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DEVELOPMENT DISSERTATION BRIEF

2020:06

# THE PROMISE OF PAYDAY: EXPLORING THE ROLE OF STATE CASH TRANSFERS IN POST-APARTHEID RURAL SOUTH AFRICA



***The Promise of Payday:  
Exploring the role of state cash transfers in post-  
apartheid rural South Africa***

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Development Dissertation Brief 2020:06

till

Expertgruppen för Biståndsanalys (EBA)



**Stefan Granlund** disputerade i mars 2020 med sin avhandling ”The Promise of Payday: Exploring the role of state cash transfers in post-apartheid rural South Africa” vid Institutionen för stad och land på Sveriges lantbruksuniversitet. Stefans primära forskningsintressen berör sociala trygghetssystem och dess politik, jämställdhet, ekonomiska och sociala rättigheter samt teorier kring distributiv rättvisa.

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Please refer to the present paper as:

Stefan Granlund (2020), *The Promise of Payday: Exploring the role of state cash transfers in post-apartheid rural South Africa*, EBA Dissertation Brief 2020:06, Augusti 2020, Expertgruppen för biståndsanalys, Sverige.

Printed by Elanders Sverige AB  
Stockholm 2020

Cover design by Emma Andersson

## ABSTRACT

During the last two decades, cash transfer programs have become a significant tool across low and middle-income countries in efforts to reduce poverty. However, there is a paucity of studies on beneficiaries' own lived experiences of cash transfers as well as potential long-term productive effects on livelihoods. The aim of this thesis is to explore the material and socio-relational implications of state cash transfers for impoverished populations in rural South Africa in a changing livelihood context, using the Child Support Grant (CSG) as case. Material and social-relational implications of the grant are explored through combining household surveys with all (273) households in two rural villages in the Eastern Cape Province with interviews and observations. The thesis reveals that in a context of rising unemployment and declining cultivation, cash transfers have both protective and productive effects on livelihoods. The results show how the recipients used the CSG strategically for making small improvements to their livelihoods over time. In a context of prevalent anti-welfare attitudes in South Africa, the thesis shows that the CSG has strengthened women's autonomy and dignity and has reduced gender inequalities at household level as well as a growing sense of entitlement to the CSG among recipients.

## INTRODUCTION

In 2020, as the ongoing COVID-19 pandemic has devastating effects on lives and economies across the world and in South Africa as well, calls for expanded cash transfer programs are more and more noticeable (UNDP, 2020; Daily Maverick, 2020). While marginal in status until around two decades ago, cash transfer programs have become a significant development tool across low- and middle-income countries in efforts to reduce poverty, food insecurity and other life-cycle risks (e.g. old age) of impoverished populations. A variety of cash transfer programs exists across the world. They differ in design, targeted populations and ownership (state or non-state), which suggests a non-uniform trend but nevertheless a shift in thinking with regard to poverty reduction (Devereux, 2013; Olivier de Sardan & Piccoli, 2018; Leisering, 2019; De Haan, 2014).

Cash transfers in low- and middle-income countries have ranged from minimalist ‘safety nets’ (targeted social protection to the poorest or those deemed ‘deserving’ and ‘needy’) promoted by the World Bank as a response to economic crises since the 1990s, to calls for more comprehensive social welfare programs in the 2000s (Kabera, 2014). These minimalist approaches are increasingly challenged by authors who emphasize the importance of rights-based approaches that could improve the social contract between state and citizen (Hickey, 2011) and more comprehensive universal social protection systems with “governance systems that are accountable and responsive to poorer as well as wealthier citizen, and an approach to development that is grounded in social justice” (Devereux & Sabates-Wheeler, 2008:92; Hickey, 2014).

This critique spurs the question of what are the more long-term effects of cash transfers on poor people’s lives and livelihoods. Moreover, what are the beneficiaries’ own perspectives on the material and social and relational impacts of receiving a state cash transfer? This development dissertation brief summarises the major findings from fieldwork done in rural South Africa between the years 2016 and 2018 on the material and socio-relational implications of cash transfers on impoverished rural people.

Although the design of cash transfer programs remains contested and debated (Kabeer, 2014), the rise of these programs across the global South has been substantial during the last two decades (De Haan, 2014; Leisering, 2019), as has the research interest into its effects. However, much of the literature studying the impacts of cash transfers in the global South relies mainly on quantitative measures (Fisher et al., 2017). There is a paucity of micro-level qualitative research on beneficiaries' own perspectives on both the material and social impacts of cash transfers (Patel & Ulriksen, 2017). The importance of qualitative research has been pointed out by the first anthropological cross-comparative study on cash transfers, which highlights the importance of careful consideration of contexts when assessing cash transfer effects (Olivier de Sardan & Piccoli, 2018). Knowledge gaps have also been identified in relation to a) beneficiaries' own perspectives on whether and how cash transfers affect their livelihoods, b) studies on how cash transfers affect opportunities in engaging in social networks, risk sharing and economic collaboration, and c) the gendered nature of livelihood impacts of cash transfers (Fisher et al., 2017). This thesis aims to contribute to filling all the above knowledge gaps.

## **Cash transfers in South Africa**

A common definition of cash transfers is the “occasional or regular distribution of sums of money to vulnerable or poor households” (Olivier de Sardan & Piccoli, 2018:1). In South Africa, state cash transfers, known as social grants, have a long tradition and are a ‘proactive social policy’ with welfare state rhetoric rather than a temporary development trend (Olivier de Sardan & Piccoli, 2018:2, 5). The exceptional character of the South African social grants system sets it apart from many other African countries in that social grants are a constitutionally protected right and are fully funded by domestic taxation (Devereux, 2011; Seekings & Nattrass, 2015). The Child Support Grant (CSG) was introduced in 1998 and is the largest cash transfer in South Africa in terms of coverage. In 2019, the CSG scheme reached over 12.4 million beneficiaries with a sum of R420 (roughly 27 euro)

per month/child (SASSA, 2019). The CSG is paid out regularly each month to the primary caregiver of children under the age of 18 under a means test (Seekings & Natrass, 2015).

South Africa has a relatively comprehensive social security system, with seven different social grants (publicly financed, non-contributory, regular, and unconditional benefits in cash to citizens, under a means test, in order to address those living in poverty) paid to a total of around 17.8 million people in 2020, roughly 30% of the whole population. Although 17.8 million are direct beneficiaries, there are roughly 10 million recipients, due to some recipients receiving grants for multiple beneficiaries (e.g. two or more children within the household) (Torkelson, 2020; SASSA 2019). According to Statistics South Africa, social grants are the main source of income for 20% of households nationally but in the Eastern Cape Province, social grants were the main source of income for 35% of households (StatsSA, 2019). The existing social grants are the Child Support Grant (12.4 million), the Old Age Pension (also known as the Old Age Grant, 3.4 million), the Disability Grant (1 million), the Foster Care Grant (430 000), the Care Dependency Grant (148 000), the Grant-in-aid (140 000), and lastly the War Veterans Grant (124) (SASSA 2018). The amounts paid to recipients are R1780/month for the Old Age Pension (for persons older than 60 years), the Disability Grant, the Care Dependency Grant and the War Veterans Grant, R920/month for the Foster Care Grant, and R420 per child/month to the primary care giver for the Child Support Grant and the same amount for the Grant-in-aid (SASSA, 2018; Torkelson, 2020).

From the onset of the first democratic elections in 1994, the promise of a 'better life for all' and dignity for the previously discriminated against after decades of liberation struggles under apartheid was the political framing under which the African National Congress (ANC) came to power (Dubbed, 2017). A new Constitution was adopted in 1996 in which the preamble stated that it was to "heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights" (Liebenberg, 2007:178). In particular, South Africans had high

expectations of the state as a guarantor of social and economic rights (Plagerson et al., 2012). The emerging South African welfare system, primarily through the introduction and expansion of social grants to impoverished populations, has however been much maligned in public discourse in South Africa over the years (Hassim, 2006; Marais, 2011). As Hochfeld (2015) notes, there is virulent anti-welfare attitudes where social grant beneficiaries, primarily those with Child Support Grants, are widely out of favour in society, often experiencing denigrating allegations in media or from politicians (Hassim, 2006; Marais, 2011; Wright et al., 2015). However, social grants have also been described as one of the main tools for socio-economic development in democratic South Africa (Patel, 2015; Hassim, 2006).

Under present conditions of mass-unemployment, jobless growth and declining reliance on agricultural livelihoods (so called processes of deagrarianisation), social grants often become a dominant source of income in rural households. While the immediate positive impacts of social grants on poverty and child wellbeing have been adequately researched and proven (DSD, SASSA, UNICEF, 2011, 2012; Patel, 2012, 2015), there have been fewer studies of the potential long-term productive effects on livelihoods and the wider social-relational implications for beneficiaries. This thesis combines a qualitatively rich follow-up household survey with qualitative interviews and ethnographic methods to explore long-term livelihood effects as well as various aspects of lived experiences in relation to social grants in two villages in rural Eastern Cape, South Africa. This combination of a more quantitative study together with a qualitative approach (interviews and observations) provides a deep and rich understanding of cash transfers in rural South Africa.

## **Aim and methods**

The aim of this thesis is to explore the material and socio-relational implications of state cash transfers for impoverished populations in rural South Africa in a changing livelihood context. In particular, this is explored

through the case of the Child Support Grant (CSG) in two villages in rural Eastern Cape. The four different papers that this thesis is comprised of all contribute to the overarching aim through different steps and levels of analysis. It is important to first have a solid understanding of the long-term rural livelihood changes that have taken place in these villages (Paper I) in order to explore the material livelihood effects of the CSG (Paper II). The analysis then shifts to the lived experiences and perspectives of CSG-beneficiaries: the social and relational implications of the CSG at individual, household and community levels (Paper III), and finally, the implications for state-citizen relationships (Paper IV). Each paper (while individually separate in its scope of analysis) therefore builds on the other to address the overarching aim. The following sub-questions are consequently addressed:

- How have rural livelihoods changed in the study sites between 2002 and 2016 and in what ways has the CSG contributed to long-term effects on rural livelihoods?
- What are the social and relational effects of the CSG at individual, household and community levels?
- In what ways do encounters with the state through the CSG affect state-citizen relationships, including recipients' notions of entitlements to the grant?

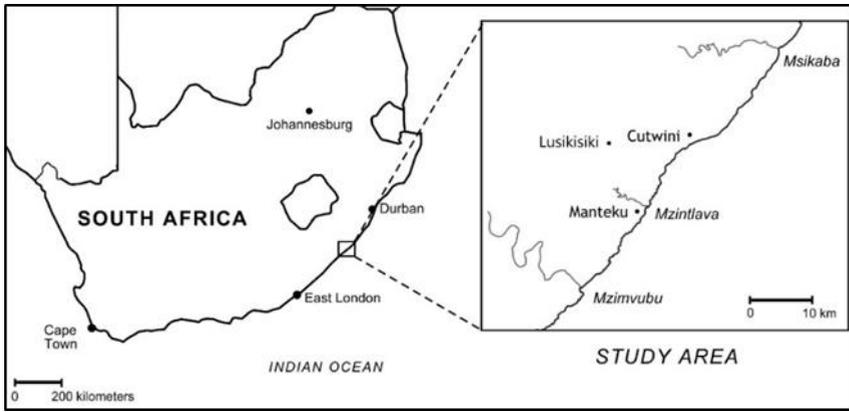
The papers in this thesis (three of which are published and one of which has been submitted for publication in 2020) contribute to addressing the aforementioned research gaps by firstly providing insights into the potential long-term productive effects of cash transfers on rural livelihoods, and secondly, adding qualitative insights into the (gendered) socio-relational implications of cash transfers on rural people's lives.

In order to explore the material and socio-relational implications of cash transfers in two rural communities in South Africa, a combination of qualitative and quantitative methods were used. The empirical data in this thesis consists of a household survey of all 273 households in two villages and an additional 33 in-depth semi-structured interviews together with extensive field notes and observations taken during fieldwork spaced out

between the years, 2016–2018. The fieldwork took place in March–May in 2016, March–April in 2017, and November of 2018. Exploring the long-term effects of cash transfers in these two villages is possible due to the existence of unique household survey data from all households in both villages from 2002 (Hajdu, 2006). The objective of the collaborative project was to return to the villages in 2016 and conduct a follow-up household survey, similar to the one from 2002, in all 273 households. The household survey aimed to explore changes in livelihood activities over the two years, as well as the long-term effects of the CSG, which had been introduced in these particular villages only after the first survey in 2002. In addition to the household survey, more in-depth qualitative research involving interviews and ethnographic observations was conducted in order to explore the lived experiences of CSG-recipients and their perceptions of the grants. In this mixed methods design, my role was to live in the villages for extended periods between 2016 and 2018, participating in daily local life and making continuous ethnographic observations, while conducting first the survey together with local assistants (2016), and later the interviews (2017–18).

### **Study area**

Cutwini and Manteku are rural villages located close to the Indian Ocean in the Pondoland region in the North-Eastern parts of the Eastern Cape Province of South Africa.



**Figure 1.** Map of South Africa, with the location of the two case study villages, Cutwini and Manteku, marked

The rural former ‘homelands’ of Eastern Cape are some of the poorest regions in South Africa due to the legacy of apartheid, with a history of racialized structural underdevelopment, with relatively poor-quality education and poor service delivery (Shackleton et al., 2015). Both villages, as a large part of rural South Africa, currently experience structural unemployment on a large scale. More lucrative public or private sector work is in Cutwini and Manteku available only for a few households, while most of the working-age population must contend occasional opportunities for piece jobs or temporary public employment schemes. This affects levels of formal social insurance, which is lacking for most impoverished households in these villages. South Africa, compared to other sub-Saharan African countries, also has a relatively small informal sector (Du Toit & Neves, 2014) and this is true of these field sites as well, where only a few households have small informal businesses that they can live off. Most households in both villages rely mainly on purchased food from supermarkets in Lusikisiki or from local smaller informal village shops, so called spaza shops. Supermarkets have been established in rural areas in South Africa for a long time (Du Toit & Neves, 2014) and the many low-price stores and

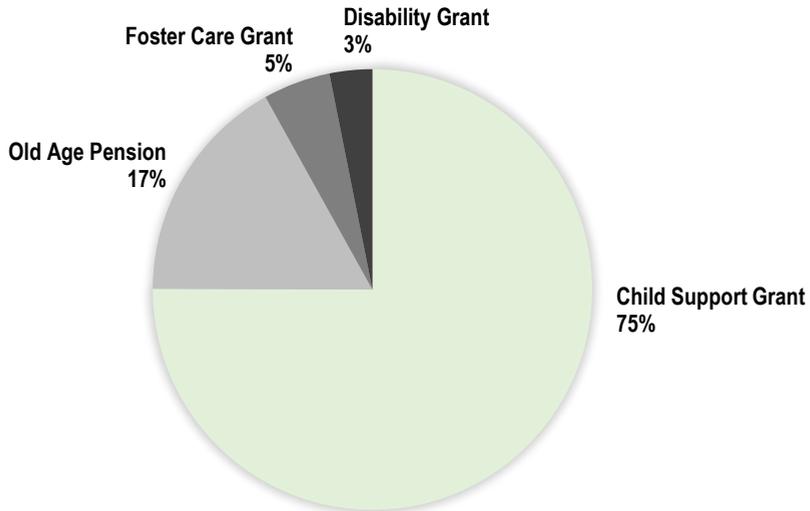
supermarkets alongside the main road in Lusikisiki, as well as the newly built shopping plaza, receive a significant amount of customers and consumers on any given day, with peaks during social grant paydays.

Electricity has been available in both Cutwini and Manteku since around 2012, but water has to be collected in private rainwater tanks or fetched by hand from springs (Cutwini) or large communal tanks (Manteku). Cutwini is located in a relatively isolated area with poor infrastructure, reached by a singled dirt road leading down towards the Indian Ocean. However, access to the sea (2–3 km from the village) is difficult and can only be reached through a steep terrain walk. The arable fields surrounding the village lie mostly abandoned and villagers primarily cultivate in their smaller household gardens for their own consumption or animal feed. In 2002, the village consisted of 146 households, but by 2016, it had grown by 19% to 174 households, with a total of 918 residents. Around 26 kilometres from Cutwini lies the closest town of Lusikisiki, where clinics, a hospital, supermarkets, banks, ATMs, petrol stations and clothing, furniture and construction stores are available.

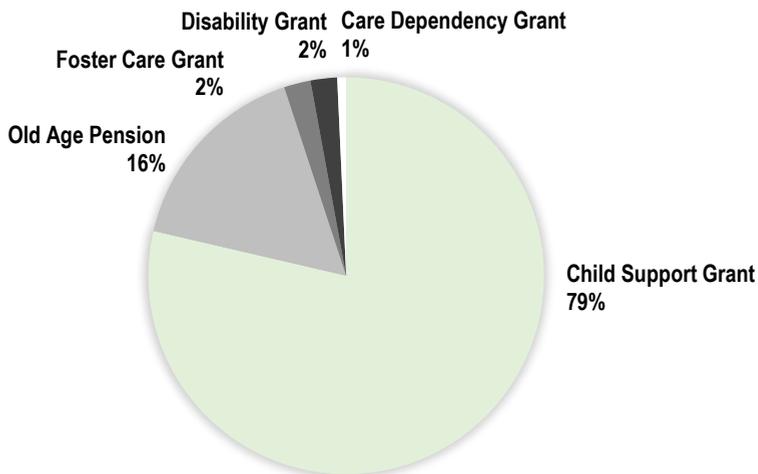
Manteku is a smaller village located right by the Indian Ocean, and close to the river mouth of Mzintlava. It also has fairly poor infrastructure, although it has a bus which goes through the village two times per day back and forth, in addition to minibus taxis. In 2016, the village had grown by 14%, thus increasing in size from 87 to 99 households with a total of 608 residents. From Manteku, it takes around one hour to reach Lusikisiki, and the school children walk or take the bus to a neighbouring village (a preschool is available in Manteku). The closest clinic is along the road about 45 minutes by bus. Manteku has fewer public employment schemes than Cutwini.

In terms of social grants, 85% of households in Cutwini and 89% of households in Manteku receive at least one social grant. However, this does not mean that the remaining 10–15% of households are considered to be ‘not poor’, but just that they are not eligible for a grant (e.g. a single male headed household or households without children). Thus, the majority of households receives at least one social grant and the bulk of overall grants

consists of Child Support Grants and Old Age Pensions (the old age grant). In both villages, all CSG recipients are women, and most, but not all, are the biological mother of the child.



**SOCIAL GRANTS IN CUTWINI**



### SOCIAL GRANTS IN MANTEKU

**Figure 2.** Breakdown of the number of social grants in both villages in 2016. Out of a total of 447 social grants paid out monthly in Cutwini, 334 are CSGs (75%). Out of a total of 276 social grants in Manteku, 217 are CSGs (79%). The Child Support Grant is thus the most common social grant in both villages

### Summary of results

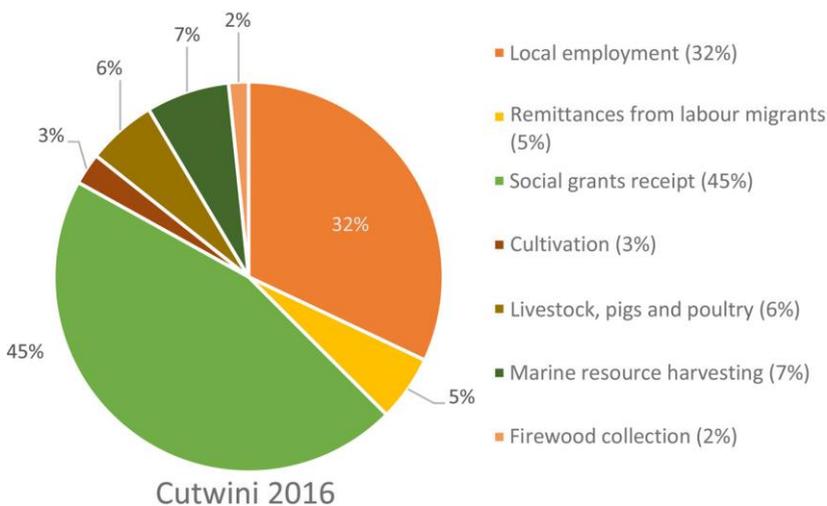
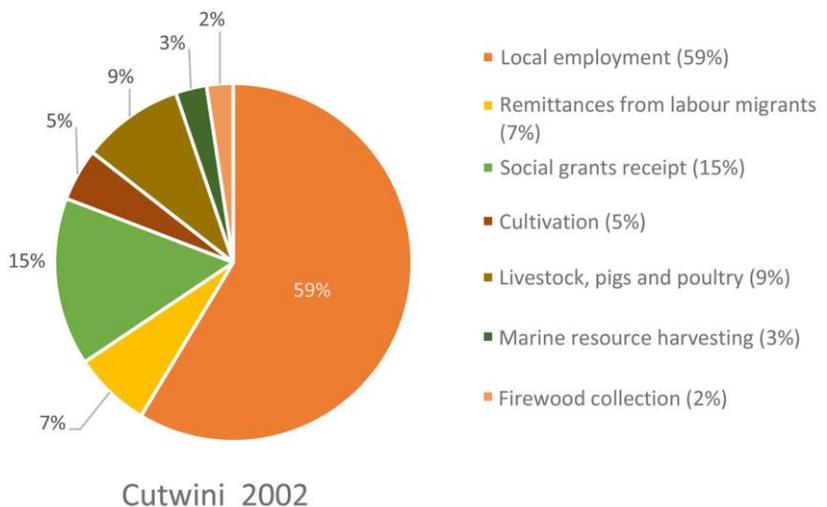
In this section, I will briefly present the results of each of the four papers, which address different aspects of the aim and research questions.

## Summary of Paper I

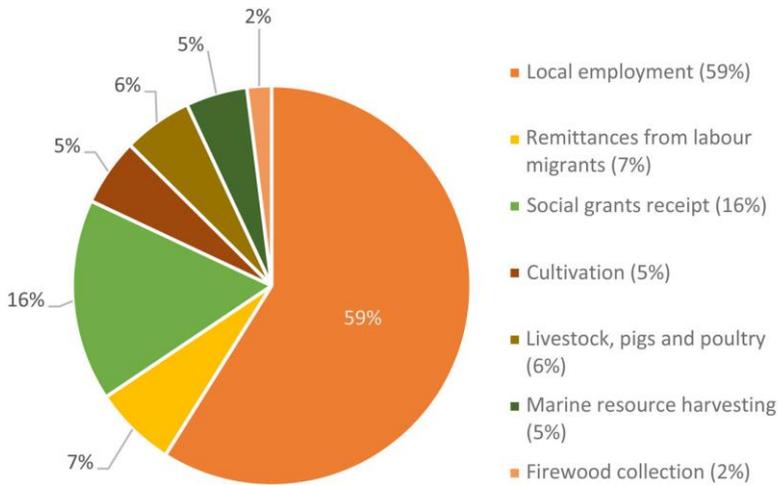
Changing Livelihoods in Rural Eastern Cape, South Africa (2002–2016): Diminishing Employment and Expanding Social Protection.

Published with Flora Hajdu and David Neves in *Journal of Southern African Studies*, published open access online 20 July 2020. <https://doi.org/10.1080/03057070.2020.1773721>

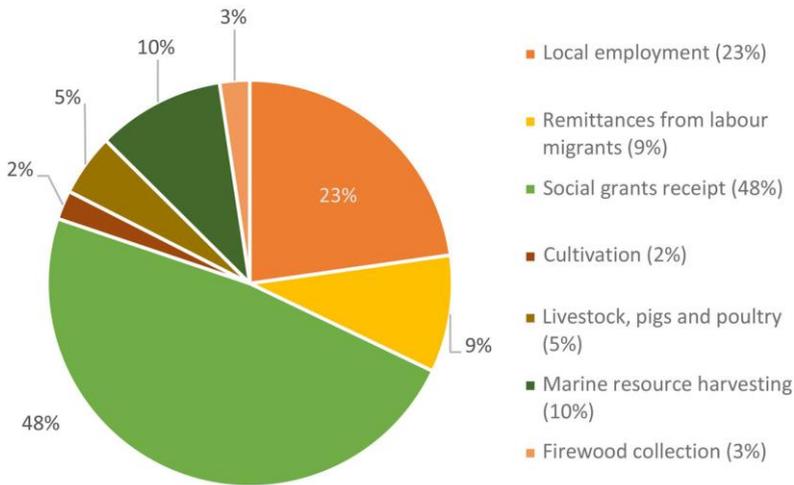
Paper I provides a solid understanding of the long-term rural livelihood changes that have taken place in the villages of Cutwini and Manteku between the years 2002 and 2016. The follow-up household survey in 2016 clearly showed how living conditions have deteriorated in the two villages since 2002 in terms of employment and that agriculture has become so unprofitable that most smallholder farmers had stopped growing staple crops. The state social pension and the Child Support Grant during the period studied have helped to prevent people from falling deeper into poverty and deprivation. The impoverished households in the study sites have experienced increased continued jobless de-agrarianisation since 2002. This is especially the case with wage employment, which has decreased significantly, especially in Manteku (see figure 3). Although local employment in 2002 was erratic and poorly paid, it represented a significant livelihood activity. In 2016, we found fewer jobs. However, those that exist in the public or private sector are today better paid, which points to increased social differentiation within the villages.



**Figure 3.** Charts showing the share of different livelihood activities in the total village-level livelihood portfolio (Cutwini and Manteku, 2002 and 2016)



Manteku 2002



Manteku 2016

Figure 3. (continued)

In contrast to the directly redistributive role of social grants for households, Paper I elaborates on a number of failed government- and donor-funded development projects over the last 14 years such as agricultural development and micro-finance. Few, if any, contributed to any form of sustained development in the villages due to a paucity of local consultation and understanding of rural lives and livelihoods, often ignoring the wider structural constraints of the Eastern Cape. For example, in Manteku, an R670 000 EU-funded horticultural nursery was established. However, due to the lack of community ownership and planning for project sustainability, the nursery soon fell into disuse.

The increase of social grants as a proportion of livelihood activities is significant and social grants have come to underpin livelihoods in these villages today, including contributing to keeping local, small-scale self-employment activities running. Analysis from the household survey showed a significant decrease in self-reported worry regarding food security in the household in 2016 compared to 2002. In 2002, a majority of households reported worrying about not having enough food to eat ‘all the time’ while in 2016, a majority of households claimed to only worry ‘sometimes’ or ‘never’.

## Summary of Paper II

Cash transfers for sustainable rural livelihoods? Examining the long-term productive effects of the Child Support Grant in South Africa.

Published with Flora Hajdu, David Neves, Tessa Hochfeld, Franklin Amuakwa-Mensah and Emil Sandström in *World Development Perspectives*, in press, published open access online 2 July 2020. <https://doi.org/10.1016/j.wdp.2020.100227>

Paper II continues from Paper I by exploring the potential long-term productive effects of the Child Support Grant (CSG) using the household survey data between 2002 and 2016. Using regression analysis, the results

show that households that had received cumulatively more CSG income between the years 2002 and 2016 (relative to households that had received less or no CSG) were more likely to invest in productive assets. Examples of such assets include small ploughs used for gardening and weeding, fridges and rain water tanks that save labour time for women (see photo 1), and poultry, staple crop and vegetable production. Reflecting the opportunities for horticultural production for local resale, there was a positive correlation between a larger diversity of crops cultivated in the garden and increased CSG receipt. The findings showed that the women that received more than one or two CSG per month could accumulate part of this income in local rotating savings groups and thus invest in more expensive assets, such as water tanks, stoves and fridges. These assets save time and labour for the women, and are thus both productive and increase well-being. The fact that women control the money and are able to buy items that they prioritise is also a sign of their increased control over money and decisions.



**Photo 1.** Rainwater tank attached to downpipe from the tin roof in Manteku. Purchases of rainwater tanks have increased with the access to cash transfers and local savings groups in these villages

The overall conclusion was that the cash transfers had some positive long-term livelihood effects but were not able to significantly improve recipients' livelihoods or transform livelihoods in the long term. Although cash transfers alone do not produce sustainable livelihoods or provide a pathway out of poverty, the findings regarding the productive effects of the CSG on households is remarkable as the grant was never intended to produce such effects. The fact that the CSG is a regular and predictable income is a strong factor in producing productive effects for households.



**Photo 2.** Social grant payday in Cutwini. On grant payday there is a market along the main road in the village, which acts as both a local meeting place and has positive local economy effects

### Summary of Paper III

“That Child Support Grant Gives Me Powers”: Exploring Social and Relational Aspects of Cash Transfers in South Africa in Times of Livelihood Change. Published with Tessa Hochfeld in *Journal of Development Studies*, vol.56, 2020 issue no 6, pages 1230-1244.

Paper III explored the perceived socio-relational implications of the Child Support Grant through the lived experiences and perspectives of the women interviewed in Cutwini (see figure 4 for a summary on socio-material effects). Although contradictions and inconsistencies existed in the views of those interviewed, the results of the paper shed light on some changes in social dynamics resulting from the CSG. On an individual level, the CSG, as an independent, unconditional income, has had micro-level transformative effects through CGS recipients' increased feelings of dignity and respect both within the household and in the community. Out of the 33 interviews with CSG-recipients (all women), almost all pointed to an increased sense of dignity due to CSG-receipt. The isiXhosa word of *isidima* (meaning dignity and respect) was often referenced in conjunction with the CSG and the role it played in the lives of the women interviewed.

The CSG recipients in this paper described how the CSG can create some tensions in the household with their husband/partner, especially if he is not working. However, more often nowadays, the grant was seen by most as contributing to the entire household and conflicts surrounding the grant within households had declined. Due to widespread unemployment, the CSG represented one of the primary (and the most regular and predictable) incomes in the household for many of the interviewed women. They elaborated on increased feelings of independence or autonomy, of not having to rely too much on family members or parents-in-law. In these households, the reversed dependencies (where social grant recipients are the main breadwinner in the household rather than other wage-working adults) have significant implications for household dynamics, for example in reducing unequal gender relations through CSG recipients' increased decision-making and bargaining power. The CSG is, however, not transformative in gender relations more substantively as the gendered division of labour is unaffected. Women are still overwhelmingly more responsible for unpaid care work and household labour. The regular and predictable payments of the CSG had major effects on relief from worry and stress for recipients when it comes to household expenditure, but also in strengthening their livelihoods in terms of being able to plan ahead. At the

community level, the paper also describes women's increased engagement in rotating savings and credit associations (so called stokvels or umngalelo) due to the CSG, which strengthens social networks. Many mentioned that they appreciate being able to use the CSG to help others in need and referred to solidarity and ubuntu (an African philosophy based on principles of sharing, solidarity and reciprocity). In this sense, the CSG becomes a facilitator of solidarity in times of livelihood changes. Nevertheless, the paper also highlights the very small amount of the CSG and that many are unable to use the grant for anything other than basic and immediate household needs. Solidarity and sharing are important, but such informal social protection is uneven and claims on resources are often an outcome of contestation, negotiation and relations of power.

#### Summary of Paper IV

“They are not leaving without their money”: Exploring encounters with the state through cash transfers in rural Eastern Cape, South Africa.

Manuscript with myself as sole author, submitted to a special issue on social and gender justice and the links to social protection in Southern African Journal of Social Work and Social Development, 2020.

Paper IV builds on Paper III and is also based on interviews and observations during fieldwork between 2016 and 2018. The paper explores how encounters with the state through cash transfers shape state-citizen relations in Cutwini. This paper builds on literature that advances an understanding on how state cash transfers can act either as a vehicle for strengthening a sense of citizenship, dignity, and entitlements or for reproducing inequality, stigmatization and shame. The paper draws on Nancy Fraser's social justice concepts of recognition and misrecognition to explore participants' lived experiences of applying and accessing social grants from the state. Fraser's theory of justice includes redistribution and recognition as two pillars, where both are needed in order to achieve social justice. According to her, social justice is participatory parity, meaning “justice requires social arrangements that permit all to participate as peers in social life” (Fraser, 2007:20). The substantive requirements for participatory parity is about

having the economic resources (redistribution) and social standing (recognition) needed to participate as peers in social life. Thus, in this context, cash transfers have the potential to enhance recipients' participation as full partners in social life and be perceived by society as worthy of respect. Observations during paydays of social grants were important as they were moments of encounters with the state where both recognition and misrecognition potentially can take place. In particular, the paper explored recipients' notions of entitlements in relation to receiving cash transfers, as well as their lived experiences of encounters with the state through social grants service delivery.

The huge task of delivering social grants, state cash transfers, to millions of impoverished households was in jeopardy during a crisis within the South African Social Security Agency (SASSA) in 2017. The risk of non-payment of social grants has been described as a crisis of majestic proportions in the media, which could severely affect the lives of recipients, local economies throughout the country, as well as the post-apartheid state of South Africa and the ruling party ANC. During the interviews, mixed views were presented regarding notions of entitlements to the CSG. Some recipients expressed views of grants as a form of charity, as help for the helpless now that there are no jobs and people are struggling. However, a growing sense of entitlement to social grants was more present, both in the views of participants and the actions during the transition to the new service provider, the South African Post Office, in 2018. In general, the younger generation was more aware of its rights to social security. Social grants are now undoubtedly an everyday part of life in the village, a norm, which contributes to an emerging sense of entitlement. The state is seen as taking 'ownership' of every child, which is a form of recognition of the right to a decent standard of living.

However, the younger CSG recipients also complained about mistreatment by state officials, of enduring insults and experiencing pejorative terms, such as imali yeqolo ('lying down on your back-money', implying women have

children just in order to receive a CSG). This is a form of misrecognition that affects their dignity in negative ways. CSG recipients' encounters with the state through social grants have during the period 2017-2018 meant uncertainty concerning whether or not grants will be distributed and extraordinary queues once the new service provider took over grant payments. However, encounters with state bureaucracy are also avenues where the impoverished see the state, enact a form of agency and gain recognition, which contributes to a sense of citizenship.

# THE SOCIO-MATERIAL EFFECTS OF THE CHILD SUPPORT GRANT



**Figure 4.** A summary of the different perceived socio-material effects of the Child Support Grant based on the lived experiences of the Child Support Grant recipients from interviews in 2016-2018

## Conclusions

In a context of mass-unemployment and declining cultivation, cash transfers in South Africa have had both protective and productive effects on livelihoods. While the Child Support Grant is only meant for child-related costs, it serves to protect the entire household from falling deeper into poverty and deprivation. In times of jobless de-agrarianisation, social grants are often the major income in poor households in the studied area and can thus be regarded as an important tool for poverty alleviation in rural South Africa. While this thesis highlights the limitations of small cash transfers to significantly improve long-term livelihoods in rural Eastern Cape, it also shows the strategic use of grant income by recipients for making small improvements in their livelihoods over time, improvements that, to the women, are important and labour-saving. The productive effects of the CSG are noteworthy in a South African context where the grants are not meant to have such effects. The CSG is only meant to help impoverished households with child-related costs, such as food, school uniforms and transportation to school. Thus, the potential wider long-term productive effects of the CSG are understudied in the literature on social grants in South Africa, which tends to focus on child-related outcomes (DSD, SASSA, UNICEF, 2012).

The interviews also showed that the women used CSG money through informal savings associations in order to invest in e.g. rainwater tanks, which saves a lot of time and labour. However, the analysis could not find any link between CSG and having a more stable job or running successful micro-enterprises. The women also reported that the income from the CSG meant a great deal to their sense of independence and dignity, contrary to the argument that the cash transfers create a dependency culture and harms people's dignity. Being able to feed and send their children to school every

day or being able to help a neighbour in need contributed to the feeling of dignity, and not having to depend on the goodwill of others contributed to a sense of autonomy. The women emphasised that, with the money, they could participate more in the village community through social networks such as informal savings associations. The money also had a positive impact on gender equality in households, since women's independent income meant not being dependent on men's or other relatives' incomes, while the lack of jobs now increasingly meant that men became dependent on the income of women and the elderly.

An important aspect that determines the success or failure of cash transfer programs is the dependability and regularity of the payments. The fact that the CSG is a dependable and regular monthly income produces less worry and stress for recipients and, in turn, strengthens their livelihoods by allowing them to save and plan ahead for their households. The dignity and respect (*isidima*) that the CSG offers for many participants of this study is in itself a form of recognition, which strengthens their social standing both within households and within villages. Similarly, the dignity and respect that it gives the CSG recipients in these villages produces better opportunities for social networks within the village, leading to strengthened social inclusion. One important example from this research is how the CSG enables or strengthens many participants' capability to enter into rotating savings associations, so called *stokvels*. Being part of a rotating savings group has material implications for the household (being able to purchase productive investments for the household) and also becomes a source of social network for the recipients.

Conversely, the negative socio-relational implications of the CSG are noteworthy. While Paper III expands on the dignity and respect that the CSG offers participants in this study within households in the village, CSG recipients are also confronted and faced with misrecognition and forms of 'othering' (Lister, 2004) through the persistent negative moral discourses around CSG receipt that permeates their lives (especially the younger participants in this study). Many participants in this study are keenly aware

of, and feel disrespected by means of, negative stereotypes of CSG money, such as imali yeqolo ('lying down on your back-money'), but also through disrespectful encounters with SASSA officials where (especially younger) women are questioned whether they are deserving of this money. This is a form of misrecognition of their social status as full partners in social interaction but also affects their sense of entitlement to the grants.

A common theme discussed in all four papers is that the role of the state, primarily through the redistribution of social grants, is crucial in sustaining livelihoods in times of jobless de-agrarianisation in rural former homelands in South Africa. The state is likely to remain prominent in this capacity in the years to come in the absence of decent employment (the 'post-wage existence') for the rural impoverished populations in South Africa, and this becomes even more important because of the devastating effects of the COVID-19 pandemic on employment opportunities. Social grants, like the CSG, are key to survival in impoverished communities like Cutwini and Manteku. Indeed, a new dynamic has appeared in the face of mass unemployment, as anthropologist James Ferguson argues: "the conditions associated with losing a steady income (illness, old age, disability, needing to care for small children) are now, for many, more likely to appear as the only plausible way of obtaining one in the first place" (Ferguson, 2015:16, emphasis added).

Nevertheless, the role of the state in South Africa as a prominent provider of livelihoods via cash transfers cannot be generalised easily or straightforwardly to other parts of sub-Saharan Africa, as few countries have the same kind of distributional welfare regime (Seekings and Natrass, 2015) or technical and financial capacity as the South African state. Nevertheless, the findings of Paper I speak to broader changes and dynamics taking place across the Global South, with similar processes of receding prospects of employment and agrarian change (Standing, 2002; Ferguson & Li, 2018; Hickel, 2016). While cash transfer programmes in sub-Saharan Africa differ significantly in terms of design and implementation, the thesis contributes

to the growing literature on cash transfer schemes across Africa (Davis et al., 2016; Fisher et al., 2017; Daidone et al., 2019).

The payment of social grants is the primary way in which the state manifests itself for impoverished rural villages such as Manteku and Cutwini. Providing social grants to the impoverished rural populations of South Africa on a monthly basis is a huge state apparatus and investment, which involves a lot of technical capacity and resources. For poor rural villages at the margins of the South African economy, like Cutwini and Manteku, grant payday represents the beating heart of the local economy. This is true both directly for the eligible recipients and households, but also indirectly for the wider local economy through the ripple effects on petty trade, transportation and services. Payday of social grants is simultaneously a promise and an act of redistribution and recognition. It is literally the day when the most direct redistribution of economic resources from the wealthier to the poorest takes place in South Africa. It is also a day when social grant recipients potentially can gain recognition for their status as citizens. The promise of payday in that sense reflects the promise of an increased sense of citizenship and of being a full member of a community with a right to economic welfare and security (Marshall, 1950). Thus, the CSG in Cutwini and Manteku is not simply an economic transfer of cash, which keeps individuals in households and communities afloat, it also becomes part of, and reshapes, social relations. This is the case both in terms of social relations in the household and in the community, but also for state-citizen relations. The potential for recipients to gain recognition for their status as citizens is an important symbolic implication of social grants.

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Cash transfer programs have become a significant tool in efforts to reduce poverty. Focusing on the Child Support Grant, this DDB explores the material and socio-relational implications of state cash transfers in rural South Africa.

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Sociala trygghetsystem såsom kontantstöd har blivit ett viktigt verktyg för att minska fattigdom. Med fokus på barnbidraget så undersöker denna DDB de materiella och socio-relationella konsekvenserna av kontantstöd på landsbygden i Sydafrika.

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