

The Impact of Social Grants on Poverty Reduction in South Africa[#]

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ABSTRACT This paper analyses the impact of social grants as a social protection measure implemented by the South African government. Literature reviewed in this paper reveals that this anti-poverty measure has contributed significantly towards the reduction of poverty levels in South Africa. The paper examines the social protection measure using the Income and Expenditure Survey data (2010/11). The income decomposition technique is used to analyse household income and the results are presented using the Foster-Greer-Thorbecke indices. However, only the results of the prevalence of poverty (headcount) are explained in this paper. The results show that social grants are well-targeted and have significantly reduced poverty levels in areas with high poverty rates such as the Eastern Cape and Limpopo provinces, among the African population, in female-headed households and in rural areas.