

Welfare

Aim

The aim of the Department of Welfare is to facilitate sustainable human development through the provision of welfare services and developmental projects in a globalised and human-rights context.

Policy developments

Welfare expenditure is the fourth-largest functional area of government expenditure, totalling R20,8 billion in 2000/01. However, the national Department of Welfare spends comparatively little, with a budget of R341,9 million for the same year. It focuses on policy developments, guidelines and monitoring while provinces are responsible for funding and delivering welfare services and social grants. Grant payments comprise more than 90 per cent of welfare expenditure.

Since 1994, the Department of Welfare has focused on two major policy themes:

- *Strengthening administration and reforming the social grant system:* The highly fragmented grant payment system has been unified. The child support grant has replaced the inequitable and unsustainable state maintenance grant. The national department has led the clean up of the social grant system to eliminate fraud, a central concern with payment of grants.
- *Strengthening the developmental and preventative thrust of welfare services:* Welfare services are being reorientated from expensive curative and institutional models to community-based and preventative models. This aims to promote self-reliance among individuals and communities. Evidence of this shift can be seen in a number of pilot and other programmes, including the Flagship programme for unemployed women with children under five and initiatives around the reform of the juvenile justice system.

The Department has identified weak customer service and inefficiencies in the delivery of social grants as a critical problem. Some of the difficulties related to the current system are:

- insufficient information and weak application and registration procedures
- cumbersome payment methods and long queues
- a lack of management, information and financial control systems
- continuing fraud due to inadequate business processes and information technology.

In response, the Department is re-engineering the grant payment system to enhance customer service and cost-effectiveness. Tender specifications are far advanced for the new Welfare Payment and Information Service.

A new financing policy for welfare services was approved by Cabinet in 1999 and phasing-in started in April 1999. Financing will not be tied to social work posts but rather to services or programmes. Welfare services will focus on prevention and early intervention, providing comprehensive services and linking remedial and developmental approaches. Access to services will be increased and equity of welfare service delivery enhanced.

A substantial proportion of the national budget for poverty alleviation (R203 million in 2000/01) is allocated to the Department of Welfare. The Department has forged new relationships with the

Independent Development Trust and non-governmental organisations to disburse the money effectively. Building on this, a comprehensive anti-poverty strategy is being developed.

After consultation with stakeholders, in January 2000 the Minister of Welfare released a statement called *Mobilising for a Caring Society – People First for Sustainable Development*. It concluded that the welfare system is failing those who need it most. In response, 10 priority areas were identified:

- Rebuilding family, community and social relations to promote social integration
- Implementing an integrated poverty strategy
- Developing a comprehensive social security system
- Responding to the high incidence of violence against women and children
- Supporting people living with HIV/Aids and Aids orphans
- Developing a strategy to reduce youth criminality and unemployment
- Improving equity in and access to social welfare services, particularly for rural people and people in informal settlements
- Redesigning services for people with disabilities to promote human rights and economic development
- Strengthening cooperative governance in all spheres of Government and with civil society
- Training, retraining and redeploying social service workers.

Expenditure estimates

Table 19.1 Expenditure by programme

R million	Expenditure outcome			Revised estimate 1999/00	Medium-term expenditure estimate		
	1996/97	1997/98	1998/99		2000/01	2001/02	2002/03
Administration	22,2	37,9	36,7	30,8	34,3	35,5	38,7
Social security	11,9	8,7	28,3	121,5	73,1	5,4	5,5
Welfare information service	–	–	–	5,7	4,2	4,6	4,6
Developmental social welfare services	13,4	30,0	15,8	20,5	11,8	11,3	11,0
Social development	12,3	60,0	9,5	180,8	211,6	212,2	9,3
Population and development	7,1	8,4	6,4	7,3	6,6	7,0	7,1
Auxiliary and associated services	–	–	–	0,3	0,3	0,3	0,3
Departmental vote	66,9	145,0	96,8	366,9	341,9	276,3	76,5
Public Works ¹							
Total	66,9	145,0	96,8	366,9	341,9	276,3	76,5
Change to 1999 Budget estimate	–	–	–	180,3	–	–	–

¹ Appropriated on Vote 26: Public Works.

- *Administration* provides centralised administrative, legal and office support services, personnel and financial management, and funds for the Office of the Minister.
- *Social security* develops policies and strategies for an integrated and comprehensive social security system.
- The *Welfare information service* focuses on benchmarking information, payment and communication services against international best practice to ensure an efficient and effective information, payment and communication service for welfare.

- *Developmental social welfare services* aims to transform and effectively deliver social welfare services through setting a policy framework and related legislation.
- *Social development* deals with policies for community development and public-private partnerships.
- *Population and development* advocates sustainable development of the population.
- *Auxiliary and associated services* provides for miscellaneous activities.

Social security is a new programme and reflects a focus on managing and monitoring the system of social grants. Expenditure before 1999/00 was reclassified into the current programme structure.

The former *Strategic planning* programme has been integrated with *Administration*.

Table 19.2 Economic classification of expenditure

R million	Expenditure outcome			Revised estimate 1999/00	Medium-term expenditure estimate		
	1996/97	1997/98	1998/99		2000/01	2001/02	2002/03
Current							
Personnel	29,1	30,7	33,3	31,4	40,3	44,1	46,0
Transfer payments	15,7	60,1	4,6	119,6	207,0	207,0	4,0
Other	21,8	54,1	59,0	214,5	93,4	24,2	25,4
Capital							
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	0,4	0,1	–	1,4	1,2	1,0	1,0
Total	66,9	145,0	96,8	366,9	341,9	276,3	76,5

The core budget of the Department is expected to increase from about R63 million in 2000/01 to around R68 million in 2002/03. The largest share of the core budget (63 per cent in 2000/01) is personnel expenditure, which shows a steady increase from 1996/97. Growth in 1999/00 to 2001/02 is expected to be somewhat above normal, with provision for critical posts.

Outside the core budget, conditional grants to provinces (particularly for improving the financial management and efficiency of the grant system and the implementation of the child support grant) and poverty alleviation funding resulted in fluctuations in transfer payments and other current expenditure. Transfer payments include allocations for poverty alleviation from the national budget, which amounted to R40 million in 1999/00, as well as large rollovers of the R203 million allocated in 1998/99.

Programme 1: Administration

Table 19.3 Programme expenditure

R million	Budget estimate	Adjusted appropriation 1999/00	Revised estimate	Medium-term expenditure estimate		
				2000/01	2001/02	2002/03
1999 Budget	34,4	30,8	30,8	34,2	32,7	–
2000 Budget	–	–	–	34,3	35,5	38,7
Change to 1999 Budget estimate	–	(3,6)	(3,6)	0,1	2,8	–

Administration provides for the overall management of the Department and the Offices of the Minister and Director-General. It also includes centralised administrative, legal and office support

services, managing departmental personnel and financial administration, determining working methods and procedures, and exercising control.

MTEF allocations to this programme are higher than the 1999 Budget; owing to departmental restructuring that resulted in the shifting of personnel to this programme.

Programme 2: Social security

Table 19.4 Programme expenditure

R million	Budget estimate	Adjusted appropriation 1999/00	Revised estimate	Medium-term expenditure estimate		
				2000/01	2001/02	2002/03
1999 Budget	76,1	191,5	121,5	73,1	5,4	–
2000 Budget	–	–	–	73,1	5,4	5,5
Change to 1999 Budget estimate	–	115,4	45,4	–	–	–

The key function of this programme is to develop, coordinate, implement and monitor strategies for an integrated and comprehensive social security system.

The 1999 estimate for this programme included R50 million for the conditional grant to improve financial management and R20,7 million to support implementation of the child support grant. The increase in the Adjustments Budget was a rollover of around R115 million from 1998/99 in respect of the financial management grant. The lower Revised Estimate indicates that conditional grants rollovers can again be expected.

Outputs and service delivery trends

Table 19.5 Social security: Key activities and outputs

Key activities	Outputs
Social security	
Facilitate the development, implementation and monitoring of policies	Advising Cabinet on the development of a comprehensive social security system Managing Government involvement in disaster relief and the Disaster Relief Fund Projections of impact of HIV/Aids on the social grant system
Social assistance	
Develop policy and plan systems and strategies for implementation of social assistance programmes	Allocating conditional grants to provinces to improve the social security system, and monitoring/audit of reregistration and clean-up Managing the national call centre for social grant queries and establishing call centres in all provinces Revising policy on supporting the disabled through disability grants Amending the Social Assistance Act and regulations Uniform grant review policy Developing training manuals for social security personnel Developing norms and standards for social assistance service delivery

The financial management improvement grant contributed towards the reregistration of welfare beneficiaries, technological support to provinces and services from the Department of Home Affairs (supplying identity books and supporting documents to the beneficiaries). The basis of the allocation is the number of beneficiaries that need to be reregistered in each province and those in need of ID documents. In 1998/99, the resulting clean-up of the welfare roll removed 70 722

“ghost” beneficiaries from the system, saving more than R211,2 million. Because of the demands of administrative justice, this process is taking longer than initially expected but it will, therefore, also provide more sustainable results. Part of the money will be used to appoint financial managers in provincial welfare departments.

The grant also reserves an amount for services provided by the national Department to the provinces in projects such as technology investment, purchasing of equipment and the development of an interface between Socpen and the financial management systems.

In 2000/01, an amount of R19 million is allocated as a conditional grant to support implementation of the child support grant in provinces, following on amounts of R15 million in 1998/99 and R21 million in 1999/00. Allocations to provinces are made on the basis of the expected take-up rates for the grant, with a portion reserved for services such as project management, communication or advertising and research. From 34 000 in April 1999, the number of child beneficiaries has increased to 217 000 in January 2000. On average, more than 20 000 beneficiaries are being added every month.

A national call centre for social grant queries was successfully implemented in 1999. An average of 133 calls are received each day, as are an additional 50 written queries per month. Informal estimates suggest that a high number of cases are resolved, and appropriate formal reporting mechanisms are being developed.

Programme 3: Welfare information service

Table 19.6 Programme expenditure

R million	Budget estimate	Adjusted appropriation 1999/00	Revised estimate	Medium-term expenditure estimate		
				2000/01	2001/02	2002/03
1999 Budget	–	5,7	5,7	4,3	7,4	–
2000 Budget	–	–	–	4,2	4,6	4,6
Change to 1999 Budget estimate	–	5,7	5,7	(0,1)	(2,8)	–

This new programme is focused on providing grant information, payment and transaction services. It will oversee and plan the re-engineering of social security delivery through the introduction of a new welfare payment and information service. The first task is to benchmark the information, payment and communication services against international best practice to ensure an efficient and effective welfare service. National government and the provinces will work jointly on developing the new payment service to ensure that the system is not fragmented. The Department will involve a non-government business partner to assist with the considerable technology and human resource requirements of the new system.

Outputs and service delivery trends

Table 19.7 Welfare information service: Key activities and outputs

Key activities	Outputs
Maintenance of the current Socpen social grant payment system, payment information and management information to provinces	Support service to provinces and users Improved management information produced on the basis of Socpen data Linking Socpen to financial management systems Improved reconciliation of payment instructions and actual payments
Development and implementation of new Welfare Payment and Information System	Finalisation of process for re-engineering business process, and design and implementation of new payment and information system Finalisation of tender for the service, selection of business partners and management of contracts with providers.

While the new payment system is being developed, substantial maintenance is required to support the present Socpen system, which is straining under the growth of beneficiary numbers. Socpen's financial reconciliation facility will be improved through linking it with the provinces' financial management systems.

Programme 4: Developmental social welfare services

Table 19.8 Programme expenditure

R million	Budget estimate	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
		1999/00		2000/01	2001/02	2002/03
1999 Budget	11,0	40,5	20,5	11,8	11,3	–
2000 Budget	–	–	–	11,8	11,3	11,0
Change to 1999 Budget estimate	–	29,5	9,5	–	–	–

The *Developmental social welfare services* programme aims to transform and effectively deliver social welfare services through setting a policy framework and putting in place required legislation. The programme is also responsible for allocations for intersectoral funding of the secure care and victim empowerment programmes and participation in the national crime prevention strategy, on which there has been substantial underspending in recent years.

Table 19.9 Developmental social welfare services: Key activities and outputs

Key activities	Outputs
Transformation of social welfare services	Developing and maintaining relevant social welfare service legislation, a policy framework and national strategies
Children, youth and families Facilitating the transformation and delivery of effective social welfare services in respect of children, youth and families	Monitor implementation of Child Care Amendment Act, Probation Services Amendment Act and Prevention and Treatment of Drug Dependency Act Review Child Care Act of 1982 and formulate new comprehensive legislation Transform early childhood development system Minimum standards for the child and youth care system Operationalise the National Drug Authority and implement the Drug Master Plan
Women Facilitating the transformation and delivery of effective social welfare services in respect of women	Prepare for implementation of Domestic Violence Act of 1998 Mainstream gender equality in social welfare services Replicate and expand the Flagship programme for unemployed women Lead the joint initiative for Survivor support (Victim empowerment) Support Government's HIV/Aids strategy
Older persons Facilitating the transformation and delivery of effective social welfare services to older persons	Pilot projects to transform residential care for older persons

Policy developments

The White Paper on Social Welfare aims to transform welfare services towards a developmental approach based on prevention, community support and building capacity for self-reliance rather than institutional and curative models of care. The new framework for financing welfare services is being implemented. This process includes detailing financing mechanisms and developing norms and standards for welfare service delivery and quality assurance mechanisms.

The objectives of this policy are to:

- rationalise welfare funding to non-governmental and community-based welfare service providers
- target beneficiaries and distribute benefits equitably
- encourage the emergence of new welfare service providers
- extend services to rural and remote areas.

Standards for service delivery for governmental and other service providers are being set in consultation with the relevant parties. A developmental quality assurance model is being designed for the full range of welfare services. The phasing-in of this policy commenced in April 1999 and it is expected to be fully operational by the 2003/04 financial year.

A social welfare plan on HIV/Aids was developed in collaboration with the provincial welfare departments and other stakeholders, in order to clearly define Welfare's role. The strategic focal points of the plan are as follows:

- Decline in the prevalence of HIV/Aids through targeted preventative interventions
- Managing the impact of Aids on social security
- Developing affordable community-based care and support models
- Formalising strategic alliances.

Programme 5: Social development

Table 19.10 Programme expenditure

R million	Budget estimate	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
		1999/00		2000/01	2001/02	2002/03
1999 Budget	57,9	250,8	180,8	211,6	212,2	–
2000 Budget	–	–	–	211,6	212,2	9,3
Change to 1999 Budget estimate	–	192,9	122,9	–	–	–

The aim of this programme is to develop, implement and monitor policies, strategies and regulations for social development and public-private partnerships. This division is also responsible for managing the funds allocated to the Department for poverty alleviation, which explains the large increase in the allocation to this programme from the 1999 Budget estimate.

A substantial share of the poverty relief funds on the national budget has been allocated to the Department. These funds are being utilised in developmental projects at community level, strengthening the developmental thrust of the work of the Department. Funds are allocated to a range of non-governmental organisations that focus on poverty alleviation through community programmes. While disbursements were initially slow, the capacity of communities to absorb and manage funds efficiently has increased. Most of the funds flow via the Independent Development Trust, which also assists with building the capacity to use the money effectively and to monitor expenditure and impact.

The estimate for 1999/00 reflected an initial allocation of R50 million for poverty. This was later reduced to R40 million, but was strengthened by rollovers from the previous year amounting to R203 million. While the same amount of R203 million is allocated to the Department for poverty alleviation in each of 2000/01 and 2001/02, a decision has not been made about the allocation for 2002/03.

Outputs and service delivery trends

Table 19.11 Social development: Key activities and outputs

Key activities	Outputs
Community development and poverty eradication	
Planning and coordinating community development policies and monitoring the implementation thereof	Anti-poverty measures aimed at reducing vulnerability to poverty of poor families and communities Medium- to long-term poverty alleviation strategy
Managing and coordinating anti-poverty strategies and programmes	Effective disbursement of poverty alleviation funds, monitoring of impact and targeting communities with the highest poverty rate
Public-private partnerships	
Promoting the development of policy and strategies for the establishment of organisations in under-resourced areas	Build capacity in under-resourced areas. Create improved environment for the non-profit sector to participate in development Monitor the implementation of the Not-for-Profit Organisations Act
Designing a package of financing measures for social development	
Managing transfer payments to national councils	

Poverty alleviation, development and empowerment

The national Department of Welfare oversees and implements a number of government programmes aimed at poverty alleviation, development and social integration. These range from the large system of social grants to poverty alleviation projects and projects to deal with particularly vulnerable sections of society or institutions in need of reform.

Social grants

Under the lead of the national Department, welfare departments now pay monthly benefits to more than 3 million beneficiaries at a cost of nearly R1,4 billion per month. These means-tested benefits go to certain categories of the elderly, the disabled and families with children. The payments have been shown to be well targeted at the poor and are particularly effective in reaching the rural poor, who are seldom reached through other government programmes and services. The introduction of the child support grant to replace the state maintenance grant (from April 1998) is a major step in improving equity in welfare expenditure and substantially widens the safety net. At full implementation, the child support grant is targeted to reach the 3 million poorest children in the country.

Poverty relief

A large proportion of the special Government allocation for poverty alleviation has been channelled through the Department of Welfare. In 1999/00, more than R200 million was available for this purpose on the Department's budget. The poverty relief programmes utilising this money are coordinated by the Branch: Social Development in the national Department. The aim of the programme is to contribute towards the eradication of poverty through sustainable development. The emphasis is on self-sufficiency of households and on long-term projects. Projects focus on poor communities, especially those in rural areas where women, children and the youth are most vulnerable.

The R203 million allocated to the Department for 1999/00 will be used to fund 1 933 provincial projects and 17 national projects. The national projects include the support of Microsave initiatives, community empowerment programmes and further extension of the Flagship programme for unemployed women with children. Several projects establish linkages with other government initiatives. Examples are a joint Nicro/Working for water project focusing on employment of ex-offenders; waste management programmes in cooperation with the Department of Environmental Affairs and Tourism; and a crafts programme linked to the Lubombo spatial development initiative. A significant share of funding goes towards projects aimed at the economic empowerment of disabled people.

Provincial projects cover agriculture, manufacturing, arts and crafts, training and capacity building, and vulnerable groupings. Examples include the Botshabelo Vegetable Project in Northern Province, which was assisted to work five hectares of land and sell vegetables, and the Mziwabantu Brickmaking project in Brits, which won a contract to supply bricks for 130 low-cost houses. In December 1999 the Department of Welfare estimated that at least 16 000 jobs had been created, of which nearly 70 per cent were for women.

To ensure adequate control over financial flows to projects, the Independent Development Trust has been engaged to disburse most of the funds to projects. Projects are screened through project readiness assessments and monitored by cluster and provincial coordinators. A monitoring system was recently completed with support from the Trust and the United Nations Development Programme. By January 2000, an amount of R124 million had been disbursed to projects.

Welfare projects

A range of other projects support and improve the life chances of a range of social groups. In partnership with a variety of non-governmental organisations, models for community-based care for children have been piloted under the name Children in distress (Cindi). The child and youth care system has been improved through changes to the probation system, Project Go dealing with the diversion of children from the criminal justice system, and through providing and upgrading secure care facilities.

Programme 6: Population and development

Table 19.12 Programme expenditure

R million	Budget estimate	Adjusted appropriation 1999/00	Revised estimate	Medium-term expenditure estimate		
				2000/01	2001/02	2002/03
1999 Budget	6,8	7,3	7,3	6,6	7,0	–
2000 Budget	–	–	–	6,6	7,0	7,1
Change to 1999 Budget estimate	–	0,5	0,5	–	–	–

This programme, generally referred to as the National Population Unit, is responsible for policy development and planning, supporting implementation, and research in the broad area of population and development. The unit's expenditure is mainly directed towards research on

population issues and trends, international liaison related to South Africa's commitments to the International Conference on Population and Development, reporting to international and domestic forums on population policy implementation, and promoting population programmes through human resource development and information education communication programmes.

The programme concluded three research projects in 1999. Two further research projects on HIV/Aids and rural development will be undertaken early in 2000. Three major challenges to be addressed in future work are:

- the impact of HIV/Aids on population and population structure
- high maternal mortality and teenage pregnancy rates, which are symptomatic of the low social and economic status of women
- the causes and consequences of internal, and particularly regional, migration patterns.

Outputs and service delivery trends

Table 19.13 Population and development: Key activities and outputs

Key activities	Outputs
Developing and maintaining integrated national population and related policies and plans	Establishing a population and development information and resource service for Government <i>State of South African Population</i> report, March 2000
International liaison	Hosting of <i>Third African Population Conference</i> , December 1999 Promoting integrated regional (SADC) population strategies
Policy implementation support	
Developing capacity building programmes for population units	Training national and provincial population units
Develop promotional and educational materials	Advocacy campaigns: Population Day, "Day of Six Billion", Third African Population Conference
Population and development research	
Commissioning and monitoring population-related research	Teenage pregnancy perceptions report Report on government departments' perceptions of population policy Other population-related research

Programme 7: Auxiliary and associated services

Table 19.14 Programme expenditure

R million	Budget estimate	Adjusted appropriation 1999/00	Revised estimate	Medium-term expenditure estimate		
				2000/01	2001/02	2002/03
1999 Budget	0,3	0,3	0,3	0,3	0,3	–
2000 Budget	–	–	–	0,3	0,3	0,3
Change to 1999 Budget estimate	–	–	–	–	–	–