



Budget Brief No. 141

Government spending on children in MTEF 2004/05: Spotlighting social development programmes

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Executive Summary

Government is obliged, in terms of the South African Constitution, to take measures to eliminate child poverty and give effect to the comprehensive set of socio-economic rights afforded children in the Bill of Rights. The Constitution assigns provincial governments a key role in fulfilling this obligation, by giving them most of the responsibility for delivering social programmes – such as those providing health care, education, housing and welfare services. Provincial governments' administer and finance a broad range of social service programmes that are particularly important for giving effect to children's socio-economic rights. These can be classified into two distinct sub-sets, both of which make a critical contribution: programmes targeted at poor families and programmes targeted specifically at children.

Provincial governments have released their *Budget Statements* for 2004/05. These provide information on each province's revenue position and spending for the upcoming three-year Medium Term Expenditure Cycle (2004/05, 2005/06 and 2006/07) as well as actual spending over the previous two financial years. Shedding light on how much money provincial governments are allocating to and spending on programmes delivering services that give effect to child socio-economic rights constitutes an important part of monitoring government's fulfilment of its child socio-economic rights obligations.

This is the first in a three-part series of Budget Briefs on provincial governments' spending over the MTEF 2004/05 on social service programmes that are targeted specifically at children. The three Budget Briefs use the provincial *Budget Statements* to present the pattern of growth in provincial child specific programme budgets over the upcoming three years. They also identify and explain where due to gaps in the budget data available, which are in turn related to the systems of service delivering and recording government spending (particularly in health), it is currently impossible to monitor government spending on social services for children through child specific programmes. This, the first Budget Brief in the three-part series, focuses on those child specific government programmes financed and administered by the provincial social development departments. The second budget brief in the series will focus on budget allocations for the MTEF 2004/04 to child specific programmes financed and

administered by the provincial education departments and the third on child specific programmes financed and administered by the provincial health departments.

The Budget Brief begins by setting the scene for the three-part series. This it does in section 1. Section 1.1 provides a sketch of children's constitutional socio-economic rights and associated government delivery obligations. Section 1.2 gives an overview of the range of child specific government programmes financed and administered by provincial government. This latter section uncovers sixteen social service programmes targeted at children (in addition to the National Integrated Plan for Children Infected and Affected by HIV/AIDS) financed and administered by the provincial departments of social development (six), education (five) and health (five). The programmes are financed mostly by provincial allocations from the equitable share allocated to provinces by national government, but also by conditional grants distributed to provinces by national government.

Next, the Budget Brief turns to providing an overview of planned provincial spending on the three programmes financed and implemented by provincial social development departments for which budget data are available. These are the Child Support Grant (CSG), Care Dependency Grant (CDG) and Foster Care Grant (FCG) programmes. Section 2 presents information on the total amounts allocated to each programme for the MTEF 2004/05 against the backdrop of estimated actual spending on the programmes in 2003/04 and audited spending in 2002/03. It also provides real growth rates (annual for 2003/04-2006/07 and annual average for 2004/05-2006/07). Section three shows consolidated provincial expenditure on each of the three programmes as a percentage of total government (main budget) spending for the MTEF 2004/05.

The conclusion summarises the main points that emerge from the analysis. It highlights the following:

- The duty of government to prioritise actions to realise child socio-economic rights and eliminate child poverty in government programme design and the allocation of scarce resources.
- The need for more clarity to emerge around what the unqualified child socio-economic rights afforded children in the Constitution entitle them to claim from government in the form of services provided to children and their care-givers.
- The need for a change in the system of recording budget information so that government spending on child specific social welfare services can be tracked.
- That in general, provinces are planning strong real growth in child social assistance programme budgets over the MTEF 2004/05
- That there are some provinces for which social assistance budgets can be expected to contract over some of the years in the upcoming MTEF.
- That the share of child social assistance spending in total government spending is small but increasing, driven by CSG programme spending.
- That there is a need for future monitoring of government's budgeting for children to try to pay attention to the sufficiency of planned provincial spending on social assistance. This depends upon gathering better eligibility data for each of the social assistance programmes, but also on building knowledge of spending capacity in the programmes.

1. Constitutional child socio-economic rights and government programmes

1.1 Child socio-economic rights and government obligations

The Constitution - in its Bill of Rights (BoR) - gives everyone a comprehensive set of socio-economic rights relating to housing, health care, food, water, social security (including social assistance), as well as (basic and further) education. Within its catalogue of child rights (section 28), there are four socio-economic rights, namely the rights to basic nutrition, shelter, basic health care services and social services (section 28(1)(c)). Children are also the principle beneficiaries of the right to basic education (section 29(1)(a)).

A central aim of these rights is to create an environment in which all poor people and in particular, vulnerable groups such as children, have basic necessities – including adequate health care, education, water, shelter, sanitation, food and income. The socio-economic rights in the Constitution are justiciable, which means that they are legally enforceable through the courts. The Constitution does not specify the exact content of any of its socio-economic rights, including those given only or primarily to children in sections 28 and 29.

Children's constitutional socio-economic rights create legal obligations on the state and on parents to give effect to these rights. Parents have the primary responsibility, but where they are unable to fulfil their obligation – for example when due to unemployment and poverty parents do not have the financial means necessary to meet children's basic needs – the state is obliged to step in. Extensive structural unemployment and poverty in South Africa make it impossible for millions of parents to fulfil their obligations towards their children.

The Constitution obliges the state to “respect, protect, promote and fulfil” constitutional rights (section 7(2)). The wording of the Constitution suggests that the rights given to children under sections 28(1)(c) and 29(1)(a) place a different, higher-level delivery obligation on the state when compared to the socio-economic rights given to everyone in sections 26 and 27. This is because the latter sections of the BoR are formulated in a way that sets certain limitations on what is expected of the state (including government). For instance, everyone's right of access to health care, food, water and social security in section 27 is combined with the obligation that “the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights”. This is not the case in the formulation of the child-specific rights in the Constitution and the right to a basic education: the state's delivery obligation is not made subject to any limitations.

The understanding of what exactly children's constitutional socio-economic rights entitle them to, including what children can claim from the state for the realisation of their unqualified socio-economic rights is currently limited. The Constitutional Court has yet to make a judgement on government's fulfilment of its obligations to realise any of the unqualified rights given to children in section 28(1)(c) and 29(1)(a). A view on how we should interpret government's obligations associated with the unqualified socio-economic rights, which can be seen as the current dominant opinion, has recently been put forward by a group of human rights legal experts. It draws from the Constitutional

Court's judgements (in the *Grootboom*¹ and *TAC*² cases) on government's performance in delivering the qualified socio-economic rights in the Constitution (see Creamer 2002).

In the Creamer view, government is obliged to deliver the rights given to children in section 28(1)(c) and 29(1)(a) as a matter of priority, to all children in need. Furthermore, in testing government's compliance with its obligations, the Constitutional Court would in all probability apply the reasonableness review paradigm that it used to assess compliance with section 26 and 27 rights in the *Grootboom* and *TAC* cases. However, the unqualified nature of the state's obligations in relation to child socio-economic rights implies that the court would be likely to apply a *higher standard* of reasonableness in assessing programmes for the advancement of these rights. It suggests that the state should be held accountable for putting in place, as a matter of priority, programmes to realise the socio-economic rights given to children in sections 28(1)(c) and 29(1)(a). Moreover, government in this view also has the obligation to cater for *all children in need* in such programmes and to roll out services from relevant programmes as a matter of urgency and as quickly as *the building of administrative capacity permits* (irrespective of financial considerations)³.

The obligation to put in place programmes delivering services to give effect to children's socio-economic rights and budget for these programmes, particularly the unqualified rights afforded in section 28(1)(c) and 29(1)(a) places a duty on government to prioritise children in programme design and budgeting. However, the Constitution, and law in general, does not prescribe exactly what measures (including which programmes and services) government must use to give effect to children's and everyone's socio-economic rights or how quickly services must be rolled out to all children in need. There is also no legal requirement regarding the precise proportion of government budgets (national or provincial) that must be spent on programmes (child-specific or targeted at the poor in general) to give effect to unqualified constitutional child socio-economic rights.

The precise details of what children can claim from the state under their unqualified and qualified constitutional socio-economic rights will evolve over time. It will be driven by the outcome of a process of dialogue in society, led by national and international law and jurisprudence (particularly Constitutional Court jurisprudence) and augmented by the views of researchers, activists, litigators and policy-makers. It is imperative for the rapid

¹ Constitutional Court of South Africa. (2000) *Government of the Republic of South Africa and Others v Grootboom and Others*. 2001 (1) SA 46 (CC); 2000 (11) BCLR 1169 (CC).

² Constitutional Court of South Africa. (2002) *Minister of Health and Others v Treatment Action Campaign and Others*. 2002 (5) SA 721, 2002 (10) BCLR 1033 (CC).

³ Notwithstanding the merits of this view, a number of concerns relating to this interpretation of the state's obligations to deliver unqualified child socio-economic rights needs to be raised: i) It implies that, instead of having a direct claim against the state for something tangible under their unqualified constitutional socio-economic rights, children can only claim a reasonable programme (that passes the higher level reasonable measures test), one that may or may not (in the face of real world administrative constraints) result in the short-term realisation of their relevant basic rights. ii) It makes it very difficult and time-consuming to prove, through litigation, that government is not fulfilling its obligations to a particular child or group of children. iii) The higher level reasonable measures test is not easily transported out of the court room and into a method that can be applied by researchers to evaluate government's achievements and shortcomings. iv) It leaves open the important question of what level of services children can claim from the state, whether through a reasonable programme or a direct claim.

advancement of child socio-economic rights that urgent attention be given to this matter. The lack of understanding about what children are entitled to claim from government by way of their constitutional socio-economic rights makes it difficult for government to formulate effective implementation strategies. It also undermines the formulation of rigorous monitoring methods that are aimed at holding the state accountable for its actions⁴. In defining the content of the various child socio-economic rights, and associated state obligations, a key challenge will be dealing with the inter-dependence of children's socio-economic rights and parents' (or alternative care-givers') socio-economic rights. Another challenge will be dealing with inter-dependence between the different child socio-economic rights.

1.2 Programmes delivering social services to children

As argued above, government is obliged to put in place programmes (child-specific or general) to give effect to children's socio-economic rights. Having noted the importance of government programming and expenditure to deliver basic and social services to poor people in general for the realisation of child socio-economic rights, we now turn the spotlight to describing and tracking expenditure on child-specific programmes. Table 1 below gives an overview of the broad range of government child specific programmes that are currently in place. These programmes are all financed and implemented by provincial government (health, social development or education departments). The table outlines, for each programme, the services provided, targeted beneficiaries and form of government funding (conditional grant, provincial equitable share or both).

Table 1: Child programmes financed and implemented by provincial governments

Programme title	Service programme aims to provide	Targeted beneficiaries	Form of funding
Social development department programmes			
Child support grant (CSG)	Monthly payment of R170 (from 1 April, 2004), claimed by the caregiver on behalf of the child. Using 1999/2000 as a base year, the real value of the CSG payment has increased from R100 to R121.51. ⁵	Targeted at children (age 0-11 from April 2004/05) who pass a means test. The parent or care-giver applying for the grant on the child's behalf must supply identity documents and the child's birth certificate. (Children 0-14 are to qualify for the grant from April 2005/06).	Provincial funding allocated from equitable share and own provincial revenue plus the CSG extension conditional grant. The latter was introduced in 2003/04 to assist provinces in rolling out the age extension of the programme.

⁴ Bentley (2002:2) elegantly highlights the importance of clarifying the nature of the entitlements given to children, as follows:

"It is difficult to deliver something if you don't know what it is. If asked to deliver for example, a piece of furniture, you would need to know its size, measurements, weight, and if it could be broken into separate pieces, before you could decide on the best method to deliver it. This is analogously true of the enforcement of human rights. In addition, we can't measure how well we have done our job of delivering something, if we don't know what it is, or indeed what it is for."

⁵ The CPIX for 1999/00 to 2004/05 presented in National Treasury's Budget Review 2004 and 2002 were used for the conversion of the CSG, CDG and FCG nominal values into real values.

Programme title	Service programme aims to provide	Targeted beneficiaries	Form of funding
Care dependency grant (CDG)	Monthly payment of R740 (from 1 April 004), claimed by the caregiver on behalf of the child who proves, through medical assessment severe disability Using 1999/2000 as a base year, the real value of the CDG payment has decreased from R520 to R500.33.	Targeted at poor children who have severe mental or physical disabilities and are in need of full-time care. The child must be under 18 years, or up to 21 years if s/he is still in secondary school.	Provincial funding allocated from equitable share and own provincial revenue.
Foster care grant (FCG)	Monthly payment of R530 (from 1 April 2004) claimed by the caregiver with a court order indicating their foster care status. Using 1999/2000 as a base year, the real value of the FCG payment has increased from R374 to R357.38.	Targeted to children who are placed in foster care by a social worker on behalf of the children's court.	Provincial funding allocated from equitable share and own provincial revenue.
Secure care programme	Provides shelter for children who have been removed from their homes.	Targeted at neglected, abused and / or exploited children.	Provincial funding allocated from equitable share and own provincial revenue.
Child and Youth Diversion Programme	Different types of interventions are applied for different offences. These are in line with the Child Justice Bill, as well as the Probation Services Act.	This programme targets all children that are in conflict with the law, with the aim of keeping them out of the criminal justice system.	Provincial funding allocated from equitable share and own provincial revenue.
Transformation of the Child and Youth Care programme	The programme provides transformation homes, places of safety, as well as quality assurances from these places that the programmes are being implemented and are working.	This programme is also targeted at children in conflict with the law, as well as children in need of protection.	Provincial funding allocated from equitable share and own provincial revenue.
Education department programmes			
Primary school feeding scheme ⁶	Early morning nutritious supplementary meal comprising not less than 25% of RDA of energy for 7-10 year olds and not less than 20% of RDA of energy for 11-14 year olds	Primary school learners from poor households. The programme targets schools in areas with the highest poverty levels, rural schools, farm schools and schools in informal settlements.	Earmarked RDP funding 1994/95-1997/98. Funded through INP conditional grant from 1998/99-2003/04 supplemented by equitable share funding. Now funded through the PSFS conditional grant.
Public ordinary schooling	Provision of ordinary schooling to all learners from the compulsory schooling band (1-9) and older (grade 10-12).	Children who need compulsory schooling (grade 1-9) and wanting further education and training (grade 10-12).	Funded from provincial allocations out of their equitable shares and own revenue.

⁶ The financing and implementation of the Primary School Feeding Scheme has only recently shifted to the provincial departments of education. From its inception in 1994 the programme – then known as the Primary School Nutrition Programme (PSNP) - was implemented by the Provincial Health Departments. Only in April 2004 responsibility shifts to provincial education departments.

Programme title	Service programme aims to provide	Targeted beneficiaries	Form of funding
Early childhood development	Provision of early childhood education (through public ordinary schools and community centres) at the Grade R and earlier levels in accordance with White Paper 5.	ECD is for young children to prepare them for Grade 1.	Funded from provincial allocations from their equitable shares and own revenue. A conditional grant was introduced in 2001/02, primarily to assist in the development and implementation of a compulsory Reception Year of schooling (Grade R). The conditional grant ended in 2003/04.
Independent school subsidies	This is not really a programme but a subsidy. However, it requires mention in the context of tracking spending on children. This line item in provincial budget statements records subsidies for primary and secondary schools that are independent.	Schools that are registered with the Department of Education as Independent Schools and that qualify for a subsidy in terms of criteria in the South African Schools Act. Only schools that do not provide inferior education and that have an admission policy which does not discriminate on the grounds of race qualify. Independent school enrolment amounts to about 2% of school enrolment nation-wide.	Funded from provincial allocations out of their equitable shares and own revenue.
Special school education	This programme provides education for learners with special needs at public schools. This includes provision of relevant education support materials and taking all reasonable measures to ensure that physical facilities at public schools are accessible to disabled persons.	Children with disabilities that can effectively be included in public schooling. It is estimated that there are approximately million children with disabilities of the compulsory school going age (7-15) in South Africa.	Funded by provincial education departments from allocations out of provincial equitable shares and own revenue.
Health department programmes⁷			
Free health care for children	Aims to provide all health services provided by state health facilities, with emphasis on the primary level of care free.	Children under six years and pregnant women, not covered by a medical scheme and using public sector facilities.	Funded in the same way as most health programmes: provinces allocate money from equitable share to health care services and also use the conditional grants that are provided for particular services. There is no specific line item for this programme in provincial budget statements and it is impossible to track expenditure on this programme.

⁷ A number of additional programmes targeted at improving health services for children are currently in development stage. In addition to the programmes listed in this table, there are also a range of child specific health policy frameworks and guidelines that govern the implementation of health care services for children (see Shung-King *et.al.* in Coetzee and Streak 2004).

Programme title	Service programme aims to provide	Targeted beneficiaries	Form of funding
Programme for the in-patient management of acute, severe Protein-Energy Malnutrition (PEM)	Provision of in-patient primary and secondary nutritional interventions to children hospitalised for severe, acute PEM.	All undernourished pre-school children visiting public health facilities.	Funded in the same way as most health programmes: provinces allocate money from equitable share to health care services and also use the conditional grants that are provided for particular services. There is no specific line item for this programme in provincial budget statements and it is impossible to track expenditure on this programme.
Vitamin A Supplementation Programme	Supply of vitamin A at all public health facilities. Routine administration: 60-60 months, additional supplementation to children vulnerable to malnutrition, childhood infections and chronic conditions such as HIV/AIDS.	Children at risk of malnutrition and childhood infections and using public health facilities	Funded in the same way as most health programmes: provinces allocate money from equitable share to health care services and also use the conditional grants that are provided for particular services. There is no specific line item for this programme in provincial budget statements and it is impossible to track expenditure on this programme.
Expanded Programme for Immunisation (EPI)	Administration of vaccines against measles, TB, diphtheria, pertussis, tetanus, measles, Hepatitis B and Haemophilus influenzae.	Children between birth and five years of age.	Funded in the same way as most health programmes: provinces allocate money from equitable share to health care services and also use the conditional grants that are provided for particular services. There is no specific line item for this programme in provincial budget statements and it is impossible to track expenditure on this programme.
Prevention of Mother-to-Child Transmission Programme (PMTCT)	Administration of anti-retroviral therapy to HIV-infected mothers before, during and after labour, as well as newborn babies.	Covers HIV-positive pregnant women and mothers and their newborn babies that use public health facilities.	Financed largely out of the HIV/AIDS conditional grant allocated by national government to provinces for spending on HIV/AIDS programmes. However, some provinces supplement this with allocations from their equitable share revenue.

Sources: Republic of South Africa, Division of Revenue Bill 2004; Cassiem and Kgamphe, Brand, and Shung-King et.al in Coetzee and Streak 2004.

One child specific programme that has not been listed in the table and which deserves mention is the broad programme related to the 'National Integrated Plan for Children Infected and Affected by HIV/AIDS'. This is a plan that guides a range of integrated efforts (including the home and community based care and support initiative but encompassing a number of other interventions) between the health, social development and education sectors to mitigate the impact of HIV/AIDS on children. The plan, and programmes linked to it, is targeted at all children affected and infected by HIV/AIDS. Unfortunately, it is extremely difficult to access information on government's planned and past spending on the plan and the programmes integrated under its name. This is partly

because there is no line item in provincial budgets for the plan and its sub-programmes. It is also because the available budget information on government's spending on mitigating the impact of HIV/AIDS (including through programmes such as the Home and Community Based Care and Support Programme) does not disaggregate spending on children.

The high number of programmes identified is testimony to the positive contribution of government to the advancement of child socio-economic rights over the first ten years of democracy. However, when looking at the range of child specific programmes and services offered it is also noteworthy that gaps emerge. In this regard, of most concern is the failure of government's child-targeted social assistance programmes to cater for children of all ages who are in need. Another noteworthy absence is a programme aimed at implementing measures to ensure that out-of-school children are placed back into schools.

2 Planned spending on child social assistance programmes: MTEF 2004/05

Budget data on government's planned spending on child specific programmes administered by provincial government social development departments are only available for three of the six programmes identified in Table 1 above. These are the CSG, CDG and FCG programmes. Directly below, the *Provincial Budget Statements* for 2004 and 2004 *Division of Revenue Bill* are used to present a picture of government's planned spending on the three social assistance programmes over the MTEF 2004/05 in the context of spending on the programmes over the past two financial years (audited in 2002/03 and estimated actual for 2003/04).

2.1 The Child Support Grant Programme

Currently, funding for the CSG comes from two sources.

- Allocations to the programme by provincial government social development departments from total provincial revenue.
- A conditional grant for the programme, provided to each province's social development department by national government. The conditional grant, called the 'child support grant extension' conditional grant, was introduced in 2003, when the programme was affected by a positive policy change involving an upward adjustment to the age of eligibility for the grant. From its inception in April 1998 until 31 March 2003, the grant was limited to children under seven years old that pass the means-test. In February 2003 government announced that children under nine would be targeted to receive the CSG from 1 April 2003/04, children under 11 years would be targeted from 2004/05 and children under 14 years would be targeted from 2005/06. In the context of provinces finding it increasingly difficult to finance growing demand for social assistance (driven by demand for the CSG, the FCG and dependency grant) the conditional grant was introduced to help provinces finance the age extension of the CSG programme.

Table 2 below presents the MTEF allocations to the CSG programme (including the CSG extension conditional grant) as well as the audited expenditure on the programme in 2002/03 and estimated actual expenditure in 2003/04 for each province. It also provides real growth rates⁸ (annual for the period 2002/03-2006/07 and annual average for 2004/05-2006/07). Figure 1 illustrates the nominal allocations for the CSG in each province for the years 2002/03-2006/07. In appendix A, the MTEF 2004/05 allocations for the CSG extension conditional grant and estimated actual expenditure on the conditional grant in 2003/04 by province are presented.

Table 2: Child support grant programme*, amount (R'000) and real growth (%)

Year	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2004/05-2006/07
Province	Audited	Revised estimate	MTEF			Average annual real growth ⁹
Eastern Cape	703345	1222636	2012656	2836043	3498399	
Real growth		66.03%	56.18%	33.56%	17.26%	35.67%
Free State	227200	416535	400396	486251	606864	
Real growth		75.10%	-8.80%	15.11%	18.64%	8.32%
Gauteng	456294	939116	1460927	1899907	2055696	
Real growth		96.57%	47.59%	23.27%	2.85%	24.57%
KwaZulu-Natal	1146327	1910225	2385870	3267314	4046454	
Real growth		59.16%	18.50%	29.81%	17.72%	22.01%
Limpopo	**	1339931	1815803	2450979	2601786	
Real growth			28.57%	27.94%	0.91%	19.14%
Mpumalanga	318441	595847	784540	1064429	1281286	
Real growth		78.71%	24.92%	28.60%	14.42%	22.65%
Northern Cape	74320	131692	151012	209958	217950	
Real growth		69.24%	8.80%	31.79%	-1.32%	13.09%
North West	**	646316	1060782	1477499	1796389	
Real growth			55.72%	32.02%	15.57%	34.44%
Western Cape	312161	500932	688162	880620	1098660	
Real growth		53.27%	30.34%	21.30%	18.59%	23.41%
All provinces	3238088	7703230	10760148	14573000	17203484	
Real growth		127.22%	32.53%	28.37%	12.22%	24.37%

Note *: The budget data includes the conditional grant for the age extension of the CSG programme.

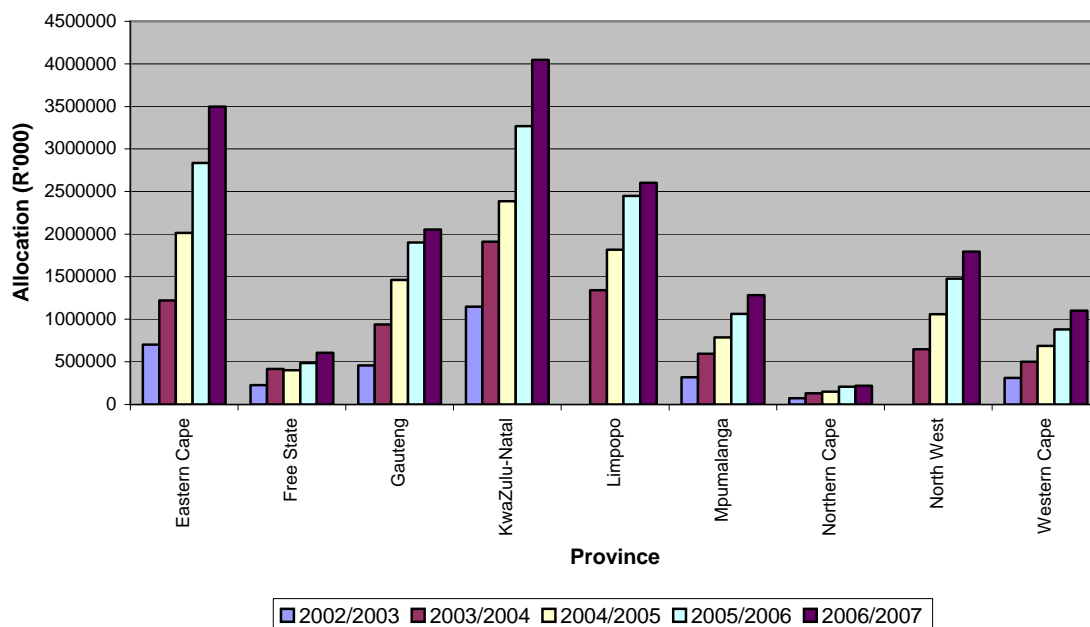
Note **: No information is supplied in the Limpopo and North West province Budget Statements on the audited expenditure on the CSG programme in 2002/03.

Source: Provincial Budget Statements for the year ending March 2004/05.

⁸ To calculate the real values, the GDP inflation given in Budget Review 2004 has been used, with 2003/04 as a base year. This is also the case for the calculation of real values of the allocations for the CDG and FCG programmes underpinning the growth rates presented in Tables 3 and 4 below.

⁹ The annual average for the CSG and the CDG and FCG has been calculated by adding the real growth rates for 2004/05, 2005/06 and 2006/07 and dividing by three.

Figure 1: Provincial spending on and allocations to the CSG programme (nominal, R'000)



The story around nominal allocations to and spending on the CSG programme in the nine provinces is easiest to see with the assistance of Figure 1 above. For all provinces, in nominal terms, there has been progressive growth in budget allocations to provinces since 2002/03. The policy change involving the upward adjustment in the age of eligibility and associated introduction of the CSG extension conditional grant is illustrated by the relatively large rise in nominal allocations in 2003/04. The graph also shows the differences in the size of nominal allocations across provinces. Looking across the years, Eastern Cape and Kwa-Zulu Natal have the largest nominal allocations of all the provinces and the Northern Cape and the Free State have the lowest. The large shares of Eastern Cape and Kwa-Zulu Natal in the combined provincial allocation for the CSG programme are in line with child poverty shares. Estimates of provincial shares of child poverty indicate that Eastern Cape and Kwa-Zulu Natal have the largest numbers of poor children, followed by Limpopo. Northern Cape has the smallest share of poor children, and hence the smallest need for spending on the programme (see Woolard in Streak, 2004).

From Table 2, the following points emerge about real growth rates in CSG programme budgets:

- Looking at the consolidated provincial growth in CSG programme budgets, there is strong real growth, particularly in 2003/04. However, real growth tapers off over the MTEF 2004/05 period, from a high of 32.5% in 2004/05 to 12.2% in 2006/07.
- There are large differences in real growth rates across provinces. Considering the annual average between 2004/05 and 2006/07, we see that Eastern Cape

- and North West have the largest average real growth rate of 35.6% and 34.4% respectively. Over the same period, the Free State has the lowest, of 8.3%.
- Causes for concern that emerge from the budget data, are the strong negative real growth rate in the budget of Free State in 2004/05 (-8.8%), the Northern Cape' negative CSG budget growth of -1.32% in 2006/07, and the very small real growth in the CSG programme budget of Limpopo and Northern Cape in 2006/07 (0.9% and -1.3% respectively).

2.2 Care Dependency Grant programme

Table 3 below presents provincial allocations to the CDG programme for the MTEF 2004/05, audited spending on the programme in 2002/03 and estimated actual spending on the programme in 2003/04. It also presents annual and annual average real growth rates in the provincial CDG programme budgets. Figure 2 portrays the nominal CDG budget data given in Table 3.

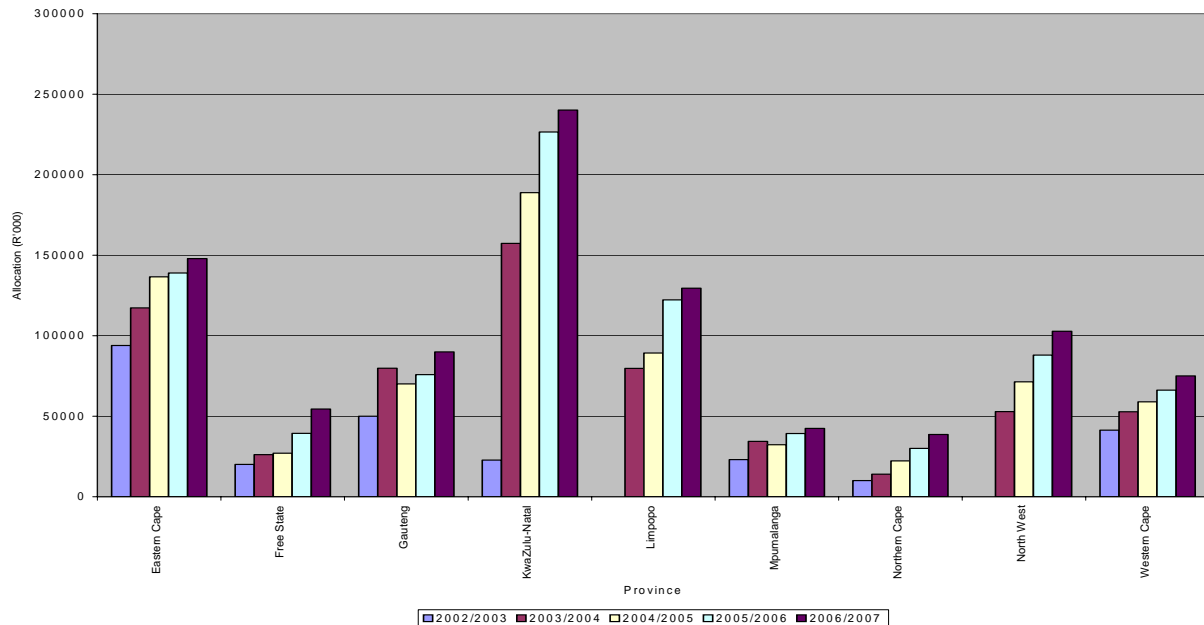
Table 3: Care Dependency Grant Programme, amount (R'000) and real growth (%)

Year	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2004/05-2006/07
Province	Audited	Revised estimate	MTEF			Average real growth
Eastern Cape	93883	117368	136569	138952	147884	
Real growth		19.40%	10.40%	-3.56%	1.17%	2.67%
Free State	20101	26108	27016	39353	54471	
Real growth		24.05%	-1.82%	38.07%	31.57%	22.61%
Gauteng	50000	79868	70066	75854	90000	
Real growth		52.57%	-16.77%	2.62%	12.78%	-0.46%
KwaZulu-Natal	22783	157314	188777	226532	240124	
Real growth		559.49%	13.85%	13.74%	0.76%	9.45%
Limpopo	*	79702	89234	122205	129537	
Real growth			6.22%	29.81%	0.76%	12.26%
Mpumalanga	23043	34415	32259	39212	42408	
Real growth		42.65%	-11.07%	15.22%	2.80%	2.32%
Northern Cape	10035	14011	22202	30006	38705	
Real growth		33.35%	50.34%	28.10%	22.61%	33.69%
North West	*	52866	71380	87910	102684	
Real growth			28.10%	16.74%	11.03%	18.62%
Western Cape	41365	52808	58926	66197	75032	
Real growth		21.93%	5.87%	6.48%	7.74%	6.70%
All provinces	261210	614460	696429	826221	920845	
Real growth		124.68%	7.53%	12.45%	5.94%	8.64%

Note: * No information is supplied in the Limpopo and North West province Budget Statements on the audited expenditure on the care dependency grant programme in 2002/03

Source: Provincial Budget Statements

Figure 2: Provincial spending on and allocations to the CDG programme (nominal, R'000)



The graph depicting the provincial CDG programme budgets of provinces shows that as in the case of the CSG programme budgets, nominal allocations have been increasing over time. It also illustrates that Eastern Cape and Kwa-Zulu Natal have the largest spending and budget allocations for the period 2002/03 to 2006/07. Northern Cape and the Free State have the lowest.

Turning to real growth rates in CDG programme budgets, the following points emerge:

- First, the consolidated provincial CDG programme budget reveals strong real growth, but it tapers off over time, as is the case for the CSG programme.
- Second, there is large variation in the real growth rates in CDG programme budgets across provinces. The Northern Cape and Free State have the highest annual average real growth for the years 2004/05-2006/07 that of 33.6% and 22.6% respectively. Gauteng has the lowest annual average growth over this period, that of -0.46%.
- Third, causes for concern are the shrinkage, in real terms, of Gauteng, Mpumalanga and Free State's CDG budgets in 2004/05. The negative real growth in the CDG budgets for each of the provinces in this year is -16.77%, -11% and -1.8% respectively.

2.3 Foster Care Grant Programme

Table 4 below presents the MTEF allocations to the FCG programme as well as the audited expenditure on the programme in 2002/03 and estimated actual expenditure in 2003/04 for each province. It also provides real growth rates (annual for 2003/04 - 2006/07 and annual average for 2004/05 -2006/07). Figure 3 illustrates the nominal allocations for the FCG programme for the years 2002/03-2006/07.

Table 4: Foster care grant programme, amount (R'000) and real growth (%)

Year	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2004/05-2006/07
Province	Audited	Revised estimate	MTEF			Average real growth
Eastern Cape	133354	185528	212616	216326	230232	
Real growth		32.88%	8.73%	-3.56%	1.17%	2.11%
Free State	80041	130542	148024	167198	196332	
Real growth		55.77%	7.58%	7.06%	11.62%	8.76%
Gauteng	107426	155066	282522	443465	600000	
Real growth		37.87%	72.86%	48.78%	28.61%	50.08%
KwaZulu-Natal	170966	252958	303550	364260	386116	
Real growth		41.32%	13.85%	13.74%	0.76%	9.45%
Limpopo		93352	87191	119576	126751	
Real growth			-11.38%	29.99%	0.76%	6.46%
Mpumalanga	18704	29154	38140	48895	52594	
Real growth		48.87%	24.12%	21.52%	2.25%	15.96%
Northern Cape	42933	53936	91133	88455	104410	
Real growth		19.99%	60.31%	-8.00%	12.20%	21.50%
North West		75510	108730	159416	219873	
Real growth			36.62%	38.97%	31.11%	35.57%
Western Cape	120808	145512	181188	214519	256228	
Real growth		15.04%	18.14%	12.22%	13.54%	14.63%
All provinces	674232	1121558	1453094	1822110	2172536	
Real growth		58.88%	22.92%	18.86%	13.34%	18.37%

Note: * No information is supplied in the Limpopo and North West province Budget Statements on the audited expenditure on the FCG programme in 2002/03

Source: Provincial Budget Statements.

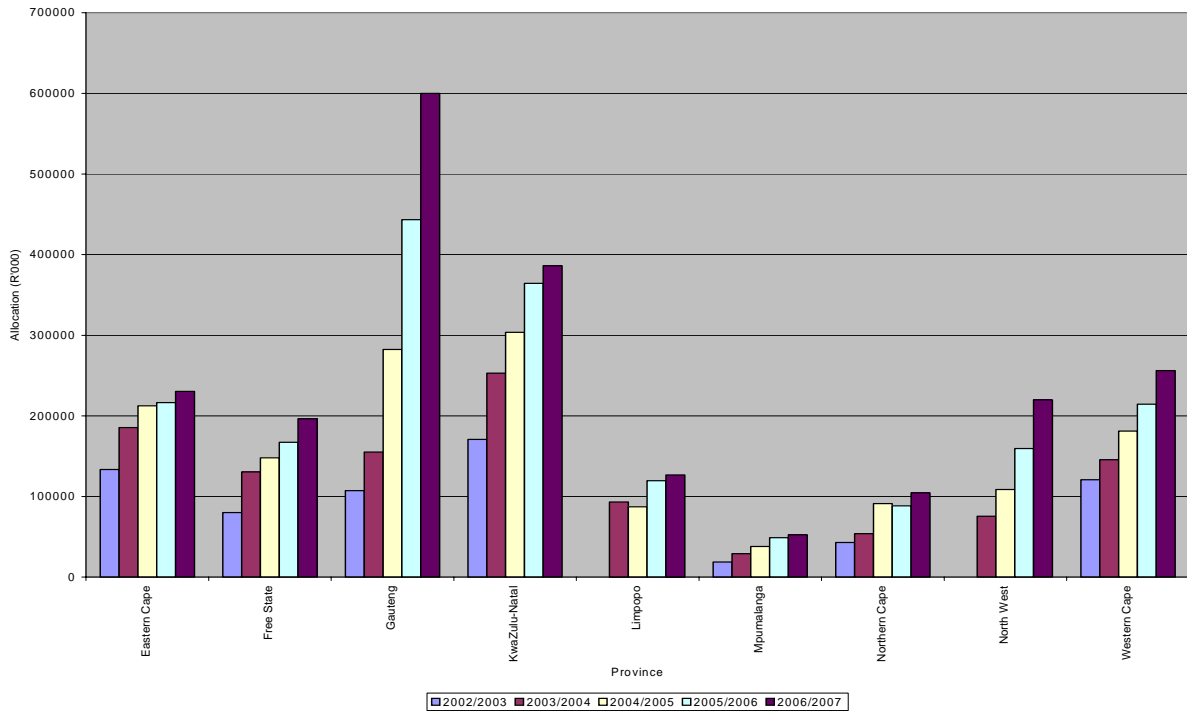
An interesting point to note from the nominal budget allocation and spending data on the FCG programme is the large nominal allocation of Gauteng, particularly in the outer two years of the MTEF 2004/05. After Gauteng, Kwa-Zulu Natal has the largest nominal allocations for the programme over the MTEF period. Mpumalanga's spending and allocations emerge as small relative to the other provinces.

Turning to the real growth rate data, the following points emerge:

- First, the combined provincial FCG programme budgets show strong real average annual growth, of 18.3%, for the years 2004/05 to 2006/07. This is slower than that for the CSG programme (23.3%) but faster than for the CDG programme (8.6%).
- Variations emerge again across provinces in the annual and annual average real growth data. Most notable here is the very large real average annual growth rate in the FCG programme budget of Gauteng for the period 2004/05-2006/07 (50%)

- compared to the small average annual real growth in the Eastern Cape's FCG budget (2.1%),
- Two particular causes for concern that appear are the negative growth in real terms in the FCG programme budget in Limpopo in 2004/05 (-11.3%), and in Northern Cape (-8%) and Eastern Cape (-3.5%) in 2005/06.

Figure 3: Provincial spending on and allocations to the FCG programme (nominal, R'000)



3 Spending on child social assistance programmes as a proportion of total government spending

As an indication of the level of prioritisation of spending on the three child specific social assistance programmes in total government spending, table 5 below illustrates, for 2003/04, estimated actual spending on the three programmes by all nine provinces combined as a percentage of total government main budget spending¹⁰. It also shows the combined provincial allocations to the three programmes as a percentage of total government main budget spending over the MTEF 2004/05 period. The data illustrates the following.

¹⁰ Main budget spending includes expenditure related to the National Revenue Fund as well as expenditure either voted by Parliament or allocated by statutory appropriation. It excludes spending of provincial and local government related to own revenue collection. (See National Treasury, 2004 *Budget Review*: 58 and 59).

- First, that spending on the three programmes constitutes a very small proportion of total government spending.
- Second that the proportion of spending on the programme is set to rise over time. The proportion is set to rise by 1.77%, from 2.85% to 4.62% in 2006/07.
- Third, that the CSG spending drives the increasing share of child social assistance in total government spending.

Table 5: Child social assistance spending as % of government main budget spending (estimated actual for 2003/04 and planned for 2004/05-2006/07)

	2003/04	MTEF period		
		2004/05	2005/06	2006/07
Total government main budget spending (R million) *	331 685	368 904	404 654	439 058
Child support grant as % of total	2.32%	2.92%	3.60%	3.92%
Foster care grant as % of total	0.34%	0.39%	0.45%	0.49%
Dependency grant as % of total	0.19%	0.19%	0.20%	0.21%
All 3 child social assistance programmes as % of total	2.85%	3.50%	4.26%	4.62%

Note: The value for total government spending used is that given in the main budget framework in the 2004 Budget Review. This reflects expenditure of all three spheres that is related to the national revenue fund. In other words, it excludes expenditure of local and provincial government facilitated by own revenue collection.*

Conclusion

This Budget Brief began by providing an overview of the limited understanding on the content of the socio-economic rights afforded children in the Constitution and the associated state (including government) delivery obligations. In this regard, it highlighted that children's socio-economic rights operate at two levels – the qualified socio-economic rights afforded everyone in sections 26 and 27 and the unqualified rights afforded children in section 28(1)(c) and 29(1)(a). It argued that there is a higher level state delivery obligation associated with the unqualified child socio-economic rights and that this translates into a duty on government to prioritise children in programming and budgeting, so that children's basic needs can be met as a matter of urgency. However, at the same time, it pointed to an urgent need for debate and consensus building around exactly what children are entitled to under their unqualified constitutional child socio-economic rights, and what services government is obliged to provide, by when (to children and their care-givers), to realise children's socio-economic rights.

The Budget Brief identified and described the broad range of government child specific programmes delivering social services important for realising child socio-economic rights. The set includes six (social assistance and social welfare service) programmes administered by social development departments, five administered by provincial health departments and five by provincial education departments.

As part of monitoring government's actions to give effect to child socio-economic rights, it is important to track government spending on the full spectrum of child specific programmes. However, due to the way that budget data is recorded, this is not possible. For example, because the social welfare services sub-programme in the provincial *Budget Statements* is not disaggregated in a way that records spending on children, spending on child specific welfare service programmes cannot be identified. It is for this reason that this budget brief focuses only on the three child-specific social assistance

programmes - CSG programme, CDG programme and FCG programme - in its analysis of provincial social development department's planned spending on child specific programmes.

From the budget analysis of the spending on child social assistance programmes, the following main points emerged:

- When the combined provincial programme budgets for the three programmes are considered, all three programmes reveal relatively strong annual average real growth over the MTEF period. The growth in the consolidated CSG programme budget is faster than for the consolidated FCG and CDG programme budgets. In light of the change in policy of the CSG programme, involving raising the number of children eligible for the grant, this is to be expected.
- There are substantial variations across provinces in the size of allocations over the MTEF and real growth in social assistance budgets over the period 2003/04-2006/07. Moreover, in some provinces, the data reveals that in the upcoming three year period, we can expect the child social assistance budgets to contract in real terms.
- Spending on child social assistance programmes currently constitutes a very small proportion of total government (main budget) spending (around 2.8% in 2003/04). However, the share is increasing and if the spending plans announced materialise, will rise to about 4.62% in 2006/07.

This Budget Brief does not address the question of the sufficiency of the allocations to child social assistance by provinces over the MTEF. This is a critical, but difficult area of research for monitoring projects. It requires moving into costing of programme delivery based on sound estimates of eligibility (effective demand) in each programme and good knowledge of delivery capacity. For all programmes, but particularly in the case of the FCG and CDG programmes, good eligibility data is difficult to identify. Acquiring better eligibility data is an urgent priority.

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Appendix A:

Conditional grant for the child support grant extension, amount (R'000) and real growth (%), 2003/04-2006

	2003/2004 (estimated actual)	2004/2005	2005/2006	2006/2007
		MTEF		
Eastern Cape	272130	902977	1706997	2296777
Real growth		214.8	79.2	27.9
Free State	76698	240558	454754	611875
Real growth		197.6	79.2	27.9
Gauteng	126499	220490	416816	560830
Real growth		65.4	79.2	27.9
KwaZulu-Natal	235143	780247	1474988	1984607
Real growth		214.8	79.2	27.9
Limpopo	199096	573943	1084987	1459858
Real growth		173.5	79.2	34.6
Mpumalanga	89292	260013	491531	661359
Real growth		176.3	79.2	27.9
Northern Cape	19671	65272	123392	166023
Real growth		214.8	79.2	27.9
North West	136387	416186	786763	1058595
Real growth		189.7	79.2	27.9
Western Cape	72121	190314	359772	484076
Real growth		150.4	79.2	27.9
All provinces	1227037	3650000	6900000	9284000
Real growth		182.2	79.2	29.0

Source: Provincial Budget Statements 2004/05 for the 2002/03 data and Republic of South Africa, Division of Revenue Bill 2004 for the MTEF data.