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**Budget 2020: Minister, there seems to be an error in your maths on the Child Support Grant?**

**In the Budget Speech Minister Mboweni said that “The child support grant will increase by R20 to R445 per month.”<sup>i</sup> But ... the child support grant is currently valued at R430 a month.<sup>ii</sup> A R20 increase on R430 raises the child support grant to R450.**

Whilst government may not yet be entirely sure what its economic strategy is, it has identified spending on education, health and social development as fundamental pillars to this approach. In aligning spending priorities to the economic growth plan, it states, “For a fast-growing economy we need to make sure our children are well educated, our people are healthy and our money is invested properly.”

Okay, so it seems we want to grow our economy. What do we need for this to happen? We need good education and health outcomes. What is the basis of these good outcomes? That we cut back on child stunting, that children receive a good meal so they can learn properly, and that children go to good schools?

The foundational basis for good education and health outcomes is proper nutritious food. The instrument that provides for this foundational basis, in homes where there is not enough income to provide this, is the Child Support Grant. Spend money at this end of the spectrum and you build a strong foundation. Don't spend at this end and you undermine all other government expenditure in education and health. The proper physical and cognitive development and growth of a child is the basis on which everything else can be built. Research has shown that children who do not receive enough nutritious food do worst when they enter the labour force. The Child Support Grant is the vehicle to strengthen this foundation.

If government wants to invest its money properly then where it allocates its money is critical. Invest in the Child Support Grant and (1) all developmental and economic outcomes will improve in the long-term, and (2) savings will be generated across all developmental sectors (fewer sick children reduce costs in the health sector, and children whose cognitive development is nourished perform better at school, are easier to teach, progress quicker through the system and hold higher skilled jobs in the future).

The Child Support Grant is currently valued at R430 a month. 12,3 million children are supported on the grant. 12,3 million children are our future. It is on our children's bodies and minds that our “fast-growing economy” rests. We can almost scratch out probably 50% of all other expenditure – **the money we are investing to grow the economy is the amount of money we are investing in 12,3 million children. The question for us is, do we really want to grow our economy? If we do, why are we choosing to set the Child Support Grant ±20% below the food poverty line (R561) and ±28% below the cost of a basic nutritional diet (R627)?**

The error in the Minister's figures, could well just be an error. But it also suggests that the Child Support Grant is not seen as an instrument on which all other government expenditure lies. It is seen so lazily, is so non-consequential that whether it is increased by R15 or R20, or whether its current value is R430 or R425 really makes no difference. It is such a burden on state resources, it is so exhausting giving handouts, the women who care for children are of such little importance, that government can't even be bothered to get the maths right?

At such low levels the grant cannot build the solid foundation South Africa needs for improved economic growth, but even at this low-level the benefits of the grant are still substantial. The additional revenue to bring the Child Support Grant up to the level which will allow mothers to feed their children properly is small

compared to the benefits this expenditure will bring. It is less than R200 extra per child. Increase the Child Support Grant and every single government expenditure will start gaining traction. This is what money when “invested properly” looks like.

## Additional information

### Child Support Grant

27% of South African children under the age of five years are stunted, and 10% are severely stunted. Nearly a third of boy children are stunted (30%) and a quarter of girl children are stunted (25%).<sup>iii</sup>

- The food poverty line, calculated by Statistics South Africa, is **R561** per capita per month (latest April 2019).
- The Child Support Grant is currently set at R430 per month. In April 2020, it will increase to **R450** per month (an increase of R20). *This is a fixed value and does not increase as a child grows older.*
- In February 2020 it cost an average of **R627,03** to feed a child a basic nutritious diet per month.

As children grow older, their nutritional requirements increase. It means that the cost of feeding a child increases in price as a child grows older and is also different for teenage girls and boys. See Table 1 below.

**Table 1:** The difference between the cost of feeding children a basic nutritional food basket [BNFB] in February 2020 and the value of the Child Support Grant (for April 2020).

Age of child	Feb_2020 BNFB	CSG April 2020	Deficit CSG (ZAR)	Deficit CSG (%)
Small child aged 3-9 years	R560,12	R 450,00	-R110,12	20%
Small child aged 10-13 years	R604,21	R 450,00	-R154,21	26%
Girl child aged 14-18 years	R637,07	R 450,00	-R187,07	29%
Boy child aged 14-18 years	R706,73	R 450,00	-R256,73	36%
<b>Average</b>	<b>R627,03</b>	<b>R450,00</b>	<b>-R177,03</b>	<b>28%</b>

When the new value of the Child Support Grant comes into effect in April 2020, and based on our current February food price data, the Child Support Grant of **R450** per month will be set **20%** below the food poverty line (R561) and **28%** below the average cost to secure a basic nutritious diet for a child (R627,03). **On our data, we will be underspending by an average of 28% on the plates of ±12,3 million children.**

The Child Support Grant is an instrument to invest in our future and support investments in health and education for improved health, education, societal and economic outcomes. With all our problems, reprioritising money and redirecting this money to ensure our children receive proper nutrition is probably the most useful and cost-effective intervention we can make to grow our economy.

- Last year government increased the CSG by R20. Given the tiny increase, government didn’t even increase the CSG all in one go. It increased the CSG by R10 in April 2019 and only 6-months later, by the remaining R10 in October 2019.
- In February 2020 the cost of a small jar of peanut butter, an excellent source of protein and fats on children’s sandwiches cost R26,99.
- In February 2020 the cost of a tin of pilchards, also an excellent source of protein and fats cost R15,60.

Closing the deficit between the CSG and BNFB line will cost R177,03 per child per month, and for ±12,3 million children, R2,2bn a month. Not closing the deficit will cost South Africa a whole lot more.

<sup>i</sup> Budget Speech 2020. Page 16. <http://www.treasury.gov.za/documents/National%20Budget/2020/speech/speech.pdf>

<sup>ii</sup> SASSA Media Release 26 September 2019. <https://www.sassa.gov.za/newsroom/Documents/SASSA%20Media%20Release%20-%2026%20Sept%202019.pdf> and see Budget Speech 2019. Page 14. <http://www.treasury.gov.za/documents/national%20budget/2019/speech/speech.pdf>

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<sup>iii</sup> Statistics South Africa (2017). **South Africa Demographic and Health Survey 2016: Key Indicator Report.** Statistics South Africa. Pretoria. P27-28. See link: <https://www.statssa.gov.za/publications/Report%2003-00-09/Report%2003-00-092016.pdf> (this link takes a long time to open, if you get impatient rather *google*: "South Africa Demographic and Health Survey 2016: Key Indicator Report").