers.

Overall, the grant seems to have led to modest positive and negative effects, which might probably be attributable to the fact that the value of the grant is low. As such, the CSG has not led to any significant crowding in or crowding out of informal transfers

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8. Appendix: List of reviewed texts on the CSG programme

Author and year	Location and setting	Methodology	Study focus
1. Arnall, Alexander, et al (2004)	Mooibloom, Ceres, an urban informal area with about 80 households	Qualitative; series of in-depth interviews with 36 randomly selected persons from different households.	Perceptions and experiences of poor households with informal safety nets.
2. Beernink, Merel (2012)	Doornkop, Johannesburg, urban with about 5 500 households	Qualitative; in-depth interviews with 15 persons from different CSG households.	Perceptions and experiences of CSG recipients on the influence of the grant on paternal involvement.
3. Bray, Rachel and Brandt, Rene (2007)	Masiphumelele, Cape Town, peri-urban with population of about 12 800 people	Qualitative; 15 months of ethnographic fieldwork. Included home visits, observation, formal and informal interviews, focus group discussions	Child care in among poor households in the research area
4. . Case, Ann et al (2005)	Umkhanyakude district, KwaZulu-Natal	Longitudinal data collected on 11 178 households by Africa Centre for Health and Population studies 2002-2004. Quantitative analysis of the survey data.	Impact of the CSG on recipient households
5. Center for Social Development in Africa (2012)	Doornkop, Johannesburg, urban with about 5 500 households	Mixed method that included a household survey and a qualitative component. The survey involved systematic, random sample of 343 CSG beneficiary and non-beneficiary households. This was followed up by in-depth interviews of 8 survey respondents.	An evaluation study of the effects of the grant on gender and family relations.
Author and year	Location and setting	Methodology	Study focus

6. Department of Social Development <i>et al</i> (2011)	Research carried out in 4 South African provinces and in 3 localities per province; urban, peri-urban and rural	Qualitative; 7 focus group discussions in each of the 3 localities in the 4 provinces. 4 key informant interviews in each of the 3 localities in the four provinces.	An evaluation study of the social and economic effects of the CSG.
7. Du Toit, Andries and Neves, David (2009).	Khayiletsa, Cape Town, urban and Eastern Cape, Rural	Qualitative: Four case studies of social grant receiving households from original 11 conducted case studies. Involved documenting case histories.	The use of formal and informal safety nets by marginalized households in order to manage their vulnerability.
8. Eyal, Katherine and Woolard Ingrid (2011)	National survey data two annual surveys, October Household Survey (OHS) and General Household Survey (GHS).	Quantitative; Data from two nationally representative surveys, OHS 1997-1998 and GHS 2002-2008. OHS collects data on 30 000 households and GHS on 100 000 individuals.	The effects of the CSG grant on women's labour participation
9. Goldblatt, Beth (2005)	Gauteng and North West provinces in two urban and two rural residential areas.	Qualitative: A total of 117 interviews with grant recipients and key informants. Grant recipients were accessed at the grant collection points.	Gender and assessment of the implementation of the CSG grant.
10. Heijstek, Daniel (2012)	Doornkop, Johannesburg, urban residential area with about 5500 households	Qualitative: Semi-structured in-depth interviews with 20 female caregivers receiving the CSG. These were purposively sampled from a household survey database.	The effects of the grant on community solidarity.
Author and year	Location and setting	Methodology	Study focus

11. Hunter, Nina and Adato, Michelle (2007)	Six research areas across KwaZulu-Natal Province. Two of them urban and four rural.	Qualitative: Interviews with 24 CSG recipients accessed through repeated home visits and selected through cluster sampling. 10 key informant interviews in 6 research areas.	Perceptions and experiences of the effects of the CSG within the household.
12. Mayrand, Helene (2009)	Ilovo and Umlazi, two peri-urban areas in Durban, KwaZulu-Natal.	Mixed methodology: quantitative analysis based on data from 1998 and 2004 KwaZulu-Natal Income Dynamics Survey (KIDS). Qualitative research included interviews with 18 CSG households purposively selected from KIDS database.	The effects of the CSG on child care and living arrangements.
13. Mkhize-Ndlovu, Nomandla (2009)	Umhlathuze, KwaZulu-Natal, rural area.	Qualitative: semi-structured interviews with 20 CSG recipients sampling through purposive and snowballing methods. 10 key informants.	CSG recipients and challenges that they are confronted with in their households and community.
14. Mutshaeni, Fhedzisani, E. (2009)	Fondwe, Limpopo, Rural area.	Quantitative; Household survey of 100 CSG recipients, of these 50 mothers and 50 grandmothers	CSG and its effects on the community.
15. Neves, David, et al (2009)	Eastern Cape and Khayiletsa, Cape town, rural and urban areas.	Mixed method; quantitative, based on data from Statistics South Africa Labour Force Surveys 2001-2003. Qualitative, Four case histories of social grants recipient households.	Use and effectiveness of the various social grants in South Africa.
16. Patel, Leila, (2012)	Doornkop, Johannesburg, urban.	Quantitative; Uses data from Centre for Social Development in Africa Survey, 2010.	Gender relations in the context of the CSG.
Author and year	Location and setting	Methodology	Study focus

17. Surender, Rebecca et al (2007)	Two areas in Eastern Cape Province, one urban, one rural. Two areas in Western Cape Province, urban and rural.	Qualitative; 20 Focus group discussions in each province.	Attitudes towards labour market participation in the context of the CSG.
18. UNICEF (2008)	Uses data from General Household Survey (GHS)	Quantitative; Utilizes data from 2002-2004 GHS. The statistical method used is difference in difference propensity score matching.	An evaluation of the impact of the CSG.
19. Van Til, Marion (2012)	Doornkop, Johannesburg, urban residential area	Quantitative; Utilizes the data from household survey conducted by the Centre for Social Development in Africa, 2010. Statistical analysis include regression analysis	Social and human capital and the influence of the grant.
20. Williams, Martin (2007)	Uses data from General Household Survey (GHS) 2002-5 and Labour Force Survey (LFS), September 2004 and March 2005.	Quantitative: utilizes data from GHS and LFS. Statistical analysis such as percentages, t and z scores are used in the study.	The social and economic impact of the CSG.