

Social Development

Introduction

The shifting of the social security grant function to the South African Social Security Agency (SASSA) three years ago created an entirely different social development sector in the provincial sphere, whose primary focus is now social welfare services. These are services aimed at supporting the aged, needy children, people with disabilities and victims of crime. While provinces have been performing these services in the past, their focus tended to be more on the rising demands of social security, which took up a lot of their time, and financial and other resources.

... primary focus is on social welfare services

The sharp focus on social welfare services is evident on a number of fronts. First, there is increased attention given to formulating policies and writing up legislation that supports developmental welfare. Second, increased amounts of resources are being allocated to the sector in line with developmental welfare imperatives. Over the seven year period under review, provincial social development budgets will treble. There is greater recognition of the role of non-governmental organisations (NGOs) as partners in meeting the challenge of delivering improved welfare services to those who need them. Finally, because the delivery of these services requires professional social workers, government has set a target of providing bursaries to at least 1 000 students a year in this field of study over the next three years.

This chapter:

- gives an overview of expenditure, including spending by programme and economic classification
- looks at trends in service delivery and equity
- discusses policy issues under consideration.

Expenditure overview

The shift of the social assistance grant function from provinces to national government presents provinces with an opportunity to prioritise and expand social welfare services. Budgets and expenditure are starting to show that provinces now have the resources to step up

Spending on social welfare services set to treble over the seven year period

funding for these services. Budgets grew by 17,3 per cent annually from R3,2 billion in 2003/04 to R5,2 billion in 2006/07. This trend continues over the MTEF period and will see social development budgets peaking at R8,7 billion by 2009/10.

With budget increases of this magnitude, the sector is in a good position to scale up preventative programmes, as well as early intervention and protection services.

2006/07 budget outcome

Scarcity of social workers leads to underspending

In 2006/07, provinces spent R5,2 billion on social development activities. This represents underspending of R119,8 million or 2,3 per cent. The underspending was mainly in compensation of employees reflecting the lack of availability of trained social workers.

Table 4.1 Provincial social development expenditure as at 31 March 2007

	2006/07					2005/06	Year-on-year growth 2005/06 – 2006/07
	Adjusted budget	Preliminary outcome	Preliminary outcome as % of adjusted budget	Over(-)/ Under(+) expen- diture	% Over(-)/ under(+) expen- diture of adjusted budget	Outcome	
R thousand							
Eastern Cape	740 802	750 473	101,3%	-9 671	-1,3%	513 368	46,2%
Free State	445 734	442 985	99,4%	2 749	0,6%	382 906	15,7%
Gauteng	1 005 643	1 011 634	100,6%	-5 991	-0,6%	816 182	23,9%
KwaZulu-Natal	1 000 485	941 578	94,1%	58 907	5,9%	746 226	26,2%
Limpopo	395 449	401 391	101,5%	-5 942	-1,5%	358 110	12,1%
Mpumalanga	334 281	319 218	95,5%	15 063	4,5%	249 898	27,7%
Northern Cape	222 721	217 643	97,7%	5 078	2,3%	175 446	24,1%
North West	419 593	368 436	87,8%	51 157	12,2%	324 330	13,6%
Western Cape	727 971	719 516	98,8%	8 455	1,2%	653 512	10,1%
Total	5 292 679	5 172 874	97,7%	119 805	2,3%	4 219 978	22,6%

Source: National Treasury provincial database

Social development spending by programme

Social welfare services continue to dominate provincial social development budgets. Table 4.2 shows that, although the share of *Social welfare services* in total provincial social development budgets dipped marginally in 2006/07, it returned to its historical level of around 63 per cent and will remain stable over the MTEF period.

Table 4.2 Provincial social development expenditure by programme, 2003/04 – 2009/10

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
	Outcome			Preliminary outcome	Medium-term estimates		
R million							
Administration	740	1 091	984	1 335	1 559	1 771	1 909
Social welfare services	2 020	2 239	2 709	3 090	4 152	5 014	5 598
Development and research	449	321	527	748	838	1 090	1 228
Total	3 209	3 650	4 220	5 173	6 550	7 875	8 735
Percentage of total							
Administration	23,0%	29,9%	23,3%	25,8%	23,8%	22,5%	21,9%
Social welfare services	63,0%	61,3%	64,2%	59,7%	63,4%	63,7%	64,1%
Development and research	14,0%	8,8%	12,5%	14,5%	12,8%	13,8%	14,1%
Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Percentage growth (average annual)			2003/04 – 2006/07			2007/08 – 2009/10	
Administration			21,7%			10,6%	
Social welfare services			15,2%			16,1%	
Development and research			18,5%			21,1%	
Total			17,3%			15,5%	

Source: National Treasury provincial database

Table 4.3 reflects provincial choice in the basket of social development services that they deliver. The share of *social welfare services* in the social development budget ranged between 48,5 per cent in Limpopo and 68,5 per cent in Gauteng in 2006/07.

Table 4.3 Programme percentage of total spending, 2006/07

	Administration	Social welfare services	Development and research
Eastern Cape	25,9%	57,3%	16,8%
Free State	28,9%	55,6%	15,5%
Gauteng	25,8%	68,5%	5,7%
KwaZulu-Natal	26,6%	56,0%	17,4%
Limpopo	23,4%	48,5%	28,1%
Mpumalanga	15,7%	62,9%	21,5%
Northern Cape	24,9%	62,0%	13,2%
North West	30,2%	55,2%	14,6%
Western Cape	26,6%	64,0%	9,5%
Total	25,8%	59,7%	14,5%

Source: National Treasury provincial database

With the exception of Mpumalanga, whose spending on the *Administration* programme was at 15,7 per cent, all other provinces spent between 23,4 per cent (Limpopo) and 30,2 per cent (North West).

Administration

Administration budgets still grow fast

Strategic management and support makes up the core of the *Administration* programme. The *Administration* budget grew sharply from R740 million in 2003/04 to R1,3 billion by 2006/07 and grows moderately over the MTEF period to R1,9 billion by 2009/10.

There are some positive shifts in the composition of social development budgets

The share of *Administration* in total social development budgets grew from 23 per cent in 2003/04 to 25,8 per cent in 2006/07, but will drop slightly over the MTEF period. This trend is welcomed because it will release resources for the *Social welfare services* programme, whose activities constitute the core business of social development.

Social welfare services

Expenditure in the *Social welfare services* programme grew by 15,2 per cent annually from R2,0 billion in 2003/04 to R3,1 billion in 2006/07. By 2009/10, provinces are budgeting to spend R5,6 billion on these services. Spending on the programme will nearly treble over the seven year period. Table 4.4 shows that all subprogrammes benefit from the strong growth in overall funding for this programme.

Table 4.4 Provincial social welfare services by subprogramme, 2003/04 – 2009/10

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
	Outcome			Preliminary outcome	Medium-term estimates		
R million							
Administration	399	423	539	635	848	975	1 105
Substance abuse prevention and rehabilitation	65	78	92	105	174	200	246
Care and services to older persons	390	407	440	493	584	709	766
Crime prevention and support	145	173	217	210	497	602	664
Services to persons with disabilities	165	178	169	207	227	251	269
Child care and protection services	721	838	963	1 108	1 211	1 538	1 763
Victim empowerment	8	3	1	36	69	74	77
HIV and AIDS	84	126	209	263	380	484	514
Social relief	42	12	77	7	22	25	27
Care and support services to families	0	1	3	26	140	157	168
Total	2 020	2 239	2 709	3 090	4 152	5 014	5 598

Source: National Treasury provincial database

Child care and protection services prioritised

While non-residential care is the preferred sentencing option, there is a greater demand for secure care facilities for both children awaiting trial and sentenced children. Spending on *Child care and protection services* grew sharply from R721 million in 2003/04 to R1,1 billion in 2006/07, and is budgeted to grow 20,6 per cent annually from 2007/08 to reach R1,8 billion by 2009/10. This reaffirms provinces' commitment to the implementation of the Children's Act (2005).

Spending on *Care and services to older persons* increases from R390 million in 2003/04 to R766 million in 2009/10. This provides funding for the implementation of the Older Persons Act (2006).

Crime prevention and support, which develops and implements social crime prevention programmes and probation services targeting children, young and adult offenders in the criminal justice system, is also prioritised. The budget grows from R145 million in 2003/04 to R664 million in 2009/10. The focus of the programme is on diversion programmes and accelerating the capital intensive secure care programme, which aims to increase the number and improve the state of secure care facilities. This implies increased capital and other costs for provincial departments of social development.

Preventative interventions are reinforced

The budget for *Substance abuse prevention and rehabilitation* grows from R65 million in 2003/04 to R246 million in 2009/10. This is to support the prevention and treatment programmes and step up awareness campaigns focusing on drug addiction and abuse.

Programmes targeted at fighting drug addiction are being stepped up

Spending on *Care and support services to families* is to be increased significantly over the medium term. Gauteng accounts for 66,6 per cent share of the total allocation for this subprogramme in 2007/08. The sector will have to step up its absorptive capacity to spend the rising allocations.

Social assistance grants

At the national level, social assistance now reaches more than 12 million beneficiaries, the majority of whom are children. Old age pensions are also paid to approximately 2,2 million beneficiaries, up from 2 million in April 2003.

Government is developing a comprehensive social security package and is currently investigating retirement reform options, reviewing various means tests and looking into the possibility of introducing a wage subsidy and compulsory contributions to pensions.

Social grants expenditure by type of grant and province

R million	Expenditure			Budgets		
	1998/99	2003/04	2006/07	2007/08	2008/09	2009/10
Old age	12 954	17 146	21 590	22 782	24 405	26 106
War veterans	23	34	25	21	18	14
Disability	4 585	10 329	14 707	15 729	16 991	18 347
Grant-in-aid	1	–	–	–	–	–
Foster care	364	1 142	2 464	3 404	4 091	4 886
Care dependency	226	639	998	1 127	1 240	1 357
Child support	2 400	7 690	17 936	19 176	20 888	22 327
Total	20 553	36 980	57 720	62 239	67 633	73 037
Number of beneficiaries	Expenditure			Budgets		
	March 2002	March 2004	March 2007	2007/08	2008/09	2009/10
Old age	1 903 042	2 060 421	2 186 189			
War veterans	5 266	3 961	2 326			
Disability	694 232	1 270 964	1 437 842			
Grant-in-aid	10 332	18 170	–			
Foster care	95 216	200 340	381 125			
Care dependency	34 978	77 934	103 992			
Child support	1 907 774	4 309 772	7 879 558			
Total	4 650 840	7 941 562	11 991 032			

Development and research spending is growing rapidly

Development and research

The *Development and research* programme focuses mainly on community development¹. Expenditure² grows from R449 million in 2003/04 to R748 million in 2006/07. Expenditure is higher in Limpopo, Eastern Cape and KwaZulu-Natal (R164 million in KwaZulu-Natal in 2006/07), and lower in provinces such as Northern Cape, Western Cape and Gauteng. This points to the different approaches within provinces, evident in the variance in funding between *Social welfare services* and *Development and research* in provinces like Limpopo and Gauteng.

Table 4.5 Spending trends in development and research programme, 2003/04 – 2006/07

	2003/04	2004/05 Outcome	2005/06	2006/07 Preliminary outcome
R thousand				
Eastern Cape	105 599	35 815	54 408	125 827
Free State	5 314	3 064	6 201	68 571
Gauteng	35 137	51 583	48 144	57 871
KwaZulu-Natal	64 956	52 044	62 418	163 596
Limpopo	88 128	55 936	100 535	112 725
Mpumalanga	35 341	35 522	54 680	68 549
Northern Cape	17 117	1 666	30 665	28 659
North West	49 279	50 747	82 765	53 941
Western Cape	48 318	34 144	86 839	68 101
Total	449 189	320 521	526 655	747 840

Source: National Treasury provincial database

Social development spending by economic classification

Delivery of social development services is personnel intensive. It requires qualified and competent professionals such as social workers. Compensation of employees for social development grew by 12,6 per cent annually over the three-year period to 2006/07 and is budgeted to grow by 11,3 per cent annually from R2,2 billion in 2007/08 to R2,7 billion by 2009/10. However, due to supply side constraints, social development departments underspent their personnel budgets in 2006/07. Going forward, government plans to grant bursaries to 1 000 social work students per year over the next three years to stimulate the supply of social workers.

¹ Community development refers to the process and method that is aimed at enhancing the capacity of communities to respond to their own needs and improving their capacity for development, through community mobilisation, strength based approaches and empowerment programmes.

² Expenditure excludes funding for current EPWP initiatives, and is predominantly driven by the sustainable livelihoods programme.

Table 4.6 Provincial social development expenditure per economic classification, 2003/04 – 2009/10

	2003/04	2004/05 Outcome	2005/06	2006/07 Preliminary outcome	2007/08	2008/09	2009/10
R million					Medium-term estimates		
Current payments	1 769	1 975	2 155	2 584	3 392	3 916	4 281
<i>of which:</i>							
<i>Compensation of employees</i>	1 102	1 225	1 320	1 575	2 169	2 445	2 688
<i>Other current payments</i>	667	750	835	1 009	1 223	1 470	1 593
Transfers and subsidies	1 323	1 506	1 924	2 342	2 732	3 541	3 998
<i>of which:</i>							
<i>Non-profit institutions</i>	1 225	1 403	1 729	2 156	2 510	3 318	3 739
Payments for capital assets	116	169	141	248	426	419	457
Total	3 209	3 650	4 220	5 173	6 550	7 875	8 735
Percentage of total							
Current payments	55,1%	54,1%	51,1%	49,9%	51,8%	49,7%	49,0%
<i>of which:</i>							
<i>Compensation of employees</i>	34,3%	33,6%	31,3%	30,4%	33,1%	31,0%	30,8%
<i>Other current payments</i>	20,8%	20,5%	19,8%	19,5%	18,7%	18,7%	18,2%
Transfers and subsidies	41,2%	41,2%	45,6%	45,3%	41,7%	45,0%	45,8%
<i>of which:</i>							
<i>Non-profit institutions</i>	38,2%	38,4%	41,0%	41,7%	38,3%	42,1%	42,8%
Payments for capital assets	3,6%	4,6%	3,3%	4,8%	6,5%	5,3%	5,2%
Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Percentage growth (average annual)			2003/04 – 2006/07			2007/08 – 2009/10	
Current payments			13,5%			12,3%	
<i>of which:</i>							
<i>Compensation of employees</i>			12,6%			11,3%	
<i>Other current payments</i>			14,8%			14,1%	
Transfers and subsidies			21,0%			21,0%	
<i>of which:</i>							
<i>Non-profit institutions</i>			20,7%			22,1%	
Payments for capital assets			28,7%			3,5%	
Total			17,3%			15,5%	

Source: National Treasury provincial database

Transfers to non-profit organisations grew by 20,7 per cent annually, from R1,2 billion in 2003/04 to R2,2 billion in 2006/07. The growth in the budgets is sustained in the years ahead with transfers to NGOs growing to R3,7 billion by 2009/10. Table 4.7 shows transfers to the NGO sector per province.

*Transfers to NGOs
grow threefold*

Table 4.7 Transfers to non-profit institutions expenditure, 2003/04 – 2009/10

	2003/04	2004/05 Outcome	2005/06	2006/07 Preliminary outcome	2007/08	2008/09	2009/10
R million					Medium-term estimates		
Eastern Cape	132	146	233	360	426	650	688
Free State	131	106	124	182	148	189	247
Gauteng	331	401	438	558	675	861	1 045
KwaZulu-Natal	164	185	284	281	297	297	319
Limpopo	59	90	88	104	96	162	184
Mpumalanga	56	79	101	138	180	262	278
Northern Cape	28	38	39	49	87	109	122
North West	66	61	45	87	112	173	181
Western Cape	257	297	378	398	489	616	675
Total	1 225	1 403	1 729	2 156	2 510	3 318	3 739
Percentage of total provincial social development expenditure							
Eastern Cape	27,2%	34,7%	45,3%	47,9%	44,7%	52,9%	53,6%
Free State	46,3%	36,4%	32,3%	41,1%	32,7%	35,9%	38,4%
Gauteng	49,7%	50,9%	53,6%	55,2%	48,1%	53,6%	58,5%
KwaZulu-Natal	32,0%	34,2%	38,0%	29,8%	29,7%	29,5%	29,1%
Limpopo	40,6%	25,3%	24,5%	25,8%	21,8%	24,2%	24,4%
Mpumalanga	33,0%	35,2%	40,5%	43,4%	36,2%	39,2%	38,6%
Northern Cape	21,9%	27,6%	22,2%	22,3%	28,7%	30,3%	30,6%
North West	24,2%	23,2%	14,0%	23,6%	18,4%	22,9%	19,9%
Western Cape	47,2%	47,1%	57,8%	55,3%	54,8%	58,2%	59,1%
Total	38,2%	38,4%	41,0%	41,7%	38,3%	42,1%	42,8%

Source: National Treasury provincial database

Rapid building up of social welfare infrastructure

Infrastructure for delivering effective social welfare service has been identified for the sector in the period ahead. Although starting from a low base, capital spending doubled from R116 million in 2003/04 to R248 million in 2006/07 and is set to reach R457 million by 2009/10.

Trends in service delivery

Government seeks to ensure sustainable community development by providing social welfare services that are developmental, equitable, sustainable, accessible and people-centred.

Services to older persons

Large amounts of funding for the elderly

With the passing of the Older Persons Act (2006), this subprogramme is receiving greater emphasis in social development budgets. There are an estimated 456 homes for the elderly in the country. About 49 per cent are in Gauteng and Western Cape, despite only having 28 per cent of the elderly population. This inequity is mainly inherited from the previous dispensation, as many of these homes are not in areas where there is the most need.

Table 4.8 Services to older persons, 2006

	Homes for the Aged					Aged clients counselled				
	Govt.	NPO	Total homes	% of total	per capita distribution	Govt.	NPO	Total counselled	% of total	Percent-age population
Number										
Eastern Cape	2	56	58	12,7%	9 719	11 500	5 190	16 690	22,8%	2,9%
Free State	2	38	40	8,8%	4 800	93	1 004	1 097	1,5%	0,6%
Gauteng	1	92	93	20,4%	5 343	239	11 266	11 505	15,7%	2,2%
KwaZulu-Natal	1	54	55	12,1%	10 282	1 868	29 117	30 985	42,3%	5,3%
Limpopo	2	6	8	1,8%	44 839	290	235	525	0,7%	0,1%
Mpumalanga	n/a	18	18	3,9%	9 422	3 425	356	3 781	5,2%	2,2%
Northern Cape	n/a	25	25	5,5%	2 791	108	1 257	1 365	1,9%	1,9%
North West	1	26	27	5,9%	9 126	300	n/a	300	0,4%	0,1%
Western Cape	n/a	132	132	28,9%	2 514	4 684	2 266	6 950	9,5%	2,0%
Total	9	447	456	100,0%	6 567	22 507	50 691	73 198	100,0%	2,4%

A larger proportion of the elderly (approximately 38 per cent) resides in KwaZulu-Natal (19 per cent) and Eastern Cape (19 per cent). Collectively, these two provinces only have 24,8 per cent or just over 113 homes, compared to Northern Cape, with 25 homes and an elderly population proportion of 2 per cent.

KwaZulu-Natal, however, boasts the most counselling services for elderly people, recording 42,3 per cent (30 985) of the number of cases, followed by Eastern Cape at 22,8 per cent (16 690). This reflects a more community based approach in these provinces.

Services to children

Social development departments are responsible for the component of early childhood development (ECD) that caters for children between 0 and 4 years. In 2006/07, the number of registered ECD sites increased to over 11 000, with the highest concentration in Mpumalanga, which accounts for 46 per cent of all the sites. It is followed by Eastern Cape (27 per cent) and KwaZulu-Natal (12 per cent).

There is on average one ECD site for every 455 children in the country. Eastern Cape has approximately one registered site for every 255 children compared to one for 61 837 children in Limpopo. These variations indicate inequitable access to ECD that must be addressed in the period ahead.

According to the Child Care Act (1983) the Department of Social Development is responsible for the registration of ECD sites where more than six children are cared for away from their parents, as well as the provision of subsidies to children from poor households. A report prepared by the national Department of Social Development on the costing of the Children's Bill, stated that 45 per cent of children are in partial care centres accessing various kinds of ECD services. Government pays a per diem subsidy for 314 912 children in

Increased number of early childhood development sites

Subsidies worth R350 million were paid to ECD sites in 2006/07

5 531 registered sites. The total amount paid towards these subsidised sites for 2006/07 was R350 million.

Expansion of ECD is planned over the medium term. For this to be successful the following key areas will need to be strengthened:

- the capacity for and speed of processing applications for registration in line with the legal prescripts and municipal by-laws
- aligning ECD provincial targets with the ECD integrated plan and the EPWP social sector plan
- investing in infrastructure and equipment
- capacity building at the national and provincial spheres to oversee the roll out of the programme
- the clear delineation of roles and responsibilities between the education and the social development sectors.

Personnel constraints

Shortage of social workers presents a huge challenge to the sector

The shortage of social workers has long been acknowledged as a challenge to the social development sector. Good progress has been made in addressing this problem at both the national and provincial level. The national Department of Social Development has undertaken a major recruitment drive to attract new entrants into the field of study. This has been supplemented by making available 1 000 new full bursaries every year, with the aim of increasing the number of social worker graduates over the medium term.

Funding allocated for the recruitment of social auxiliary workers

Additional funding has been allocated to provinces for the immediate implementation of the social auxiliary worker strategy. These workers will become an important part of the social service delivery chain, and will relieve social workers of many of their routine (non-professional) duties, thus improving the quality of services. These benefits might not be immediately evident, as substantial time and effort need to be invested in training and supervision of this category of personnel.

Policy issues under consideration

Norms and standards

Despite government having adopted a developmental approach to social welfare services, the past decade has been characterised mainly by the provision of social assistance. The massive expansion of the social assistance budgets led to the “crowding out” of many social welfare services which explains much of the inequity described in earlier.

Generic norms and standards needed to ensure uniform performance in service delivery

The 1997 White Paper for Social Welfare states that government has a responsibility to determine and regularly review norms and standards for the provision of social welfare services. These are required to ensure respect for human rights, promote social justice, redress inequalities arising from the past and create opportunities for the development of social service practitioners. National government is

responsible for developing generic norms and standards for providing services, and for ensuring that uniformity in the performance of particular functions is maintained. Provinces are responsible, concurrently with the national department, for planning, development and providing services.

Legislation and regulations

Regulations are currently being drafted for the Older Persons Act (2006) and the Children's Act (2005). The Child Justice Bill is still being considered by Parliament. Provincial departments are in the meantime reorienting their services to be in line with the bill. Revisions to the Social Services Professions Act (1978) are likely to be introduced in the medium term

Regulations being developed to support implementation of new acts

The Prevention of and Treatment of Substance Abuse Bill is likely to be introduced into the current parliamentary session. The bill aims to ensure a coordinated effort to reduce substance abuse, ensure effective statutory and non-statutory services, establish the Central Drug Authority and its supporting structures, and promote programmes for best possible prevention, early intervention, treatment, after care and reintegration.

Conclusion

The restructuring of the social development sector, which was partly triggered by the shifting the social security function to the national sphere, has resulted in some positive developments. Funding for the sector has grown and is set to continue to grow over the MTEF period. This provides a platform for improved service delivery to the most vulnerable members of society.

Given the growing budgets, the sector will have to reposition itself to delivery a comprehensive package of social services. In particular, the sector will have to step up the recruitment and retention of social workers and strengthen their partnership with the NGO sector.

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