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The Intended Outcomes of Social Grants in South Africa: A Case Study of Ngqushwa Local Municipality in the Eastern Cape Province

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ABSTRACT This paper emanated from a broader study conducted on the use of social grants in the Ngqwushwa Local Municipality in the Eastern Cape Province in South Africa**.** The survey used a sample of 541 recipients who were either administered questionnaires, interviewed or participated in focus group discussions. The purpose of this report is to explore whether the intended outcomes of the social grants are being reached among the poor rural population. The findings of the survey have identified social grants as effectively targeted. It emerged that social grants improve both the welfare of recipients and their entire families. Furthermore, there is evidence of the investment in productive assets, both human and capital. The grant money is further utilized for education expenditure among children. The money is applied even to upgrade or build houses, and payment of water, electricity and other bills. Therefore, the grant money is used by recipients in a number of ways, some urban, some less so. The study confirms that the poor are well aware of their individual needs and some of the intended outcomes of the social grants are remarkable. Nevertheless, the idea of reduction of poverty through social grants still persists as questionable.

INTRODUCTION

The South African government has thus committed itself to halving poverty between 2004 and 2014 (Altman et al. 2009). The ANC-run regime has presented various types of poverty alleviation measures in the past fifteen years with social assistance assuming a prominent role, which includes aid to vulnerable groups that are unable to provide for their own minimum needs. The distinctive South African historical context largely structured the social security agreement that the new African National Congress (ANC) government enforced after gaining independence from the apartheid regime. The South African Constitution clearly placed the right to social assistance in Section 27 (1) (c) and it says that, “Everyone receives a right to social security, including appropriate social assistance if they are unable to fend for themselves and their dependents” (Republic of South Africa 2004). The state is instructed to progressively realize this right subject to its own available resources (Tanga 2007a).

South Africa has a well-acquired social security scheme, largely on par with the social security systems of developed nations and unlike those in place in other growing countries (Smit and Mpedi 2010). Social grants fulfil a crucial role in the poverty alleviation process and are intrinsic in helping poor households enjoy an equal criterion of support (Gutura and Tanga 2013a). These grants also serve to insure that the poor obtain basic human rights in terms of accepting a spirit of dignity. Social assistance grants alter the levels of inequality, only marginally but have been crucial in reducing poverty among the poorest households (OECD 2010; Tanga 2007b).

Social grants have gone forward to be a major source of poverty reduction for millions of South Africans with over 16 million recipients (South African Social Security Agency (SASSA) 2014), a figure that has increased remarkably in recent years, increasing from 2.4 million in April 1998. According to SASSA (2013) it seems that increased coverage of the Child Support Grant has driven this increase, with a projected sixty-seven percent of all grants paid in April 2013 being Child Support Grants. Other grants with high coverage are social old age pensions (18%) and the disability grants (11%). Nevertheless, although the Child Support Grant has the broadest reach, it is not the largest grant available in terms of monetary value (Gutura and Tanga 2014b). Foster (2006) also indicated that the increase in grant uptake was facilitated by government through improvements of systems for both grant delivery and the dissemination of grant data to potential recipients, coupled with modifications to the eligibility criteria. Currently, South Africa has seven cases of social grants in its social assistance system. These include the Old Age Grant (OAG), Disability Grant (DG), War Veterans' Grant (WVG), Foster Care Grant (FCG), Care Dependency Grant (CDG), Child Support Grant (CSG) and Grant in Aid (GIA) (an extra grant for recipients of an old age, disability or war veteran's grant who are unable to care for themselves). All grants are awarded subject to means-tests (SASSA 2013).

Taking after the announcement in the State of the Nation Address of February 10 2011, "Since we are constructing a developmental and not a welfare state, the social grants will be tied to economic activity and community development, to enable short-term recipients to become self-supporting in the long run" (Zuma 2011). In regard to this statement made by the president of South Africa, the evaluation of the social grants system is therefore important to determine whether the intended outcomes are being met. Therefore, this forms part of the justification for this paper, which aims at evaluating the social assistance grants in terms of the intended outcomes, which include targeting the poor, especially women and children and making recipients self-supporting in the long run thereby eradicating poverty.

Literature Review

Globally, social security is realized as a potent instrument to reduce poverty (Barrientos 2010; Tanga and Gutura 2013a). Even social grants in South Africa play a critical role regarding their impact on reducing income poverty and inequality. As highlighted by Leibbrandt et al. (2009), in 2008, fifty-four percent of the population was below the poverty line when including grant income, whereas sixty percent of the population would have been beneath the poverty line if they had not received social assistance grants. To boot, the elaboration of the social grant system gives recognition for the fall in the number of homes that would report no household income (Bhorat 2007; Everett et al. 2006). For example, the period between 2001 and 2006 reported a significant dip in the incidence of households who reported no annual income. This is attributed in part to the successful designation of social grant income in these homes. Notably, in many rural areas, social grants contribute as the major beginnings of income (Tanga and Gutura 2013b), and this is less true in urban homes, where a higher balance of income comes from formal or salaried work.

Nevertheless, there is a wealth of literature on social grants dwelling on the positive impact of social grants in alleviating poverty in South Africa. Hagen-Zanker et al. (2011), and Tanga and Gutura (2013c) observed that social grants have a reach of positive consequences of non-pecuniary aspects of poverty, such as health of household members, school attendance of children and access to business opportunities. Case et al. (2005) contend that these social security benefits play a decisive part in the survival of households, especially those most in need, since they aim them directly and reverse the bias of earlier, apartheid era social security programs. In addition, they receive a holistic effect on household welfare and wellness by taking income into the home, thereby acting as a preventive rather than a palliative intervention.

Neves et al. (2009), and Tanga and Tsepang (2012) argue that grants substantially improve the status of households, particularly in residential areas where social reciprocity plays such an important role. The certainty of the income makes a remarkable difference to the status of the recipient and the ability to transact with those close to them. Prior research has shown that receipt of a concession of one character or another is statistically linked with lower reported hunger and higher school attendance, and that grants are frequently employed in building or upgrading of housing (Economic Policy Research Institute 2005). But the research study by the Institute of Poverty, Land and Agrarian (2007), shows that grant recipients are too probable to receive a higher degree of action in financial securities industries, both formal and informal, and are capable to obtain credit on more favorable terms.

South Africa's government disability grants are considered significant in providing income support to low-income AIDS patients. Indeed, anecdotal evidence indicates that some individuals may choose to compromise their health by foregoing highly active antiretroviral treatment (HAART) to stay eligible for the concession. According to Venkataramani et al. (2009), there is no evidence of people switching away their health, income, there nevertheless seems to be a great fiscal burden associated with disability grant loss, which could increase the salience of perverse incentives, particularly among those who are ineffective to obtain work.

Likewise, the OAG in particular is playing a substantial role in cutting poverty, given the high value of the grant compared with the average income of the fatal population. A lot of the earlier work on the impact of social grants on poverty focused on the success of the old age pension (Tanga 2008) and the importance of this source of income for household protection and family food security (Woolard et al. 2009; Van Der Berg et al. 2010).

Even though it is nowadays broadly admitted that the social grants system provides an indispensable safety net for the poor and has acted as an important part in easing poverty in South Africa, poverty and inequality remains a trouble.

RESEARCH AREA AND METHODS

The survey was conducted in Ngqushwa Local Municipality (NLM) in Amathole District, which is located within the Eastern Cape Province of South Africa. It owns 118 villages with 20,757 households and an estimated population of 90,482 people. Of the entire population, approximately thirty-eight percent are 19 years or younger, and ten percent of the population are 65 years and older, which means that fifty-two percent of the population are between the ages of 20 and 64 years. In terms of gender, fifty-three percent of the population are female and the remaining forty-seven percent is male. The municipal area does not display much racial diversity, with more than ninety-nine percent of the inhabitants being African. The remaining one percent comprises of Colored, White and Indian racial groups. In the municipality, about three percent of households are headed by persons under the age of 20 years and almost nineteen percent are headed by persons over the age of 64 years. However, fifty-two percent of households are headed by women (Statistics South Africa 2011).

It is calculated that the number of people living in poverty in the municipality has gone up from sixty-four percent in 1996 to eighty percent in 2005. According to Ngqushwa Local Municipality (2012), unemployment figures reach seventy-eight percent, thus having the highest unemployment rate (more than 20% above the Eastern Cape average). The number of families making less than R1500/month is reckoned at sixty-seven percent, which is very high in comparison to the remainder of the state. Family income levels in the region are broadly down. More so, seventy-one percent of the population make less than R800 per month, nineteen percent earn between R800 and R3200 per month and just four percent earns more than R3200 per month. Therefore, this determines the dependence on social grants whereby there is a high dependence on social grants with seventy-three percent of households receiving grants.

Mixed methods approach was employed thus, there was the use of the combination of two different qualitative data collection methods (in-depth interviews and focus group discussions) and one quantitative data collection method (questionnaires). The questionnaire method was chosen as the foremost method of data collection because it was anticipated that it would get varying quantities of important info and make possible the identification of notable events for investigation during the ensuing interviews and for focus group discussions. Although the interviews and focus group discussions focused on a much narrower scope of disciplines, they furnished the opportunity to explore in greater depth topics and concerns that could not be tested in detail in the questionnaire.

The population of the study composed of all recipients of social grants in Ngwushwa municipality who amounted to a total of 65,600 (SASSA 2012). Consequently, in selecting a sample, the study employed two sampling strategies, namely multistage sampling and purposive sampling. Multistage sampling was utilized to choose the sample that was utilized for the questionnaires whilst purposive sampling for in-depth consultations and focus group discussions. Hence, the survey consisted of three sets of samples. The first one lay of 500 recipients who were administered questionnaires. The questionnaire had a Likert scale whereby the responses were to be presented as strongly agree, agree, neutral, disagree or strongly disagree. The second band was made up of 25 recipients who were interviewed using in-depth interview guides. The third sample was made up of 16 recipients who were chosen for the two focus group discussions.

FINDINGS

This section provides the findings of the study.

Biographical Information of Participants

The survey had fifty-six percent female participants and forty-four percent were male. The bulk (90%) where Black Africans whilst ten percent were Coloreds. Still, there were no White or Asian/Indian participants. Among the total participants (N = 541), in terms of marital status, the highest number of participants (42%) were single, sixteen percent were widows, twelve percent were cohabiting, the separated category was made up by ten percent and the least number of participants was found in the divorced category, which constituted about two percent of the participants.

The levels of educational qualifications in the study comprised of primary, secondary, matric and tertiary education. Those who were educated up to secondary level were represented by a substantial number that is fifty-four percent. Compared to those falling in other levels of educational attainment, these were found to be in the majority. Sixteen percent had some primary education, fourteen percent had tertiary qualifications whilst the least number of participants had matriculated (12%). The results signify that the majority of the respondents in the study were not employed thus constituted ninety-two percent whilst only eight percent indicated that they were employed.

Targeting the Poor

Regarding the composition of their households, most respondents in the quantitative survey (44%) stayed with between three and four children followed by those that had either one or two children (30%). Those that had more than six children were twelve percent and fourteen percent had children between five and six. However, no respondent cited that they stayed in a household with no child. As shown by the qualitative results, most households had children who were ranging from three to four in numbers. This was highlighted by 18 participants followed by five who indicated that they had between one and two children in their households. Two grandmothers indicated that they had either five or six children in their care. It is noteworthy that many of the rural grandmothers cared for orphans with a kinship relation and generally felt that they had no other option. This is reinforced by a cultural and moral obligation to take up an orphan care to retain children within the family circle. One particular grandmother who was 70 years old related this Zulu saying: *"Abantwana babantwana balmy Bafana nezingane Zami"* (these children are my children's children so I will take care of them). She further explained that:

In this home I am staying with my six grandchildren. I am the one who is taking care of them. The eldest is 12 years old and the youngest turned three years last month. My daughters gave birth to these children and they were brought to me since the other one died of HIV/AIDS and some have remarried. I am their grandmother, I have no other option. (Participant A)

Nevertheless, taking care of these children was out of love and affection for some of the participants. The other 68-year-old grandmother who had four children in her care mentioned that:

I love these kids so much and I could not refuse to stay with them, remember children are just innocent souls. They keep me company as you can see I am a widow my husband died a long time ago. You see this little one is like my own, the mother died when she was only 6 months. The bond we have is tremendous. (Participant B)

Nevertheless, seen from a different perspective the focus group discussions highlighted the fact that some grandmothers who had many kids in their upkeep was not out of love but after the foster care grant.

Additionally, in terms of adult composition in beneficiary households, the quantitative results indicated that the highest number of respondents (56%) lived with one or two adults, twenty-four percent had three to four and twelve percent had five to six adults. Notably, eight percent of the respondents indicated that there were no adults staying in the house. Even with the qualitative answers, three participants highlighted that there were no grownups in their homes. This implies that these households were child-headed families. One 15-year-old participant highlighted that:

When our parents died three years ago we went to persist with my aunt, but she got married last year and left us alone and no one desires to stick around with us. Presently, I am sticking with my buddy and sister in our parents' home. My brother is the eldest, he is 18 years, I am 15 and my younger sister is 8. (Participant D)

Further, in terms of the heads of the households, 18 participants came from female headed households and seven from male headed households. Of the 18 that indicated that women were heading the households, it was noted that six indicated that they were grandmothers, two were aunts and eight were mothers. In the male-headed households, four were grandfathers and two were fathers.

The research explored the attitudes of recipients on how they viewed themselves and others as recipients, whether they deserved the social grants. The quantitative results pointed out that the majority of the respondents believed that most people who received the grants deserved them. This was shown by twenty-two percent of the respondents who strongly agreed and thirty-four percent who just agreed. Yet, thirty-four percent remained neutral. The least number of respondents disagreed that recipients deserved social grants and these only comprised ten percent of the total respondents. Notably, no respondent strongly disagreed.

The qualitative results showed mixed feelings among participants. Thirteen participants highlighted that recipients really deserved the grants, 10 indicated that some recipients did not deserve them whilst two showed that they would not judge others. One of the participants discovered that:

I trust that we surely deserve these grants. Look at how pathetic we are (pointing at her dilapidated house). If the government could not cater for us we would die of hunger and poverty. The government is doing a great job by assisting us. (Participant A)

On the other hand, one concerned grandmother said:

There are some cases where people do not deserve grants but they are getting them. For instance, one of the community members here is making the grant, but she is having a serious job. Other teenagers here also misuse these grants. And then those people do not deserve to be getting the grants at all. (Participant B)

However, when the participants were required to indicate the causes that influenced their decisions to seek a grant, a number of reasons emerged. At the ace of the ideas that emerged was the fiscal instability in their households that forced them to make the choice of taking advantage of the opportunity provided for by the government. Other causes mentioned by participants ranged from poverty, thirst and lack of maintenance from paternal individuals. A 36-year-old adult male who was disabled indicated that:

At present, as I became aware of the fact that I was eligible to start a grant I went to the social worker's office to be aided in receiving the concession. With my disability [pointing to his amputee legs] I cannot perform any business that can make me money. My family was surviving in poverty because I could not take care of them as a human being of the house. But today I can say that was a breakthrough that came to us. (Participant C)

Further, all three recipients of Foster Care Grant indicated that they suffered to seek for the grant because they had to take care of the kids that were forgotten in their care when their parents died, primarily of HIV and AIDS. One participant stated:

I desperately needed the money to be able to take care of my friend's kids. I am working as a till operator and the money that I get is not enough to cater for the whole family. One of the children is HIV positive, so she needs a special diet, which I could not afford, so the grant supplements the little that I have. (Participant E)

In addition, a 70-year-old grandmother brought up that:

I never used to get the grant and I was struggling to provide for my grandchildren. I was told that I now qualify to get the money involved in fostering my grandchildren. I applied for the grant through the assistance from a local social worker this year. (Participant A)

Social Grants and Housing Construction

One of the questions put to the respondents was focused on the construction and upgrading of the houses that they were persisting in. From the answers it is clear that the majority

(48%) denied using the money for upgrading the homes. These respondents were categorised into forty-two percent who disagreed and seven percent who strongly agreed. On the other hand, eighteen percent of the respondents concurred. Of all the respondents, thirty-four percent remained neutral with no respondents who strongly agreed. Yet, in trying to describe the variations that might be found in the employments of the concession, the results were cross-tabulated to determine out the frequency and percentage of each grant type of structure. The answers are tabulated in Table 1.

It is suggested in Table 1 that among the respondents who were meeting the Old Age Grant, who had a fifty percent interval agreed to using the money for construction whilst eleven percent strongly disagreed. The majority of the Disability Grant respondents (63%) disagreed that they used the money for construction or upgrading of homes. Further, out of the 300 respondents who were receiving the Child Support Grant, fifty-six percent disagreed and only thirteen percent agreed. Among the 20 respondents who were receiving the War Veteran's grant, fifty percent agreed whilst the other fifty percent were indifferent.

During the focus group discussions held, the participants were required to talk about what they used the grant money for. In both the groups a significant figure of participants (10) mentioned that they utilized the grant money to upgrade their homes. The remaining 6 participants mentioned that they were not utilizing the grant money for that determination. One participant remarked that:

I have managed to extend the RDP house that I was given because my family was growing and we could not fit into the 2 rooms. My children are getting older so they needed their own room. I used the money from the grant to build that extra room. (Participant 1)

Another 70-year-old participant who was interviewed said:

At one point my roof was leaking during the rainy season so I used the grant to renovate the roof. That was the only time I used the grant for upgrading my house. Otherwise, I would want Buhle [name of the orphan] to have a better life and to build a separate room for him because he is getting old. (Participant A)

Payment of School Fees

The importance of education is enshrined in the Millennium Development Goal number two, "Achieve universal primary education with a target. Ensure that by 2015, children everywhere, boys and young ladies alike, will be able to fill in a wide course of elementary schooling." Data from the survey conducted, showed that the majority of the respondents (40%) strongly agreed that they were paying school fees with the money. In addition, thirty-two percent also just agreed. However, twenty percent disagreed, six percent were neutral and the least number of respondents (2%) strongly disagreed.

The data from the qualitative results revealed that the prospect of children's education was examined as the gateway for future independence. All the participants in the focus group discussion highlighted that they were applying the grant money to pay fees. During the focus group discussion one participant noted that:

At least we have all mentioned that we use the grant for education of our children. We want

Table 1: Cross tabulation results of the use of each grant type of construction of houses

	I have used the grant money to upgrade or construct my house				
Type of social grant	*Agree*	*Neutral*	*Disagree*	*Strongly disagree*	*Total*
Old Age Grant	89	30	40	20	179
	50%	17%	22%	11%	100%
Disability Grant	0	40	69	0	109
	0%	37%	63%	0%	100%
Child Support Grant	40	81	169	10	300
	13%	27%	56%	3%	100%
Foster Care Grant	30	50	50	0	130
	23%	39%	39%	0%	100%
War Veterans Grant	10	10	0	0	20
	50%	50%	0%	0%	100%
Care Dependency Grant	10	0	0	0	10
	100%	0%	0%	0%	100%

our children to go to school, that is the only hope for their future. If they are educated, they can have a career because today without a career you are going nowhere. (Participant 2)

Further, 19 of the participants who were interviewed highlighted that they were applying the grant money to pay fees for children at school, two said that they were paying for infants at crèche and four, however, denied paying any fees with the concession money. A 28-year-old female student stated:

Since I am currently studying at the university, I do not want to burden my mother taking care of my child during the day because she is working. So during the day I leave my child at a nearby crèche. I use the grant money to pay for that service. (Participant G)

The study also sought to infer whether the grant money had the mental ability to provide for youngsters who were in any tertiary institution. Thus, when the respondents were asked whether they were paying any tertiary fees for someone, six percent and eight percent strongly agreed and agreed, respectively. Those that were neutral made up four percent. A significant number, sixty-six percent, disagreed and sixteen percent strongly disagreed. Even in the focus group discussion, no one mentioned that they were paying any tertiary fees with the grant money. One participant highlighted that:

I wish the government can have bursaries for our children after attaining 18 years when entitlement to grants ceases. This will serve our youngsters with their education because they will be capable to finish school and careers like what have been observed before and create a life of their own, good life to say the least. (Participant 2)

Payment of Bills

In terms of payments of rent, electricity and water bills a heavy number of respondents (32%) agreed and the least number of respondents (18%) strongly agreed. Twenty percent mentioned that they never used the money to pay bills by strongly disagreeing, a further sixteen percent disagreed and fourteen percent were indifferent. All the same, in the focus group discussions when the participants listed the things they used the social grants for eight participants used the money for payment of rent and other peaks. Table 2 depicts the uses of social grant money highlighted.

Table 2: Uses of social grant money

Item	*Number of participants*
Buying food	16
Paying for education	13
Paying rentals and other bills	8
Buying medicine	5
Transportation	3

Transportation was at the tail end of the list with only three participants mentioning that they used the money for transportation. Likewise, in the quantitative survey, the results indicate that thirty-eight percent disagreed, twenty-four percent were neutral, twenty-two percent agreed, twelve percent strongly disagreed and four percent strongly agreed. Among the 25 interviewed participants, 10 mentioned that they utilized the grant money to ante up for transport when travelling whilst 15 participants did not mention the role of grants in transportation. One participant stated,

When I go to town to buy groceries, I get the money for transport from the grant that I am receiving. The shops in town are cheaper than our local spaza [small] shops. Even sometimes when I take the children to the hospital, we use the grant money because at the local clinic there is no doctor. (Participant B)

Self-supporting Recipients

In terms of investments, the respondents were asked to argue whether they had invested the money they were receiving into any business or action to invest themselves. From the data gathered in the quantitative survey, it became clear that most respondents did not arrive at any investments when they commenced to receive social grants. From the replies given, a significant number (60%) disagreed with six percent more strongly disagreeing. Despite the legal age that did not place in anything there was some who managed. The results confirmed that eight percent strongly agreed to have invested as well as the sixteen percent who agreed. However, ten percent remained neutral.

Further, the interview results indicate that out of the 25 participants, 15 mentioned that they did not put the money into anything. On the other hand, 10 participants agreed that they had got about investments. Among these 10 participants, two had invested into gardening, three had started poultry projects and five mentioned that they were saving into banks. One 52-year-old female said:

As much as I have an account for my children, the grant money does not go back to the bank because I have to buy clothes, pay school fees. I mean the grant is not enough even for food. So at the end of the day I cannot invest in any business. Maybe I am investing into the future of my children but I wish the government can give us more so that our children could go to universities. (Participant F)

However, a 36-year-old disabled man explained that:

Since I started receiving the grant, I have managed to start a poultry project. We managed to build the place where we keep the chickens and buy the equipments necessary. Although it's not a big place but we are managing to rear the chickens and sell them to the local people and get some income. (Participant C)

Further, as far as gender is concerned, of the total 280 female respondents, half (50%) disagreed that they had invested. Still, eighteen percent agreed as well as fourteen percent more who strongly agreed. Getting a look at the male recipients, from the total male respondents who worked up 220 respondents the majority seventy-three percent disagreed to investing the grant money they were getting. Yet, fourteen percent concurred that they were placing.

In further analyzing the data, cross tabulation was done to review the relationship that could be found between the type of grant being received and the ability to empower. The outcomes indicate that the bulk of the respondents (44%) who were meeting the Old Age Grant disagreed that they were investing the money and twenty-eight percent concurred that they were placing. The results further indicate that among the disability grants respondents, fifty-four percent indicate that they did not invest so they answered by disagreeing. However, eighteen percent strongly agreed that they had empowered.

With the Child Support Grant, the results indicate that the bulk of the respondents (63%) disagreed to investing the money into any activity whilst only twenty percent agreed with the remaining sixteen percent being neutral. Out of all the respondents who were receiving the Foster Care Grant, sixty-two percent indicated that they disagreed to investing the money. Among those that were receiving the War Veterans grants, out of the 20 respondents, 10 suggested being neutral whilst the other 10 disagreed. These had a fifty percent rate each. The Care Dependency grant had one hundred percent respondents who articulated that they agreed to have invested the money.

Furthermore, the quantitative survey required the respondents to select the type of investments they had ventured into. Figure 1 shows the type of investments that were made by the respondents.

Figure 1 shows that among those that had mentioned that they were investing, the majori-

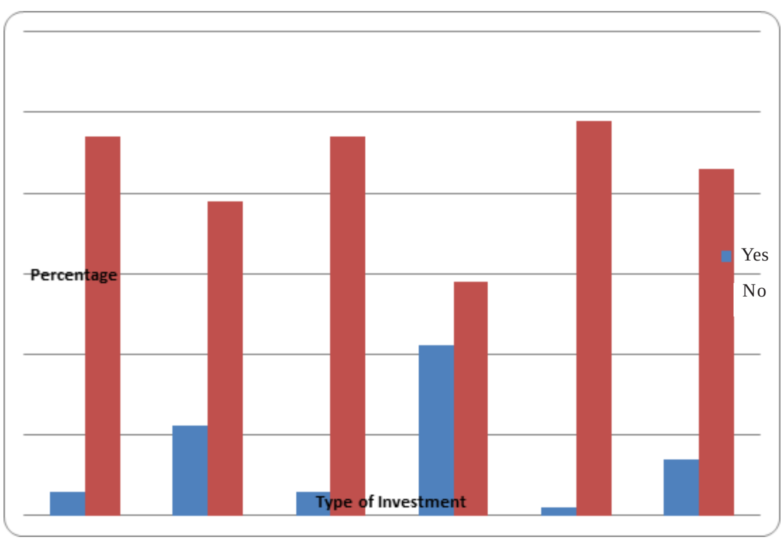

Fig. 1. Types of investments made by respondents

ty of the respondents who consituted forty-two percent were keeping their money in savings schemes. Professional practice was just invested into by fourteen percent of the respondents and eighty-six percent did not. The last character of investment that sustained the least number of respondents was piggery farming, which took in just two percent of the answerers.

DISCUSSION

Indeed, social grants have played a really vital part in targeting a large number of poor people especially women and kids. The results of the study have highlighted that many households that were receiving social grants were composed of children. It is therefore noted that with the vast majority of grants goes to the poor children who need them even in child-headed households. This bears out an analysis of the General Household Survey (GHS) of 2005 by Leatt and Budlender (2006), which established the effectiveness of targeting grants to families with kids, and it highlighted that income from grants increased dramatically as monthly earnings decreased.

As HIV and AIDS continue to affect the lifespan of parents, more and more children are becoming orphaned. It is understandable that child-headed households therefore will also continue to grow. The debatable issue is that there are very limited safety nets for orphaned children. Even so, as the effects of the study have conceded, there are some children in child-headed households who are accessing social grants. The Department of Social Development in its budget has included the delivery of social grants, such as the Child Support Grant to the child-headed homes. However, vulnerable children, especially the orphans need additional reinforcement that can be argued as not necessarily monetary in nature. This is because these children would have lost their primary caregivers. One might argue that what aggravates the lack of support of these children is that in South Africa there is a shortage of social workers who can be responsible for the identification of vulnerable children and therefore support them with the necessary means.

Statistics from the Department of Health, Medical Research Council and OrCmacro (2007) assert that in South Africa, women head nearly half of all homes. The main causes for female headship have traditionally included male labor migration and non-marriage as stipulated by Basel (2001). However, Goebel et al. (2010) emphasized that although female headship in this context is tied to historical patterns of patriarchy and apartheid that are unique to South Africa, female headship increasingly is connected to contemporary macroeconomic conditions. Gilbert et al. (2010) further suggest that premature death brought on by HIV and AIDS is a contributor too.

Several subject areas (Van der Berg et al. 2009; Van der Berg et al. 2010) have confirmed that social grants are easily aimed. Since the origin of social grants, there has been a rapid increment in the number of recipients. In 1998 there were 2.5 million recipients. These numbers have increased to 16.1 million in 2012-2013, which means that the figure has increased by five hundred and forty-four percent in the past 14 years (Statistics South Africa 2012). According to Vorster (2006), the increase in grant uptake was facilitated by government through improvements of systems for both grant delivery and the dissemination of grant data to potential recipients, coupled with modifications to the eligibility criteria. Recently, a high court in South Africa in 2013 ruled out that grandparents who cared for their grandchildren are eligible for foster care grants regardless of their income.

Nevertheless, the need for housing is a societal event that negatively affects the spirits of the wretched. The inability of the poor to access good housing stems from not only the inability of government to provide for these services, but primarily from their deficiency of income to cater for these social requirements. However, the effects of the survey point to the notion that recipients may use the grants to build or upgrade their homes if need be.

Many poor children cannot attend school due to the costs associated with education. Additionally, communities that are resource-constrained have lower quality educational services, which negatively affect enrolment rates. Poverty, therefore, erodes opportunities for youngsters and youth to attend school. This induces a brutal cycle of destitution by undermining the household's capacity to collect the human capital necessary to stop the poverty trap. Social protection is important to harness the educational potential as it delivers benefits not just to the individual, but to the whole of society in terms of poverty reduction and economic growth.

The outcomes of the study, however points to the fact that by receiving social grants, recipients are countering these negative effects by being provided for with money to finance instruction. Samson et al. (2004) mentioned two ways in which social grants help in training. Firstly, the grant can be used for costs such as books and transport. Secondly, the grants offset the opportunity cost of going to school. Additionally, parents pay school fees which might ameliorate the calibre of teaching. A more logical approach was adopted by Leatt and Bundlender (2006) when they reasoned out those houses in the lowest income class and most eligible for social transfers are more likely to spend on training. Hence, it can be surmised that the current social grants system is improving utilization and access of education services.

As shown in the determinations of the study, the social grants have improved the lives of the children by furnishing them with the chance to attend crèche or school, which is through being able to pay school fees and buy school uniforms. The power of child social grants and even other grants not meant for children in affording children the right to education is a mark of their positive social impact on recipients. The positive impact of social grants on schooling is also backed up by anecdotal evidence. Lund (2002: 687) describes the monthly markets that build in poor, underserved rural areas on pension payment days as vibrant sites of economic activity where pensioners pay their funeral policies, school principals come to collect school fees and tonic food and clothing is bought and sold.

Economic theory indicates that social grants, by growing incomes, affect education in three ways. Foremost, the increase in a disposable income, provided by the social grant, could help pay the otherwise unavoidable costs of attending school since there are financial barriers to school attendance like purchasing school supplies, uniforms, tuition and transportation. Second, a grant could relieve the opportunity cost of school attendance because with a cash transfer in hand, a family is more likely able to get along without a child’s contribution to family income in favor of establishing a long-term investment in education. Third, by indirectly increasing the resources available to schools, the calibre of education may improve, making education a more attractive choice for families.

Moreover, the outcomes of the study outline that receiving a social grant enables a beneficiary to invest as some participants suggested that they had empowered. This is in line with the findings made by Vincent and Cull (2009) when they jointly concluded that social transfers prevent distress sales and allow for capital investment in productive activities, enabling the recipients the chance to protect and improve their economic situation. So it is safe to state that social security increases or permits continuation in investment thereby assisting in enhancing the productivity of the poor and enables them to take part in the economic system. Govender (2011) argues that nonetheless social security is not only dispensed for humanitarian grounds or for political expediency but has economic merits as good. In this wish, besides providing households with the substance to meet their consumption needs social security provides a means for saving and investments. Nevertheless, not all recipients are investing, most notably because of the inadequacy of the concessions.

Although saving behaviors are observed in relation to the larger value grants, saving behaviors are also apparent in relation to the lower Child Support Grant. More importantly, however, is that the research findings point to the meaning of social grants in investments in productive assets and physical capital. Receipt of a social grant is linked up with a range of financial market engagements and behaviors, such as raised levels of savings and investment. Even though this topic is comparatively underresearched in the South African context, the determinations are logical with the investment effect noted in international literature (Barrientos and Hulme 2008; Grosh et al. 2008). Thus, the findings of this study prove that some recipients made some investments in improving their lives although they were few. Thus, the outcomes of the study point out to the findings by Neves et al (2009) who found out that social grants in South Africa generate economic benefits such as mitigating risks, facilitating savings and investments and supporting the growth of local grocery stores.

CONCLUSION

In the context of large-scale poverty and unemployment, as well as the present economic downturn, it is probable that relying on grants will continue, if not increase. Yet what is extensively debated upon is whether social grants are actually reducing poverty or they have just reduced suffering. Apparently, social grants on their own will not be able to solve the issues of poverty and inequality, but they attain an important contribution and they continue to do so for the foreseeable future.

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