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Dispatch No. 364 | 26 May 2020

South Africans support social grants, but say work at any wage beats unemployment

Afrobarometer Dispatch No. 364 | Mikhail Moosa and Jaynisha Patel

Summary

In South Africa, “social grants” providing income support to poor households have a long history. More than 17 million citizens, almost one-third of the population, receive a cash transfer from the state each month (South African Social Security Agency, 2019). The largest social grant programs are the Child Support Grant (CSG), the Old Age Pension (OAP), and the Disability Grant. All target low-income households (Zembe-Mkabile, 2017).

In April 2020, to mitigate the economic shock of a national lockdown designed to curb the spread of COVID-19, the government introduced a R500 billion (\$28 billion) fiscal support package that includes a six-month increase for social grants (National Treasury, 2020). A special COVID-19 Social Relief of Distress grant was introduced to help those who are ineligible to apply for other grants or claim unemployment insurance (South African Social Security Agency, 2020). Without measures like these, some economists were predicting that the coronavirus crisis could triple levels of extreme poverty in the country (Bassier, Budlender, Leibbrandt, Zizzamia, & Ranchhod, 2020).

But even before COVID-19 and the lockdown, social grants were an important part of the government’s response to high levels of poverty and unemployment (Statistics South Africa, 2017). According to Afrobarometer survey findings, lived poverty was on the rise in South Africa by 2018, and respondents identified unemployment as the most important problem that the government should address (Chingwete, 2019).

While social grants have proved to be effective at reducing the incidence of extreme poverty and preventing inequality from worsening (Sulla & Zikhali, 2018; Statistics South Africa, 2017), they have also drawn criticism as being unsustainable and capable of producing negative side-effects, such as dependency (Ferreira, 2017).

Outside of an emergency like COVID-19, do South Africans think that the poor should receive income support from the state? Or should they not rely on the state and instead work for their income? In an economy characterized by persistently high levels of unemployment (Sulla & Zikhali, 2018), would South Africans support changes to the labour market that created more jobs, even at the expense of lower wages?

Findings from the Round 7 (2018) Afrobarometer survey indicate that most South Africans are in favour of the state supporting the poor through cash transfers, even if many say that abled-bodied adults should work for their social grants. South Africans would also prefer low unemployment with low wages over high unemployment with high wages; the vast majority believe it is better to have a job at any wage than no job at all.

Afrobarometer survey

Afrobarometer is a pan-African, non-partisan research network that provides reliable data on African experiences and evaluations of democracy, governance, and quality of life. Seven

rounds of surveys were conducted in up to 38 countries between 1999 and 2018, and Round 8 surveys (2019/2020) are planned in at least 35 countries. Afrobarometer conducts face-to-face interviews in the language of the respondent's choice with nationally representative samples.

The Afrobarometer team in South Africa, led by the Institute for Justice and Reconciliation and Plus 94 Research, interviewed 1,800 adult South Africans in August and September 2018. A sample of this size yields country-level results with a margin of error of +/-2.3 percentage points at a 95% confidence level. Previous surveys were conducted in South Africa in 2000, 2002, 2004, 2006, 2008, 2011, and 2015.

Key findings

- More than half (54%) of respondents said their household received a Child Support Grant during the previous year, while more than one-third (37%) benefited from an Old Age Pension. Respondents who are poor, less-educated, or live in rural areas were more likely to report receiving a social grant.
- Three-fourths (76%) of South Africans said the poor should receive grants from the state, and two-thirds (67%) believe it's the state's responsibility, rather than the family's, to support the poor.
- Despite support for social grants, a majority (59%) of South Africans believe that reliance on the grants can demotivate recipients from looking for work. More than half (53%) said that physically able adults should work for money they receive from the state.
- When asked to compare two hypothetical economic systems, two-thirds (66%) of South Africans would prefer an economy with low wages and low unemployment over one with high wages and high unemployment. The vast majority (79%) believe it is better to have a low-paying job than to have no job at all.

Who receives social grants?

Social grant programs are targeted and means-tested, meaning that recipients must meet certain eligibility requirements. For example, an income threshold excludes wealthy households. Recipients do not have to contribute prior income or fulfill behavioural conditions to be eligible (Zembe-Mkabile, 2017).

In the 2018 Afrobarometer survey, more than half (54%) of respondents said their household received a Child Support Grant (CSG) during the previous year, while more than one-third (37%) said their household received an Old Age Pension (OAP). One in eight respondents (12%) said their household benefited from a Disability Grant (Figure 1).

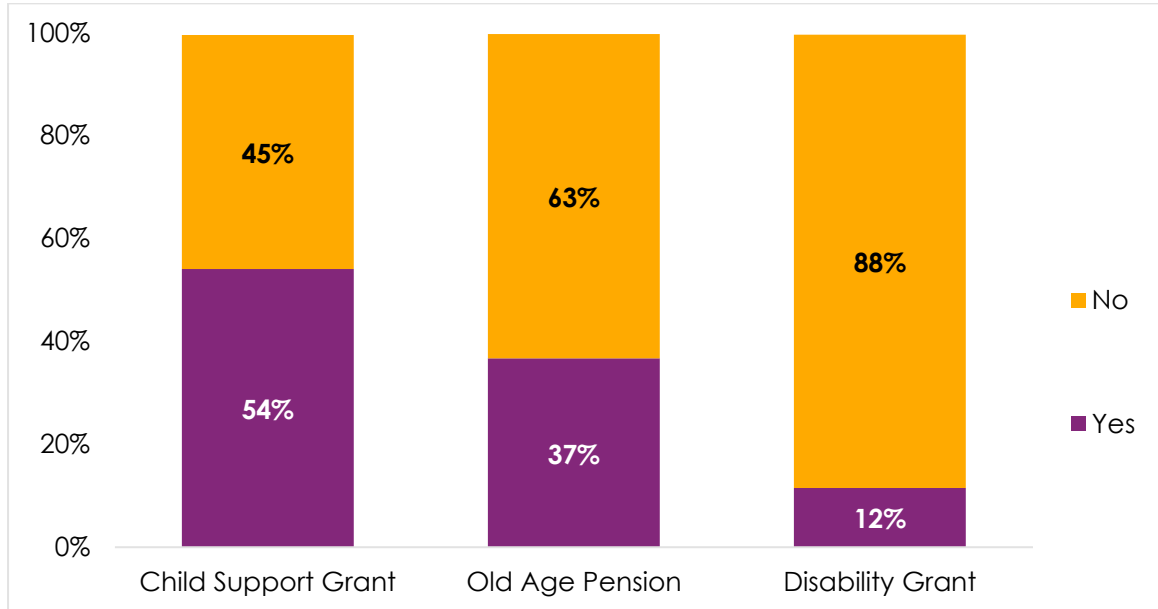
As would be expected for a means-tested grant targeting children in low-income households, the CSGs go to a higher proportion of households experiencing high lived poverty¹ (75%, compared to 37% of the economically best-off households) (Figure 2). As poverty in South Africa remains highly racialized (Sulla & Zikhali, 2018), black citizens (59%) were more likely than Coloured (45%) or white (14%) citizens to report receiving CSGs.²

¹ Afrobarometer's Lived Poverty Index (LPI) measures respondents' levels of material deprivation by asking how often they or their families went without basic necessities (enough food, enough water, medical care, enough cooking fuel, and a cash income) during the preceding year. For more on lived poverty, see Mattes (2020).

² Other race groups are not shown because small sample sizes produce results with very large margins of error.

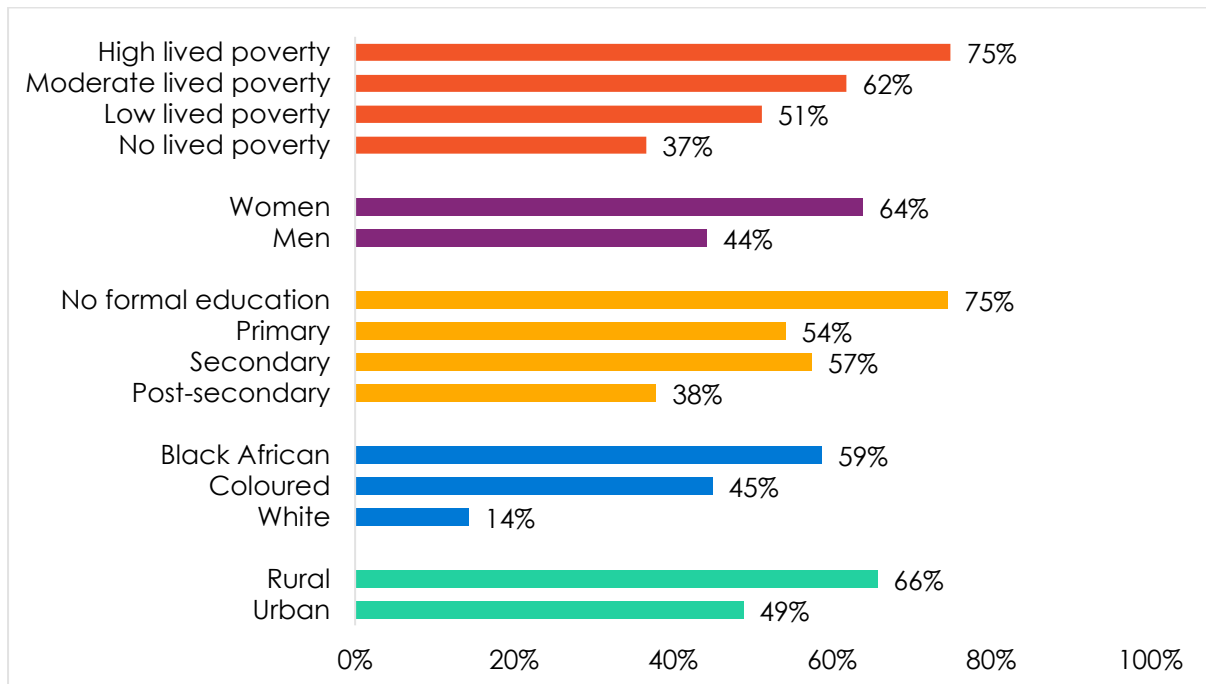
Women, who are more likely than men to provide child care (Khan, 2019), also more frequently reported that their household received a CSG (64% vs. 44% of men), as did respondents with no formal education (75%) compared to their more-educated counterparts. These grants also go to a higher proportion of rural households (66%, compared to 49% of urban households).

Figure 1: Household received social grant | South Africa | 2018



Respondents were asked: In the past 12 months, have you or anyone in this household received the following from the government: Child Support Grant? Old Age Pension? Disability Grant?

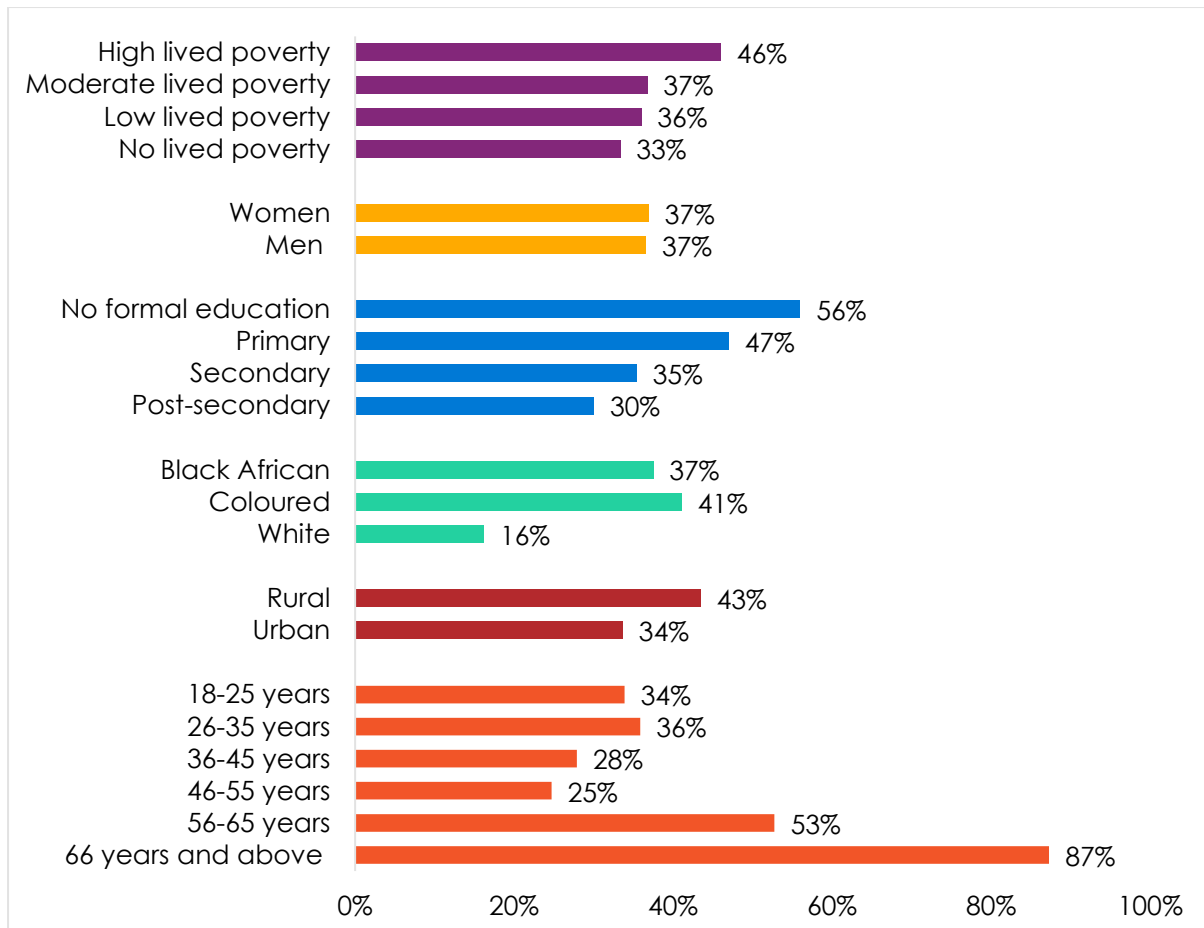
Figure 2: Child Support Grant recipients | by socio-demographic group | South Africa | 2018



Respondents were asked: In the past 12 months, have you or anyone in this household received the following from the government: Child Support Grant? (% "yes")

Unsurprisingly, receipt of an OAP was reported by a higher proportion of the oldest respondents (87% of those aged 66 or older, 53% of those aged 56-65) (Figure 3). Younger respondents (aged 18-35) were more likely than the middle-aged to report that their household received an OAP, probably reflecting the common practice of pensioners providing for younger family members (Zembe-Mkabile, 2017). Poorer, less-educated, and rural respondents were also more likely to report living in households benefiting from OAPs.

Figure 3: Old Age Pension recipients | by socio-demographic group | South Africa | 2018

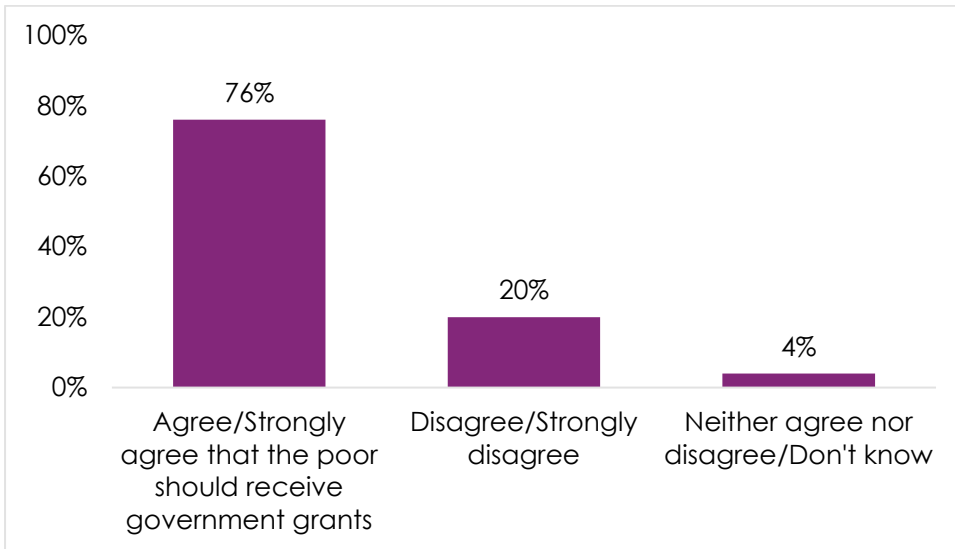


Respondents were asked: In the past 12 months, have you or anyone in this household received the following from the government: Old Age Pension? (% "yes")

Attitudes toward grants

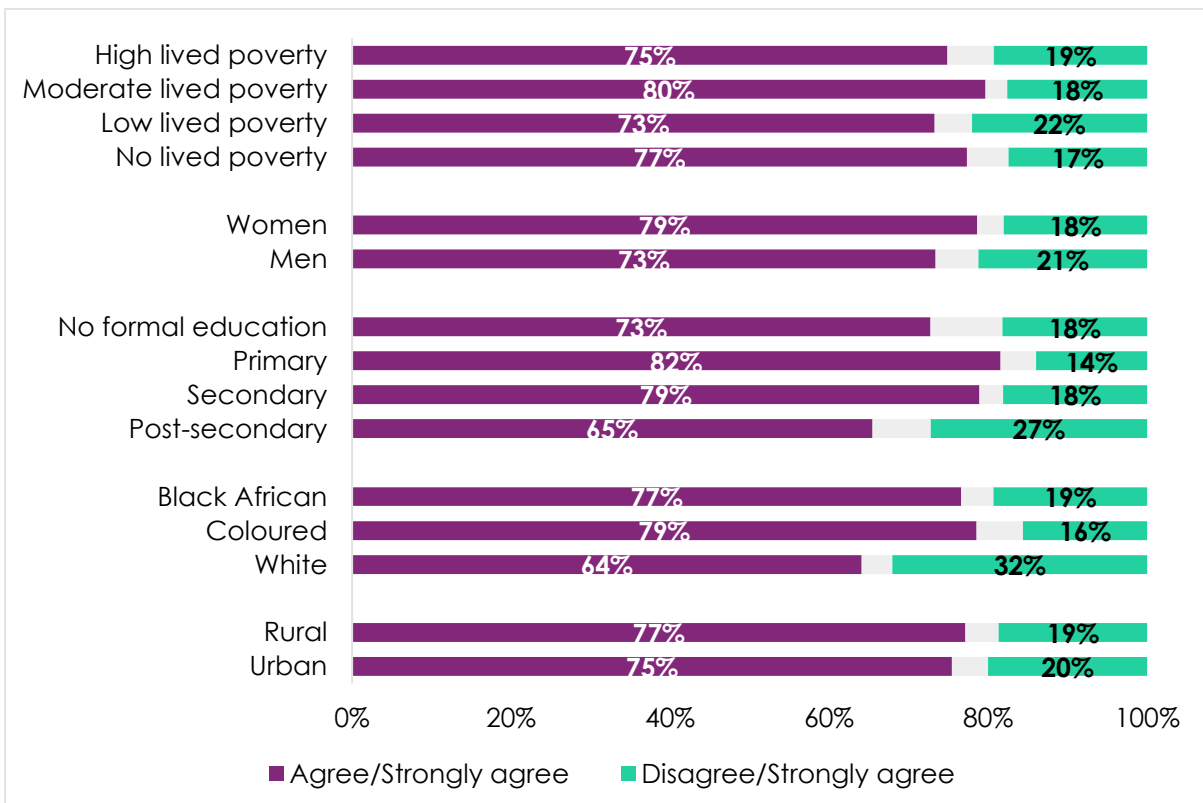
Do South Africans support the country's extensive social-grant system? The most recent Afrobarometer survey findings show that three-quarters (76%) of South Africans "agreed" or "strongly agreed" that anyone who is poor should receive a grant or pension from the government (Figure 4). Support for grants was strong across key socio-demographic groups. Well-off citizens (77%) were just as likely to agree as the poorest respondents (75%). Respondents with a post-secondary education (65%) and white respondents (64%) expressed the lowest levels of support for grants for the poor (Figure 5).

Figure 4: Should the poor receive grants? | South Africa | 2018



Respondents were asked: For each of the following statements, please tell me whether you agree or disagree: Anyone who is poor should receive a pension or grant from the government?

Figure 5: Should the poor receive grants? | by socio-demographic group | South Africa | 2018



Respondents were asked: For each of the following statements, please tell me whether you agree or disagree: Anyone who is poor should receive a pension or grant from the government?

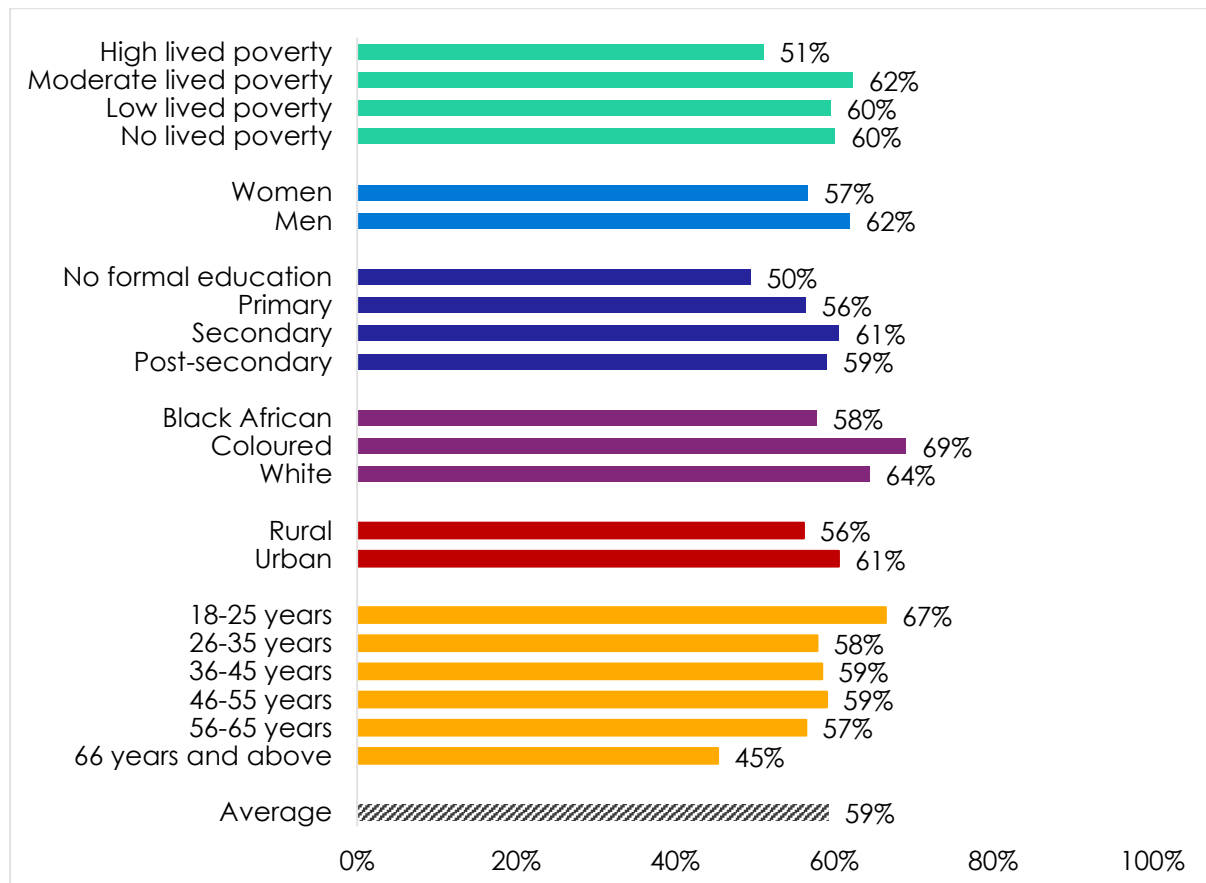
While studies have shown that CSGs are mostly used for the purposes intended, such as food, school expenses, transport, or paying off debt (Patel, Hochfeld, Moodley, & Mutwali, 2012;

Neves, Samson, van Niekerk, Hlatshwayo, & du Toit, 2009; Ferreira, 2017), South Africans harbor some concerns about the longer-term impact of reliance on government grants. A majority (59%) of respondents “agreed” or “strongly agreed” that citizens “become lazy when they rely on” social grants (Figure 6).

Again, studies suggest this is a misperception (Ferreira, 2017; Leibbrandt, Woolard, McEwen, & Koep, 2015), but its widespread currency could affect support for grants in times of economic tightening.

Larger majorities held this view among Coloureds (69%) and whites (64%) than among black Africans (58%). Young adults (67%) were considerably more likely than their elders to agree. The lowest levels of agreement with the idea that grants create laziness came from groups that are most likely to benefit from CSGs (Figure 2) and OAPs (Figure 3), including the poorest respondents (51%) and senior citizens (45% among those over age 65).

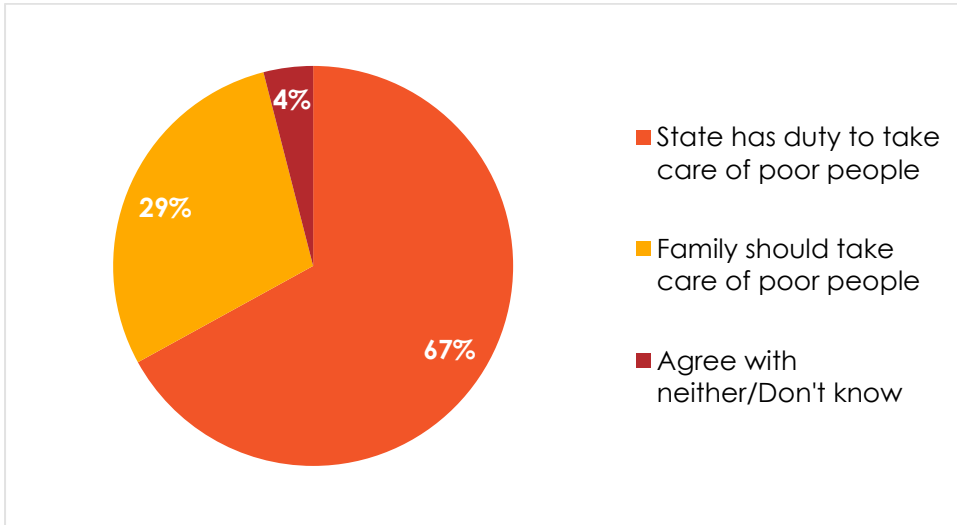
Figure 6: Perception that grants create laziness | by socio-demographic group | South Africa | 2018



Respondents were asked: For each of the following statements, please tell me whether you agree or disagree: Citizens become lazy when they rely on government grants or Old Age Pensions? (% who “agree” or “strongly agree”)

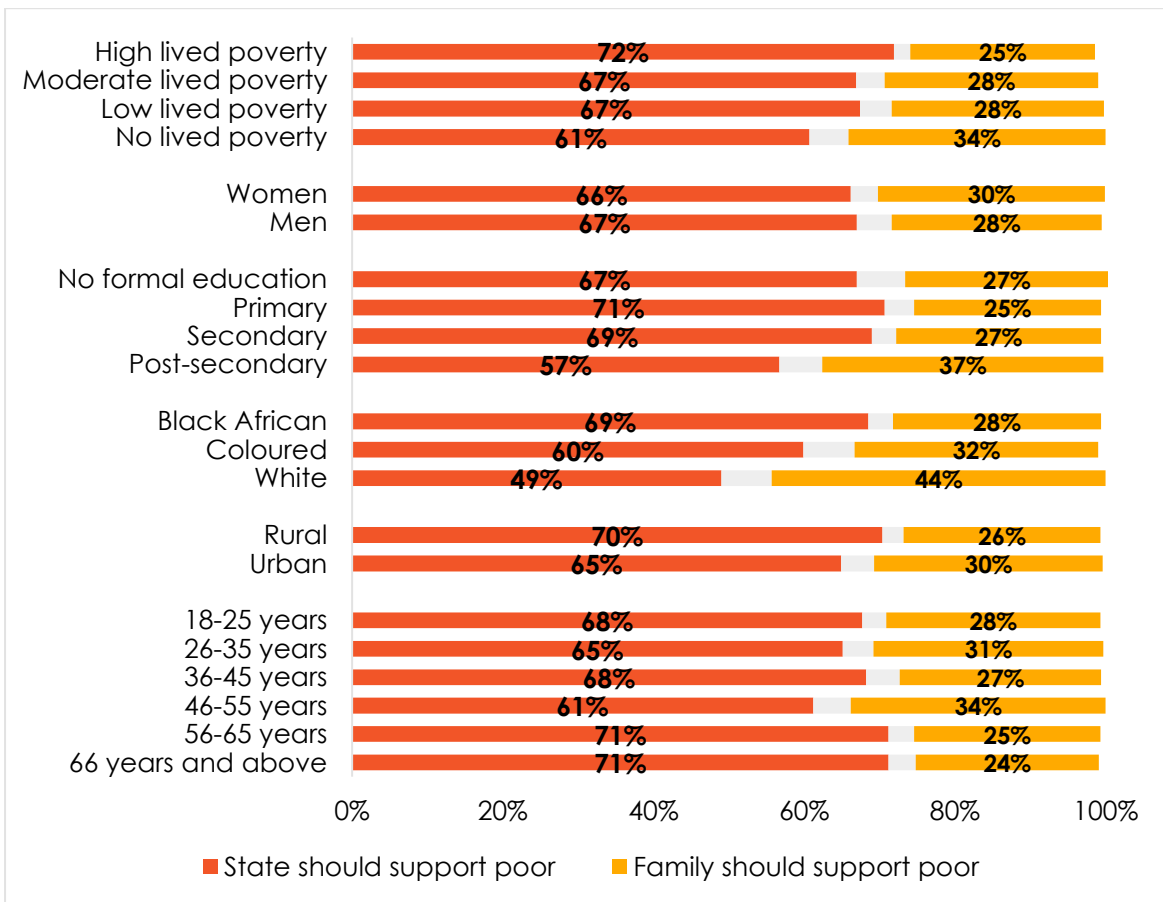
Despite these reservations, two-thirds (67%) of South Africans saw it as the duty of the government to take care of poor people, while less than one-third (29%) said that poor people should be looked after by their families rather than relying on the state (Figure 7). Endorsement of familial over state responsibility for supporting the poor was more common among respondents with no lived poverty (34%), those with a post-secondary education (37%), and white South Africans (44%) – groups less likely to need financial support (Figure 8).

Figure 7: Should the poor rely on family or the state? | South Africa | 2018



Respondents were asked: Which of the following statements is closest to your view?
 Statement 1: Poor people should be looked after by their families or kin and not depend on the government.
 Statement 2: In this country, it is the duty of the government to take care of poor people.
 (% who "agree" or "agree very strongly" with each statement)

Figure 8: Should the poor rely on family or the state? | by socio-demographic group | South Africa | 2018



(% who "agree" or "agree very strongly" with each statement)

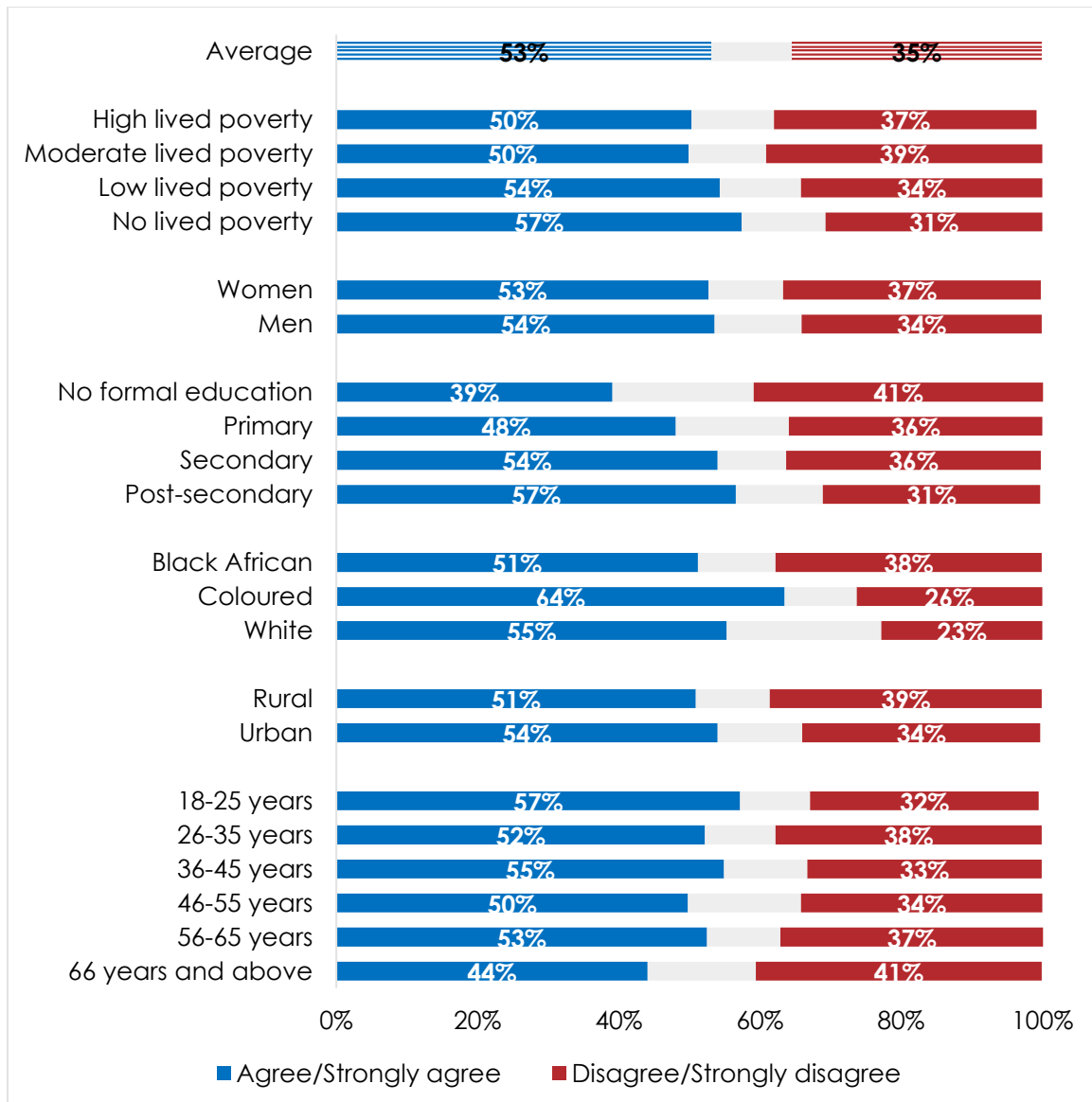
Attitudes toward labour and grants

Even though most South Africans consider it the state's responsibility to take care of poor people, more than half (53%) also "agreed" or "strongly agreed" that able-bodied adults should work for any income from the state (Figure 9).

Agreement with the idea that receipt of a social grant for those able to work should be conditional on labour was above average among respondents with no lived poverty (57%), those with a post-secondary education (57%), Coloured citizens (64%), and the youngest respondents (57%).

Groups with the largest share of disagreement were those with high levels of social-grant receipt, including respondents with no formal education (41%), rural residents (39%), and those aged 66 or older (41%).

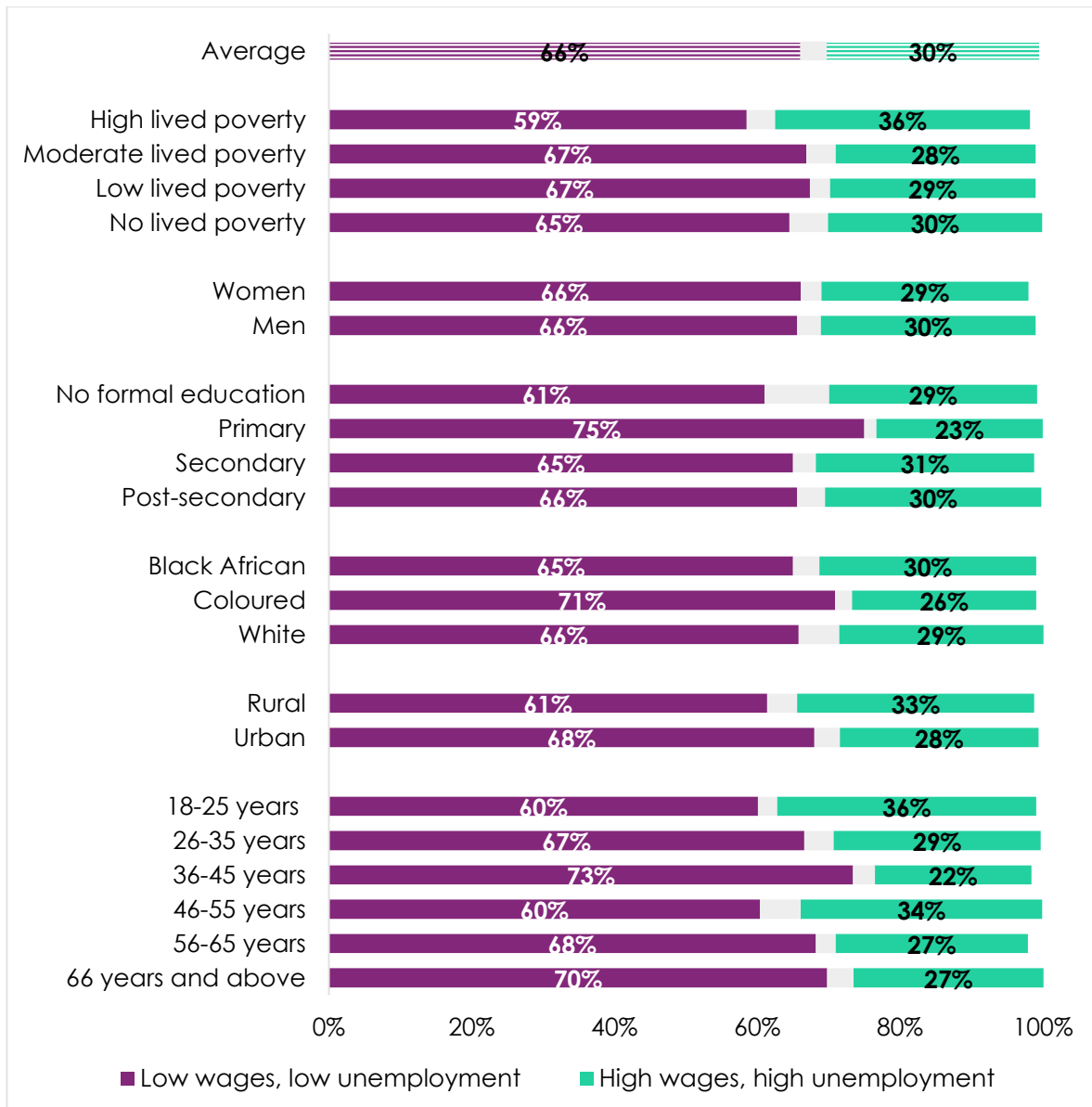
Figure 9: Adults should work for money from the state | by socio-demographic group | South Africa | 2018



Respondents were asked: For each of the following statements, please tell me whether you agree or disagree: Adults who are physically able to work, regardless of age, should be required to work in return for any money received from the government?

When asked to choose between two hypothetical economic systems, two-thirds (66%) of respondents said they would prefer an economy with low unemployment even if wages were low, while fewer than one-third (30%) opted for a high-wage, high-unemployment economy (Figure 10). Interestingly, two groups with acute unemployment expressed the highest levels of support for a high-wage, high-unemployment economy: those with high lived poverty (36%) and the youngest respondents (36%).

Figure 10: High wages, high unemployment vs. low wages, low unemployment
 | by socio-demographic group | South Africa | 2018



Respondents were asked: Imagine two economic systems and indicate which system will be better for you.

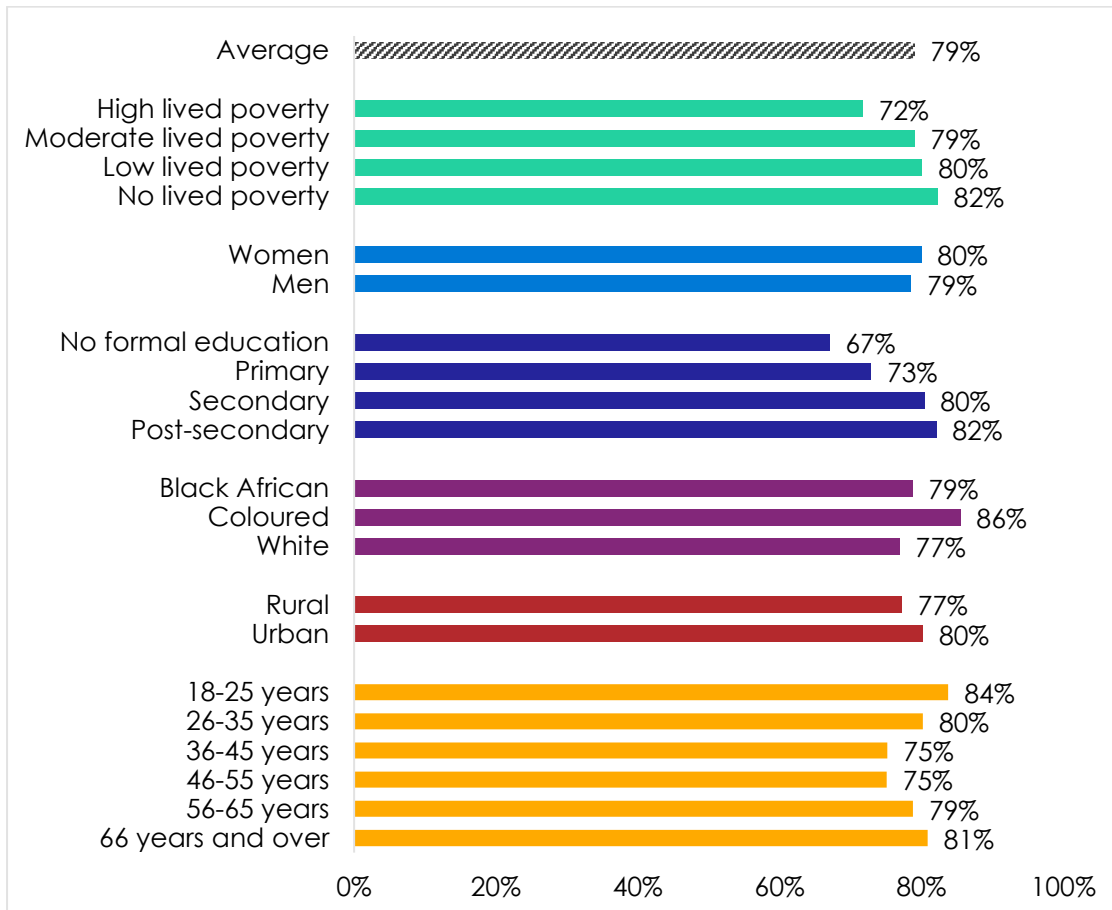
System 1: Some people have high wages, but lots of people are unemployed.

System 2: Nearly everyone has a job, but with low wages.

Finally, South Africans overwhelmingly (79%) believe it is better to have a job at any wage than to have no job at all (Figure 11). Fewer than one-fifth (18%) of respondents said they would rather have no job than to have a low-paying job. In fact, agreement with the idea

that a low-paying job is better than no job was highest among the most-educated and economically best-off respondents (82% each). Popular support across all key demographic groups for job opportunities even if they might pay poorly highlights the severity of South Africa's unemployment crisis.

Figure 11: Better to have low-wage work than no job at all | by socio-demographic group | South Africa | 2018



Respondents were asked: Which of the following statements is closest to your view?

Statement 1: It is better to have no job than to have a job with a low wage.

Statement 2: Any job that pays any amount of wage is better than not having a job at all.

(% who "agree" or "strongly agree" with Statement 2)

Conclusion

The Afrobarometer survey confirms that South Africa's social grants are not only widely distributed but also widely supported across all segments of society. And despite concerns that reliance on government grants may demotivate recipients from looking for work, most South Africans believe it's the government's responsibility to help the poor.

If given the choice, South Africans would overwhelmingly prefer a low-wage, low-unemployment economy over one with high wages and high unemployment. Vast inequalities in income and wealth indicate that South Africa is closer to the latter option, while only a shift from a capital-intensive to a more labour-intensive labour market would yield the former (Nattrass & Seekings, 2019).

Most South Africans would accept work at any wage over unemployment. This not only highlights the severity of the unemployment crisis, but also suggests the value – in terms of

dignity and satisfaction – that South Africans attach to work (Noble, Ntshongwana, & Surender, 2008).

Alleviating poverty and reducing inequality will almost certainly require continued support for social grants well beyond the COVID-19 crisis. Concurrently, interventions to create employment opportunities will not only improve South Africans' lives, but also stimulate economic growth that is inclusive.

Do your own analysis of Afrobarometer data – on any question, for any country and survey round. It's easy and free at www.afrobarometer.org/online-data-analysis.

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Afrobarometer is produced collaboratively by social scientists from more than 30 African countries. Coordination is provided by the Center for Democratic Development (CDD) in Ghana, the Institute for Justice and Reconciliation (IJR) in South Africa, the Institute for Development Studies (IDS) at the University of Nairobi in Kenya, and the Institute for Empirical Research in Political Economy (IREEP) in Benin. Michigan State University (MSU) and the University of Cape Town (UCT) provide technical support to the network.

Financial support for Afrobarometer Round 7 was provided by Sweden via the Swedish International Development Cooperation Agency, the Mo Ibrahim Foundation, the Open Society Foundations, the Bill & Melinda Gates Foundation, the William and Flora Hewlett Foundation, the U.S. State Department, the U.S. Agency for International Development via the U.S. Institute of Peace, the National Endowment for Democracy, and Transparency International.

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