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Social development

■ Introduction

Government aims to influence the course and pace of development by directly intervening in society to address the challenges of poverty, underdevelopment and the marginalisation of vulnerable individuals and communities. Each sector in government has a particular role to play in meeting this objective.

The White Paper for Social Welfare (1997) outlines the role of the social development sector as the provider of developmental social welfare services. These services, including social assistance grants, are aimed at addressing vulnerable people's needs and helping them build sustainable livelihoods.

Welfare services may be preventative, developmental or interventionist, or a combination of all, and therefore have a wide and diverse reach. They may be targeted at children who have been orphaned, the aged, disabled people, people who are living in poverty and those who have been victims of abuse or crime. The focus is on the most vulnerable members of South African society. Where appropriate, social welfare programmes contain elements of skills development and capacity building so that people are enabled to escape from the poverty trap that is often the root cause of their vulnerability.

Welfare services may be preventative, developmental or interventionist, or a combination of all

This analysis covers a very important period of transition for the social development sector. In 2005/06, responsibility for social assistance grants was shifted from the provincial sphere of government to the national sphere. This process saw the establishment of the South African Social Security Agency (SASSA), and as of 2006/07 the social assistance function was funded through the national budget. It also necessitated a revision of the structure of provincial

social development departments. In line with their revised role, two main programmes were agreed upon as priorities:

- social welfare services
- development and research.

Provinces are now freed of the obligation to pay social assistance grants

Before 2005/06, there were ongoing concerns that the budgets for these two areas of service delivery were being squeezed by the legal obligation to pay social assistance grants. This chapter provides insight into how provinces, now freed of this funding obligation, have proceeded in addressing the backlog in the funding and delivery of developmental welfare services.

The chapter gives an overview of:

- the role of provincial social development in addressing vulnerability
- the budget and expenditure trends from 2005/06 to 2011/12
- issues relating to the key inputs for social development delivery
- current policy initiatives and processes.

■ Role of provincial social development in addressing vulnerability

The current socioeconomic climate

The economic downturn and high inflation in the prices of food and transport are placing pressure on poor households

Along with the rest of the world, South Africa is currently going through an economic downturn, its first in over 14 years. The most significant effect is the number of workers in the formal sector who are losing their jobs. High food and transport inflation places tremendous pressure on poor households. Government is seeking to cushion the impact by continuing to invest heavily on infrastructure projects and increasing spending on the expanded public works programme (EPWP). These large programmatic interventions seek to enable as many individuals and families as possible to continue functioning more or less normally in the face of hardship. However, due to a range of circumstances, there are many who, before the economic downturn, were already vulnerable or unable to manage on their own.

The provision of social assistance is the most important government intervention for alleviating poverty and vulnerability

The provision of social assistance in the form of social grants remains the most important government intervention for alleviating poverty and vulnerability. Social assistance grants target the elderly, people with disabilities and poor children, including those who are disabled and whose parents are unable to care for them. Beneficiary numbers grew from 12.4 million in March 2008 to 13.2 million in April 2009. The unemployment insurance fund (UIF), on the other hand, is a form of contributory social insurance. While the UIF provides some relief to many who lose their jobs, its coverage is limited and the payments are dependent on the amount the beneficiary has previously contributed to the fund. To address this and other shortcomings in South Africa's social insurance system, government is considering proposals for creating an adequate mandatory social insurance system.

Family life in particular is under threat because of the number of adults between the ages of 25 and 50 dying from the HIV and AIDS pandemic. This has resulted in a dramatic increase in the number of orphans and child headed households. Other problems, such as depression, substance abuse and family violence may be aggravated by the economic pressures. The impact is especially severe in circumstances where breadwinners who support extended families lose their jobs.

How provincial departments are addressing vulnerability

The greater challenge, however, is to address vulnerability at an individual and community level. This is the role of the provincial social development departments through the provision of social welfare and community development services.

Provincial social development departments address vulnerability through the provision of social welfare and community development services

Social welfare encompasses what is generally known as social work services, which include the following services:

- **Prevention services** aim to strengthen communities, families and individuals to enable them to resolve potential problems as early as possible, and thus avoid them escalating. Examples of such programmes include the provision of early childhood development for children aged 0 to 4, drug awareness campaigns, programmes for the youth, family support services and campaigns against the abuse of women and children.
- **Early intervention** services are provided in instances where problems are already evident. The aim of these services is to enable people to overcome the challenges they face and re-integrate into their families and communities. Intervention services range from basic counselling through to probation services, drug rehabilitation, victim empowerment, and the promotion of strategies to integrate persons with disabilities into communities.
- **Protection services** (also referred to as statutory intervention) address cases of abandonment, neglect and abuse, whether it be of children, the aged, women or other vulnerable individuals. The needs of children who have been orphaned are becoming an increasingly important area of service. Protection services invariably include a statutory element, which has to be performed by appropriately qualified and registered members of the social work profession working in conjunction with the courts.
- **Alternative care** involves caring for the needs of individuals whose families are unable to care for them; who have to be removed from situations of abuse or neglect; or who do not have families to care for them, such as orphans. Often these individuals are placed in the care of the state by court order and as such are wards of the state. There is a strong emphasis on programmes promoting home and community based care for those infected and affected by HIV and AIDS, the aged and people with disabilities, as well as children through the provision of foster care. However it is becoming evident that due to the impact of HIV and AIDS and other pressures on communities, the provision of residential care for children (primarily orphans), frail older persons and people

with severe physical and mental disabilities is becoming increasingly important.

- **Reintegration and after care** aims to re-integrate individuals, particularly children, who have been removed from their communities or families into alternative care arrangements. The services include family counselling, life skills and parenting programmes, and support services to enhance self-reliance and optimal social functioning.

The provincial social development departments' community development programmes focus on the participation of people in efforts to improve their own well-being, developing a sense of ownership, taking initiative and contributing meaningfully to joint planning, decision making and implementation. To support such initiatives, the social development departments are involved through the sustainable livelihoods programme in the mobilisation and provision of resources, and the creation of opportunities that foster self-reliance. One of the aims of the programme is to link social grant beneficiaries to sustainable livelihood opportunities, particularly cooperatives, to reduce their dependence on the state. Youth development is also a key focal point of this programme.

Institutional arrangements

Social development is a concurrent function. The national Department of Social Development is responsible for developing policy frameworks and protocols for the delivery of the different services, providing support to provinces and monitoring and evaluating the delivery of services by the provinces. In addition, the national department is responsible for the budgeting and oversight of the social assistance function, which includes the oversight of SASSA.

The provincial social development departments' role is to deliver social welfare and community development services in line with the national policy frameworks and the statutory requirements of the relevant acts, which include –

- the Child Care Act (1983) and the Children's Act (2005)
- the Child Justice Act (2008)
- the Probation Services Act (1991)
- the Older Persons Act (2006)
- the Prevention and Treatment of Drug Dependency Act (1992)
- the Domestic Violence Act (1998).

Social welfare and community development services are delivered either directly, or through subsidising non-profit organisations (NPOs) to deliver services on their behalf (as partners) or by commissioning agents in the private sector to deliver services. The extent to which provincial departments rely on NPOs to deliver services is strongly influenced by the historical distribution of NPOs across provinces, as well as the extent to which the provincial departments have invested in the development of this sector.

Provincial social development departments deliver services in line with national policy frameworks and legislation

NPOs are valuable partners in the provision of developmental welfare services due to their ability to identify local needs and resources, their proximity to individuals, families and communities, and their ability to coordinate action at community level.

Budgets and expenditure trends

As noted in the introduction, this analysis of provincial social development departments' budgets and expenditures covers an important period of transition. The focus is, therefore, on exploring how provinces, freed of the obligation of funding social assistance in 2005/06, have gone about addressing the backlog in the funding and delivery of developmental welfare services.

Provincial social development expenditure and budgets

Table 5.1 shows that generally, provincial social development departments' expenditures have grown strongly since 2005/06. The average annual growth between 2005/06 and 2008/09 was 25.5 per cent, with further growth of 11.6 per cent planned over the 2009/10 MTEF period. In monetary terms, this means provincial expenditure on social development almost doubled, from R4.2 billion in 2005/06 to R8.3 billion in 2008/09, and is set to increase to an estimated R11.6 billion in 2011/12.

Provincial social development departments' expenditures have grown strongly since 2005/06

Table 5.1 Provincial social development expenditure, 2005/06 – 2011/12

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	Outcome			Pre-audited outcome	Medium-term estimates		
R million							
Eastern Cape	513	730	880	1 319	1 434	1 655	1 831
Free State	383	443	426	540	683	735	802
Gauteng	816	1 012	1 339	1 743	1 936	2 173	2 362
KwaZulu-Natal	746	942	1 015	1 222	1 377	1 664	1 872
Limpopo	358	402	416	702	762	823	926
Mpumalanga	250	319	459	657	792	899	993
Northern Cape	175	218	304	363	408	457	498
North West	324	368	438	575	725	837	928
Western Cape	654	720	901	1 215	1 163	1 268	1 379
Total	4 220	5 153	6 181	8 336	9 279	10 512	11 590
Percentage growth (average annual)	2005/06 – 2008/09			2008/09 – 2011/12			
Eastern Cape	37.0%			11.6%			
Free State	12.2%			14.1%			
Gauteng	28.8%			10.7%			
KwaZulu-Natal	17.9%			15.3%			
Limpopo	25.1%			9.7%			
Mpumalanga	38.0%			14.8%			
Northern Cape	27.4%			11.2%			
North West	21.0%			17.3%			
Western Cape	23.0%			4.3%			
Total	25.5%			11.6%			

Source: National Treasury provincial database

The aggregate numbers, however, hide wide provincial differences. Between 2005/06 and 2008/09, spending on social development grew slowest in the Free State, at 12.2 per cent per year, followed by KwaZulu-Natal, at 17.9 per cent per year, and North West, at 21 per cent per year. It is worth noting that over the 2009 MTEF period, these three provinces have planned to grow their spending on social development at rates above the national annual average. This suggests that these provinces may have consciously adopted a slower, longer term approach to redressing their backlogs in social development funding – a view that finds some support in the information on under spending in table 5.3.

While Western Cape has historically had the highest per capita spending on social development, the planned growth of just 4.3 per cent per year over the 2009 MTEF is well below inflation.

Table 5.2 shows provincial social development expenditure as a percentage of total provincial expenditure. This reflects the priority being given to social development in each province relative to other functions. It is worth noting that provincial spending on social development as a percentage of total provincial spending increased from 2.6 per cent in 2005/06 to 3.2 per cent in 2008/09, and is set to increase further to 3.4 per cent in 2011/12. At first glance a 0.8 per cent change might not seem to be significant. However, this represents an almost 31 per cent increase in social development's share of provincial budgets.

Note that the gradual increase in social developments' share of total provincial expenditures seems to reach a ceiling, at 3.4 per cent in 2010/11.

Table 5.2 Provincial social development expenditure as a percentage of total expenditure, 2005/06 – 2011/12

R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	Outcome			Pre-audited outcome	Medium-term estimates		
Eastern Cape	2.2%	2.7%	2.9%	3.4%	3.4%	3.6%	3.7%
Free State	3.6%	3.6%	3.2%	3.4%	3.7%	3.6%	3.7%
Gauteng	3.0%	2.9%	3.2%	3.3%	3.5%	3.9%	3.9%
KwaZulu-Natal	2.2%	2.6%	2.3%	2.2%	2.3%	2.5%	2.6%
Limpopo	1.7%	1.7%	1.7%	2.3%	2.2%	2.2%	2.2%
Mpumalanga	2.2%	2.5%	2.8%	3.3%	3.5%	3.7%	3.7%
Northern Cape	4.4%	4.8%	5.1%	5.1%	5.1%	5.2%	5.2%
North West	2.5%	2.5%	2.9%	3.3%	3.6%	3.8%	3.8%
Western Cape	3.9%	3.8%	4.2%	4.7%	4.0%	4.1%	4.1%
Total	2.6%	2.8%	2.9%	3.2%	3.2%	3.4%	3.4%

Source: National Treasury provincial database

The figures show the persistence of significant disparities between provinces, and this is cause for concern. At the extremes, Limpopo only allocates 2.2 per cent of its total provincial budget to social development in 2009/10, while the Northern Cape allocates 5.1 per cent. This is further emphasised by the disparities in per capita expenditure between provinces, which is discussed below.

Historical under spending and the 2008/09 budget outcome

While social development budgets have increased significantly, growth in spending has been constrained by the departments' capacity to expand their programmes, resulting in high levels of under spending.

Growth in spending has been constrained by the departments' capacity to expand their programmes

Table 5.3 compares the provincial social development budgets with the actual expenditure outcomes for 2005/06 to 2008/09 – the positive numbers in the second half of the table show the under spending. The table highlights the fact that between 2005/06 and 2008/09 provincial departments collectively had to return R919 million to the fiscus due to it not being spent. This represents 3.8 per cent of the total original budgets allocated to them in these four years.

Table 5.3 Provincial social development under spending of original budgets, 2005/06 – 2008/09

R million	2005/06	2006/07	2007/08	2008/09	2005/06	2006/07	2007/08	2008/09
	Original budget				Outcome			
Eastern Cape	539	763	952	1 385	513	730	880	1 319
Free State	390	418	453	536	383	443	426	540
Gauteng	737	982	1 404	1 729	816	1 012	1 339	1 743
KwaZulu-Natal	834	895	1 000	1 198	746	942	1 015	1 222
Limpopo	355	432	439	726	358	402	416	702
Mpumalanga	243	430	498	662	250	319	459	657
Northern Cape	178	215	304	357	175	218	304	363
North West	333	428	608	608	324	368	438	575
Western Cape	679	727	892	1 088	654	720	901	1 215
Total	4 288	5 289	6 550	8 289	4 220	5 153	6 181	8 336
	2005/06	2006/07	2007/08	2008/09	Total under	Total over	Total under spending as % of total budgets	
	Over/under spending							
Eastern Cape	26	32	71	66	196	–	5.4%	
Free State	7	-25	27	-4	34	-29	1.9%	
Gauteng	-79	-30	66	-14	66	-123	1.4%	
KwaZulu-Natal	88	-47	-15	-24	88	-86	2.2%	
Limpopo	-3	30	23	24	76	-3	3.9%	
Mpumalanga	-7	111	38	5	154	-7	8.4%	
Northern Cape	2	-3	-0	-5	2	-8	0.2%	
North West	9	59	169	32	270	–	13.6%	
Western Cape	25	8	-10	-127	33	-137	1.0%	
Total	68	136	369	-47	919	-393	3.8%	

Source: National Treasury provincial database

Looking at the individual provinces, it is evident that the problem of under spending is greatest in those provinces whose social development function comes off a very low base, namely North West, Eastern Cape, Mpumalanga and Limpopo. This suggests that these provinces' ambitious plans to rapidly expand social development were thwarted by implementation constraints.

Under spending is greatest in those provinces whose social development function comes off a very low base

Table 5.4 Provincial social development expenditure as at 31 March 2009

	2008/09					2007/08	Year-on-year growth 2007/08 – 2008/09
	Adjusted budget	Pre-audited outcome	Pre-audited outcome as % of adjusted budget	Over(-)/ Under(+) expenditure	% Over(-)/ under(+) expenditure of adjusted budget	Outcome	
R thousand							
Eastern Cape	1 396 525	1 318 792	94.4%	77 733	5.6%	880 426	49.8%
Free State	555 947	540 424	97.2%	15 523	2.8%	426 048	26.8%
Gauteng	1 741 619	1 743 200	100.1%	-1 581	-0.1%	1 338 898	30.2%
KwaZulu-Natal	1 207 052	1 222 186	101.3%	-15 134	-1.3%	1 015 188	20.4%
Limpopo	725 606	701 789	96.7%	23 817	3.3%	416 492	68.5%
Mpumalanga	658 732	657 024	99.7%	1 708	0.3%	459 398	43.0%
Northern Cape	373 847	362 606	97.0%	11 241	3.0%	304 418	19.1%
North West	614 429	575 067	93.6%	39 362	6.4%	438 477	31.2%
Western Cape	1 233 796	1 215 245	98.5%	18 551	1.5%	901 363	34.8%
Total	8 507 553	8 336 333	98.0%	171 220	2.0%	6 180 708	34.9%

Source: National Treasury provincial database

Table 5.4 looks at spending performance in relation to 2008/09. First, aggregate provincial spending on social development increased by 34.9 per cent, or by R2.2 billion between 2007/08 and 2008/09. This represents rapid growth, which was highest in Limpopo at 68.5 per cent, followed by Eastern Cape at 49.8 per cent and Mpumalanga at 43 per cent.

Second, despite these very rapid growth rates in expenditure, under spending was still a problem in 2008/09. In seven of the nine provinces, the growth in social development spending could have been even higher if the departments had been able to spend all their allocated funds. North West reflected the most significant under spending in 2008/09 at 6.4 per cent.

Third, Eastern Cape, North West and Free State added additional funds to their social development departments' budgets in the adjustments budget process which they were unable to spend. This exacerbated their under spending and indicates inadequate planning.

Expenditure and budgets by programme

Table 5.5 reflects the basket of social development services that provinces have budgeted to deliver. Overall, Social welfare services remains the biggest spending programme. When the social assistance function was shifted to the national sphere in 2006/07, spending on this programme was about 60 per cent of the total social development spending. This has increased consistently over the period, and reaches 68.5 per cent of social development budgets by 2011/12.

Table 5.5 Provincial social development expenditure by programme, 2005/06 – 2011/12

R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	Outcome			Pre-audited outcome	Medium-term estimates		
Administration	994	1 301	1 499	2 130	1 929	2 051	2 193
Social welfare services	2 678	3 104	3 999	5 348	6 202	7 097	7 945
Development and research	548	748	682	859	1 147	1 364	1 452
Total	4 220	5 153	6 181	8 336	9 279	10 512	11 590
Percentage of total							
Administration	23.5%	25.2%	24.3%	25.5%	20.8%	19.5%	18.9%
Social welfare services	63.5%	60.2%	64.7%	64.2%	66.8%	67.5%	68.5%
Development and research	13.0%	14.5%	11.0%	10.3%	12.4%	13.0%	12.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Percentage growth (average annual)		2005/06 – 2008/09			2008/09–2011/12		
Administration		28.9%			1.0%		
Social welfare services		25.9%			14.1%		
Development and research		16.2%			19.1%		
Total		25.5%			11.6%		

Source: National Treasury provincial database

What this indicates is that provinces are placing greater emphasis on growing their social welfare services relative to their development and research function. This is confirmed by the relative growth rates for these respective programmes from 2005/06 to 2008/09. However, over the 2009 MTEF period, spending in the Development and research programme grows more rapidly than spending in the Social welfare services programme. Though the difference is not large, it may be indicative of the fact that departments' efforts to grow their social welfare services are being constrained by factors other than the availability of funds, most notably the national shortage of qualified social work professionals. Alternatively, provinces may be re-orientating their focus towards community development, in line with a developmental approach.

Table 5.6 gives a more detailed picture of how provinces have allocated their spending and budgets between programmes. Provinces that are moving from a low base level of spending on social development as a percentage of total provincial spending (see table 5.2) have tended to allocate relatively more to the development and research function, namely Limpopo, North West, Mpumalanga and Eastern Cape.

Provinces are placing greater emphasis on growing their social welfare services relative to their development and research function

Table 5.6 Programme percentage of total spending/budget, 2005/06, 2009/10 and 2011/12

	2005/06	2009/10	2011/12	2005/06	2009/10	2011/12	2005/06	2009/10	2011/12
	Administration			Social welfare services			Development and research		
Eastern Cape	21.1%	26.0%	22.8%	60.9%	60.0%	58.7%	18.0%	14.1%	18.5%
Free State	27.3%	26.5%	25.9%	71.0%	65.3%	66.0%	1.6%	8.2%	8.1%
Gauteng	24.8%	15.5%	14.4%	69.8%	75.7%	77.5%	5.5%	8.8%	8.1%
KwaZulu-Natal	25.9%	20.1%	17.1%	65.8%	69.1%	73.7%	8.4%	10.9%	9.2%
Limpopo	21.7%	26.6%	24.0%	50.2%	50.0%	54.3%	28.1%	23.4%	21.7%
Mpumalanga	25.2%	24.8%	22.8%	58.1%	56.8%	59.3%	16.7%	18.4%	18.0%
Northern Cape	25.4%	25.2%	24.6%	57.1%	62.3%	63.9%	17.5%	12.5%	11.5%
North West	20.5%	16.1%	14.7%	54.0%	67.9%	68.1%	25.5%	16.0%	17.2%
Western Cape	20.5%	15.5%	14.5%	66.2%	77.7%	79.0%	13.3%	6.8%	6.5%
Total	23.5%	20.8%	18.9%	63.5%	66.8%	68.5%	13.0%	12.4%	12.5%

Source: National Treasury provincial database

By contrast, those provinces that have historically spent relatively more on social welfare services have further increased their allocations to these services. This suggests that it is easier for provinces that have relatively strong welfare services to expand these services further, whereas other provinces are finding it more difficult. It may also indicate differences in approach to the delivery of development welfare services between the provinces, with the poorer provinces placing greater emphasis on development type interventions.

Administration

The core objective of the administration programme is to provide for the strategic management and support services within the respective provincial social development departments. In aggregate, the administration budget grew sharply from R994 million in 2005/06 to R2.1 billion in 2008/09. It then remains relatively stable over the MTEF period. This programme captures the strategic management and support services at all levels of the Department i.e. Provincial, Regional, District and Facility/Institutional level, notwithstanding the Free State and Limpopo provinces for the period under review reflected their total allocation for infrastructure under this programme as well.

Table 5.7 Administration budgets and expenditure trends by province, 2005/06 – 2011/12

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	Outcome			Pre-audited outcome	Medium-term estimates		
R million							
Eastern Cape	108	193	190	337	372	385	418
Free State	105	128	134	166	181	192	208
Gauteng	202	261	352	501	301	322	341
KwaZulu-Natal	193	251	280	286	277	302	320
Limpopo	78	94	114	216	203	211	222
Mpumalanga	63	50	93	147	197	214	226
Northern Cape	45	54	78	83	103	114	122
North West	66	79	93	109	117	122	136
Western Cape	134	191	166	285	180	189	200
Total	994	1 301	1 499	2 130	1 929	2 051	2 193

Source: National Treasury provincial database

Social welfare services

Table 5.8 shows welfare services budget and expenditure trends by province. The *social welfare services* programme funds the provision of integrated social welfare services, which includes child care and protection services, care and services to older persons, substance abuse prevention and rehabilitation, crime prevention and support, services to people with disabilities, victim empowerment, HIV and AIDS, and care and support services to families.

For the period under review, the main policy interventions impacting on provincial social development relate to the strengthening of social welfare services. They include the massification of the EPWP initiative (mostly by creating employment opportunities in the provision of ECD and HCBC) and improving services to children (including children in conflict with the law).

Expenditure on social welfare services grew at an annual average rate of 25.9 per cent from R2.7 billion in 2005/06 to R5.3 billion in 2008/09. Provinces are budgeting to spend R7.9 billion on these services by 2011/12.

Table 5.8 Social welfare budgets and expenditure trends by province, 2005/06 – 2011/12

R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	Outcome			Pre-audited outcome	Medium-term estimates		
Eastern Cape	313	411	549	796	860	946	1 075
Free State	272	246	263	333	446	483	529
Gauteng	569	693	927	1 184	1 465	1 669	1 831
KwaZulu-Natal	491	527	630	823	951	1 200	1 379
Limpopo	180	195	215	343	381	414	502
Mpumalanga	145	201	285	389	450	525	588
Northern Cape	100	135	189	234	254	289	319
North West	175	236	277	394	492	574	632
Western Cape	433	460	665	851	903	997	1 089
Total	2 678	3 104	3 999	5 348	6 202	7 097	7 945
Expenditure per person in province	2005/06	2009/10		Change between 2005/06 and 2009/10		Percentage deviation from average	
	Population based on mid-year estimates, 2005 and 2008			Actual	Percentage	2005/06	2009/10
Eastern Cape	45.5	130.7		85.2	187.2%	-20.3%	2.6%
Free State	92.2	155.0		62.8	68.1%	61.4%	21.7%
Gauteng	60.9	140.2		79.3	130.1%	6.7%	10.1%
KwaZulu-Natal	49.9	94.1		44.2	88.5%	-12.6%	-26.1%
Limpopo	33.7	72.2		38.5	114.2%	-41.0%	-43.4%
Mpumalanga	41.7	125.5		83.8	200.9%	-27.0%	-1.5%
Northern Cape	92.1	225.7		133.5	145.0%	61.3%	77.1%
North West	52.3	143.7		91.3	174.5%	-8.4%	12.8%
Western Cape	93.3	171.6		78.3	83.9%	63.4%	34.7%
Total	57.1	127.4		70.3	123.0%		

Source: National Treasury provincial database

The second half of table 5.8 shows expenditure on social welfare services per person by province for selected years. This measure

reflects the equity with which these services are being funded (and provided) across the provinces. In 2005/06, the national average spending on social welfare services was R57 per person per year. This ranged from a high of R93 in the Western Cape to a low of just less than R34 in Limpopo.

Between 2005/06 and 2009/10, per capita spending increases in all provinces

The table indicates that between 2005/06 and 2009/10, per capita spending increased in all provinces. This pushed the national average spending on social welfare services up to just over R127 per person per year in 2009/10. This is an increase of over 123 per cent. In rand terms, the greatest increase is in Northern Cape, which places this province even further ahead. More encouraging are the increases in per capita spending in North West, Eastern Cape and Mpumalanga, which begin to close the inequality gap.

Between 2005/06 and 2009/10, both KwaZulu-Natal and Limpopo's per capita spending on social welfare services fall further behind the national average in percentage terms. This indicates growing inequity between these provinces and the rest of the country in the provision of social welfare services.

Expenditure within social welfare services

Table 5.9 shows that all subprogrammes within the social welfare services programme benefited from the strong growth in overall funding. Note that some of the programmes reflect very high levels of growth because they are growing from a low base. This is due to the fact that these subprogrammes were only introduced in 2005/06. Key trends in the main subprogrammes are highlighted below:

Child care and protection services implements programmes and services that provide for the development, protection, and care of children. In most provinces this is the largest subprogramme within social welfare services. Spending on the subprogramme grew sharply from R963 million in 2005/06 to R1.8 billion in 2008/09, and is budgeted to grow at 20 per cent annually from 2008/09 to reach R3.2 billion by 2011/12. This begins to address the implementation of the Children's Act (2005), as amended. However, the rapid rollout of ECD subsidies to crèches caring for children between the ages of 0 and 4 years, is the primary reason for the strong growth on this budget. Roughly 1 million children are expected to benefit from ECD subsidies by 2011/12.

Care and services to older persons implements integrated welfare services for the care, support and protection of older persons. Spending on this subprogramme increases from R422 million in 2005/06 to R782 million in 2011/12. This provides funding for the implementation of the Older Persons Act (2006).

Crime prevention and support implements social crime prevention programmes and probation services targeting children, youth and adult offenders in the criminal justice process. The services include pre-trial assessments of all children in conflict with the law, diversion programmes, home-based supervision for awaiting trial and sentenced children and the establishment and management of secure care centers for children. The budget grows from R213 million in 2005/06 to

R707 million in 2011/12. The aim is to increase the provision of diversion programmes and accelerate the building and rehabilitation of secure care facilities with a view to reducing the number of children being held in prisons.

Table 5.9 Provincial social welfare services by subprogramme, 2005/06 – 2011/12

R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	Outcome			Pre-audited outcome	Medium-term estimates		
Administration	546	636	788	1 154	1 282	1 419	1 511
Substance abuse prevention and rehabilitation	91	105	141	188	272	324	338
Care and services to older persons	422	483	554	639	725	743	782
Crime prevention and support	213	240	394	536	569	661	707
Services to persons with disabilities	169	206	247	278	303	328	349
Child care and protection services	963	1 103	1 269	1 837	2 163	2 609	3 190
Victim empowerment	3	36	51	60	103	107	95
HIV and AIDS	212	262	406	450	599	707	765
Social relief	57	7	17	48	25	25	27
Care and support services to families	3	26	130	159	161	173	182
Total	2 678	3 104	3 999	5 348	6 202	7 097	7 945
Percentage growth (average annual)	2005/06 – 2008/09		2008/09-2009/10		2008/09 – 2011/12		
Administration	28.3%		11.1%		9.4%		
Substance abuse prevention and rehabilitation	27.6%		44.3%		21.5%		
Care and services to older persons	14.8%		13.5%		7.0%		
Crime prevention and support	36.0%		6.2%		9.6%		
Services to persons with disabilities	18.0%		9.1%		7.8%		
Child care and protection services	24.0%		17.7%		20.2%		
Victim empowerment	178.6%		72.7%		16.7%		
HIV and AIDS	28.4%		33.2%		19.3%		
Social relief	-5.5%		-48.7%		-17.3%		
Care and support services to families	292.2%		1.4%		4.7%		
Total	25.9%		16.0%		14.1%		

Source: National Treasury provincial database

HIV and AIDS designs and implements integrated services for people, families and communities affected by HIV and AIDS and other diseases to encourage community participation and seek to mitigate the socio-economic impact of the disease. Services include the provision of home/community based care, training of community caregivers, awareness raising and providing psycho-social and material support to children orphaned, infected and people affected by HIV and AIDS. The continued strong growth in this programme indicates the ongoing need to address the consequences of the pandemic.

Substance abuse, prevention and rehabilitation was a relatively small subprogramme in 2005/06. But the current upward trend in substance abuse has forced a rapid increase in spending from R91 million in 2005/06 to R338 million in 2011/12. This is to support prevention and treatment programmes and an increase in the number of facilities providing rehabilitation services.

Development and research

The *development and research programme* focuses mainly on community development, with a relatively small budget going to research. Community development refers to the process and method of support that aims to enhance the capacity of communities to respond to their own needs and improve their capacity for development, through community mobilisation, strength based approaches and empowerment programmes.

Expenditure on the programme grows from R548 million in 2005/06 to R1 452 million in 2011/12.

Table 5.10 Development and research budgets and expenditure trends by province, 2005/06 – 2011/12

R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	Outcome			Pre-audited outcome	Medium-term estimates		
Eastern Cape	92	126	141	186	202	324	338
Free State	6	69	30	41	56	60	65
Gauteng	45	58	60	58	170	182	190
KwaZulu-Natal	62	164	105	113	149	162	172
Limpopo	101	113	88	143	178	197	201
Mpumalanga	42	69	82	122	145	161	179
Northern Cape	31	29	37	46	51	54	57
North West	83	54	68	72	116	142	160
Western Cape	87	68	70	79	79	82	90
Total	548	748	682	859	1 147	1 364	1 452
Expenditure per person in quintiles 1 and 2				Change between 2005/06 and 2009/10		Percentage deviation from average	
	2005/06	2009/10		Actual	Percentage	2005/06	2009/10
	Quintiles based on mid-year estimates, 2005 and 2008						
Eastern Cape	23.8	54.4		31	128.6%	-18.6%	-7.7%
Free State	4.6	42.6		38	827.3%	-84.3%	-27.6%
Gauteng	21.8	74.4		53	240.9%	-25.3%	26.2%
KwaZulu-Natal	14.8	34.4		20	133.1%	-49.4%	-41.6%
Limpopo	33.5	60.0		27	79.4%	14.5%	1.9%
Mpumalanga	32.5	109.9		77	237.7%	11.4%	86.6%
Northern Cape	64.1	103.0		39	60.6%	119.5%	74.8%
North West	65.2	89.2		24	36.8%	123.1%	51.4%
Western Cape	128.5	103.4		-25	-19.6%	339.9%	75.4%
Total	29.2	58.9		30	101.6%		

Source: National Treasury provincial database

The second half of table 5.10 shows expenditure on development and research per person in the first and second income quintiles by province for selected years. The services of the development

programme generally target individuals and households that are vulnerable as a result of poverty and which therefore fall into the first two income quintiles. This measure reflects the equity with which these services are being funded (and provided) across the provinces. In 2005/06, the national average spending on the development programme by social development departments was R29 per person per year. This ranged from a high of R129 in the Western Cape to a low of less than R5 in the Free State.

The table indicates that between 2005/06 and 2009/10 per capita spending increases in all provinces, except the Western Cape. This pushes the national average spending on development initiatives up to R59 per person per year in 2009/10. This is an increase of over 101 per cent. In Rand terms the greatest increase is in Mpumalanga, which becomes the highest per capita spender. The decline in per capita spending in the Western Cape brings the provinces' spending more in line with other provinces. The increases in per capita spending in Free State, Gauteng and Eastern Cape go a long way to closing the inequality gap. Note that the percentage deviation from the average shows that per capita spending on the development programme has become substantially more equal between 2005/06 and 2009/10 across all provinces.

When comparing different provinces' percentage expenditure on development and research in table 5.6 to the per capita expenditures in table 5.10, it becomes apparent that though Limpopo, for instance, allocates 23.4 per cent of its social development budget in 2009/10 to development and research, this only provides for R60 per capita spending, which is just slightly above the national average. By contrast, the Western Cape allocates just 6.8 per cent of its 2009/10 social development budget to development and research, but this allows for per capita spending of R103 per year, which is 75 per cent above the national average. These differences can be attributed to the differing levels at which social development is being funded in each of the provinces (see table 5.2), and differences in the levels of poverty in each province.

Expenditure and budgets by economic classification

Table 5.11 shows the aggregate expenditure by economic classification for provincial social development departments. Key elements of the table are discussed in the following section.

Table 5.11 Provincial social development expenditure per economic classification, 2005/06 – 2011/12

R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	Outcome			Pre-audited outcome	Medium-term estimates		
Current payments	2 171	2 587	3 125	4 410	4 897	5 466	5 857
<i>of which:</i>							
<i>Compensation of employees</i>	1 361	1 570	1 935	2 554	3 219	3 651	3 894
<i>Other current payments</i>	810	1 017	1 190	1 856	1 678	1 815	1 963
Transfers and subsidies	1 910	2 323	2 763	3 349	3 715	4 415	5 117
<i>of which:</i>							
<i>Non-profit institutions</i>	1 695	2 129	2 492	3 066	3 411	4 050	4 727
Payments for capital assets	139	243	292	578	667	631	616
Total	4 220	5 153	6 181	8 336	9 279	10 512	11 590
Percentage of total							
Current payments	51.4%	50.2%	50.6%	52.9%	52.8%	52.0%	50.5%
<i>of which:</i>							
<i>Compensation of employees</i>	32.2%	30.5%	31.3%	30.6%	34.7%	34.7%	33.6%
<i>Other current payments</i>	19.2%	19.7%	19.3%	22.3%	18.1%	17.3%	16.9%
Transfers and subsidies	45.3%	45.1%	44.7%	40.2%	40.0%	42.0%	44.2%
<i>of which:</i>							
<i>Non-profit institutions</i>	40.2%	41.3%	40.3%	36.8%	36.8%	38.5%	40.8%
Payments for capital assets	3.3%	4.7%	4.7%	6.9%	7.2%	6.0%	5.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Percentage growth (average annual)		2005/06 – 2008/09			2008/09 – 2011/12		
Current payments		26.6%			9.9%		
<i>of which:</i>							
<i>Compensation of employees</i>		23.4%			15.1%		
<i>Other current payments</i>		31.8%			1.9%		
Transfers and subsidies		20.6%			15.2%		
<i>of which:</i>							
<i>Non-profit institutions</i>		21.8%			15.5%		
Payments for capital assets		60.6%			2.2%		
Total		25.5%			11.6%		

Source: National Treasury provincial database

■ Key inputs for social development delivery

Personnel

There is a serious lack of social service practitioners

One of the major challenges preventing rapid budget growth and increased service delivery is the lack of social service practitioners. These include social workers, social auxiliary workers, child and youth care workers, early childhood development practitioners, and community care givers, community development practitioners and assistant community development practitioners.

This highlights the tremendous importance of government's efforts to improve the conditions of service of welfare professionals, and efforts

to increase the supply of social workers and related occupations. These steps have included:

- the declaration of social work as a scarce skill
- the development and implementation of a recruitment and retention strategy for social workers
- generic job descriptions, which provide opportunities for career-pathing
- the recognition for specialisation within the social work field, up to the level of deputy director
- the provision of scholarships for social workers.

In 2009/10, R210 million is allocated to the scholarship scheme and there are approximately 3 500 students benefiting from the programme. In addition, legislation such as the Children's Act (2005) allows functions previously undertaken by social workers to be performed by other social service personnel. This reduces the burden on social workers.

In addition, spending on social welfare services has increased largely in support of employment strategies such as the conclusion of an occupation specific dispensation (OSD) for welfare service professionals (which added about R125 million per year to the wage bill) and the recruitment and training of social workers and auxiliary social workers. As a result, spending on compensation of employees grew at an average annual rate of 23.4 per cent between 2005/06 and 2008/09. This strong growth continues at 26.0 per cent from 2008/09 to 2009/10, and slows to an average annual growth of 15.1 per cent over the MTEF period.

Support to NPO partners

As noted above, the delivery of social welfare services involves a partnership between provincial governments and NPOs. The critical role played by NPOs is highlighted in table 5.12, which compares the facilities and services provided directly by provincial social development departments and those provided by NPOs.

Table 5.12 Provincial social development non-financial performance, 2008/09

	Department share of budget	NPO share of budget	NPOs % share of spending on social welfare services
Share of budget			
Funding (R millions)	5 270	3 066	37%
Management of facilities	Facilities run by Government	Facilities run by NGOs	% of facilities managed by NPOs
Total facilities	62	2 643	97.7%
Substance abuse treatment and rehabilitation centres	5	22	81.5%
Homes for older persons	4	404	99.0%
Protective workshops	2	1 343	99.9%
Homes for persons with disabilities	1	585	99.8%
Secure care centres	20	9	31.0%
Children's homes	8	134	94.4%
Places of safety	15	39	72.2%
Shelters and drop-in centres (for children and domestic violence)	7	107	93.9%
	Services provided by Government	Services provided by NGOs	% of service provided by NPOs
Provision of services			
Total clients served	156 910	399 533	71.8%
Substance abuse			
Number of clients utilising out-patient rehabilitation centers	33 512	–	0.0%
Number of clients utilising in-patient treatment centers	2 797	6 258	69.1%
Older persons			
Number of older persons residing in homes for older persons	193	5 420	96.6%
Number of older persons reached by active aging programmes	45 549	70 803	60.9%
Persons with disability			
Clients admitted to Homes for persons with disabilities	53	1 092	95.4%
Clients accessing service in protective workshops	561	9 042	94.2%
Child care and protection services			
Number of children residing in children's homes	333	2 010	85.8%
Number of children placed in foster care	54 065	17 298	24.2%
Number of registered ECD sites	259	5 724	95.7%
Number of children served in registered ECD sites	12 935	273 432	95.5%
Crime Prevention and Support			
Number of children awaiting trial in secure care centers	6 653	8 455	56.0%
Number of children who participate in diversion programmes	20 243		
Number of pre-sentence reports completed	13 902		
Number of children in home based supervision	8 449		
HIV and Aids support from HCBC organisations			
Number of beneficiaries receiving food parcels	154 057		
Number of people on ARVs supported with food supplements	37 502		
Number of child headed households receiving services	75 607		

Source: National Treasury provincial database

The above table shows that NPOs are responsible for running more than 98 per cent of the social welfare facilities and attending to more than 71 per cent of clients.

Table 5.13 shows that overall transfers to NPOs grew by 22 per cent between 2005/06 and 2008/09, and are set to grow by 15.5 per cent over the MTEF period. This growth is mainly due to the rapid expansion of early childhood development programmes, and an increase in transfers to children's homes. Table 5.13 shows that overall transfers to NPOs amounted to R1.7 billion in 2005/06, which was approximately 40 per cent of total social development expenditure. This increases to R3.4 billion in 2009/10, though the NPOs' share declines to approximately 36.8 per cent.

Table 5.13 Transfers to non-profit institutions, 2005/06 – 2011/12

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million	Outcome			Pre-audited outcome	Medium-term estimates		
Eastern Cape	215	341	306	434	371	404	499
Free State	124	182	159	207	267	320	354
Gauteng	438	558	705	783	875	1 070	1 204
KwaZulu-Natal	284	281	329	359	425	573	704
Limpopo	88	109	98	218	233	263	343
Mpumalanga	85	138	191	233	278	331	388
Northern Cape	39	49	87	100	102	117	137
North West	45	74	131	99	181	225	259
Western Cape	378	398	487	633	678	748	839
Total	1 695	2 129	2 492	3 066	3 411	4 050	4 727
Percentage of total provincial social development expenditure							
Eastern Cape	41.8%	46.7%	34.7%	32.9%	25.9%	24.4%	27.3%
Free State	32.3%	41.1%	37.2%	38.3%	39.0%	43.5%	44.1%
Gauteng	53.6%	55.2%	52.7%	44.9%	45.2%	49.2%	51.0%
KwaZulu-Natal	38.0%	29.8%	32.4%	29.4%	30.9%	34.4%	37.6%
Limpopo	24.5%	27.1%	23.6%	31.1%	30.6%	32.0%	37.1%
Mpumalanga	34.0%	43.4%	41.5%	35.5%	35.1%	36.8%	39.0%
Northern Cape	22.2%	22.3%	28.7%	27.5%	25.1%	25.6%	27.4%
North West	14.0%	20.0%	29.8%	17.2%	25.0%	26.9%	27.9%
Western Cape	57.8%	55.3%	54.0%	52.1%	58.3%	58.9%	60.8%
Total	40.2%	41.3%	40.3%	36.8%	36.8%	38.5%	40.8%

Source: National Treasury provincial database

The transfers that the provinces allocate to NPOs vary widely over the MTEF. Eastern Cape, Northern Cape and the North West transfer around 25 per cent to NPOs, while those provinces with historically strong NPO sectors (Western Cape and Gauteng) transfer over 45 per cent of their budget to NPOs.

There is a balance between transfers to NPOs and the capacity that is being developed within provincial social development departments to deliver welfare services. The downward trend in transfers to NPOs as a percentage of provincial expenditure on social development between 2005/06 and 2008/09 is set to be reversed over the 2009/10 MTEF period. This suggests that generally provinces are looking to build these partnerships as a means of expanding their service delivery capacity.

A 2008 study conducted by the Centre for Social Development in Africa at the University of Johannesburg entitled “The implementation of the White Paper for Social Welfare in the NGO sector” also indicates that NGOs are increasingly aligning their activities with the developmental welfare approach adopted by government. According to the research, in 1997 the three main services offered by NPOs were to children, older persons and families. Today there is still a focus on these services. However, services related to poverty eradication, life skills training and HIV and AIDS have expanded significantly over the past 10 years, indicating that the sector is moving towards a developmental paradigm.

Social welfare infrastructure and capital spending

There are two main issues relating to social welfare infrastructure, which includes facilities such as children’s homes and old age homes. First, the number of facilities in the country is inadequate, and second, the distribution of facilities across regions continues to be highly unequal. Unlike in the health sector, capital spending in social development is not directed by a national plan. This hampers the process of prioritising infrastructure delivery to address the infrastructure related service delivery inequalities between provinces.

Table 5.14 Social development capital budgets and expenditure trends by province, 2005/06 – 2011/12

R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	Outcome			Pre-audited outcome	Medium-term estimates		
Eastern Cape	12	28	29	43	46	48	50
Free State	10	24	14	20	43	16	17
Gauteng	9	25	77	179	138	116	121
KwaZulu-Natal	41	56	39	88	138	161	171
Limpopo	37	37	47	97	105	107	108
Mpumalanga	2	11	29	45	88	99	92
Northern Cape	6	14	26	34	9	10	10
North West	17	44	25	44	91	58	42
Western Cape	5	5	8	28	8	15	5
Total	139	243	292	578	667	631	616
Capital expenditure as percentage of overall budget							
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	Outcome			Pre-audited outcome	Medium-term estimates		
Eastern Cape	2.3%	3.9%	3.3%	3.3%	3.2%	2.9%	2.7%
Free State	2.7%	5.3%	3.2%	3.8%	6.4%	2.2%	2.1%
Gauteng	1.1%	2.4%	5.7%	10.3%	7.1%	5.3%	5.1%
KwaZulu-Natal	5.5%	6.0%	3.9%	7.2%	10.0%	9.7%	9.1%
Limpopo	10.2%	9.3%	11.2%	13.8%	13.8%	13.0%	11.7%
Mpumalanga	1.0%	3.4%	6.2%	6.9%	11.1%	11.0%	9.2%
Northern Cape	3.5%	6.2%	8.5%	9.2%	2.3%	2.2%	2.0%
North West	5.1%	11.9%	5.8%	7.6%	12.6%	6.9%	4.5%
Western Cape	0.8%	0.7%	0.8%	2.3%	0.7%	1.2%	0.4%
Total	3.3%	4.7%	4.7%	6.9%	7.2%	6.0%	5.3%

Source: National Treasury provincial database

Since 2005/06, most of the capital expenditure has gone towards addressing the backlog and distribution of secure care centres for children in conflict with the law. To accommodate this, the capital budget grew at an average annual rate of 60.8 per cent between 2005/06 and 2008/09, when it reached R578 million, albeit off a low base. The budget remains relatively constant at between R600 million and R700 million per year over the MTEF period.

Spending on capital assets shows a high degree of variability between provinces. This could be directly linked to the model of service delivery selected by a province. Provinces that rely heavily on NPOs for service delivery may opt not to construct and own a government facility.

■ Policy initiatives and processes

The regulations to be made under the Older Persons Act (2006) are in the process of being finalised.

The policy on disability has been developed to guide and inform the department on the mainstreaming and integration of disability within social development practices, in line with the current policy framework to promote inclusion of people with disabilities. In conjunction with other government efforts, the policy aims to raise public awareness about the rights of disabled people, challenge stereotypes and facilitate the removal of false perceptions on disability.

Updates of the regulations to be made under the Children's Act (2005) are also being finalised. In addition, the national and provincial departments have been preparing for the implementation of the Children's Act as amended. These include a national policy framework, an inter-sectoral implementation plan, a monitoring and evaluation framework, a child care and protection forum, training guidelines and a communication strategy.

Going forward, the social development sector should strengthen its partnership with the NPOs through the development of a comprehensive policy framework. Such a framework could highlight the meaning of statutory services, the roles, responsibilities and the legal obligations on the side of the state in terms of social welfare service delivery. This, in turn, should inform the development of an appropriate funding arrangement between the state and NPOs.

The social development sector should also enhance its approach in establishing minimum standards and monitoring compliance against these standards.

■ Conclusion

The provincial social development departments have an exceptionally important role to play in addressing the needs of the most vulnerable members of society. The importance of this role is magnified by the current economic downturn and its effects on vulnerable sectors of the

population, and the impact of the HIV and AIDS pandemic on individuals, households and communities. To meet these challenges the provincial departments need to strengthen their capacity to plan for and implement the required services. They also need to strengthen their partnerships with the NPO sector to ensure that all available capacity is optimally utilised.

Provincial social development departments that are expanding from a low base are struggling to spend all the additional funds

It is evident that since the responsibility for budgeting for social assistance shifted to national government in 2006/07, provinces have allocated substantial additional resources to social development. However, it is also evident that those provincial social development departments that are expanding from a low base are struggling to spend all the additional funds. This suggests that in many provinces, past plans and budgets for expanding social welfare services were overly optimistic, and did not take account of the skills shortage in the sector. Government's initiatives to address the lack of skills are beginning to bear fruit.