

Institutions and Policy Change: the Development of the Child Support Grant in South Africa

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It is widely accepted that the Child Support Grant (CSG) has become one of South Africa's flagship instruments in combating poverty and inequality since its introduction in 1998. UNICEF (2012) regards it as "an exemplary model of a social cash transfer programme" that contributed to the development of a refashioned social protection system. The language of exceptionalism and significant change emerged in the context of the transition to democracy, with the incoming government emphasising the importance of implementing transformative policies.

The Lund Committee on Child and Family Support was established by the Minister's Committee on Welfare and Population in December 1995 to make recommendations on the redesign of the family support system. The Lund Committee, as well as its successor charged with implementation—the Child Support Grant Task Team (CSGTT)—embody a set of 'change agent' actors. This was a diverse group of mainly independent experts, including leading economists, representatives from civil society organisations and academic researchers. The change agents were external reformers attempting to transform the institution of state child support. The other actors were internal departmental bureaucrats, politicians and state legal advisers. These state actors are characterised as 'veto players', as they were sufficiently powerful to overrule reform recommendations with which they did not agree.

Despite the focus on transformation, a systematic examination reveals that the process whereby the CSG was initially introduced represents a case of only partial policy adaptation. Despite attempts by policy change agents to comprehensively transform the previous State Maintenance Grant (SMG)—which had been in existence since the 1930s—the CSG continued to implement certain procedures that were almost exactly the same as those of the SMG. Attempts were made to abolish the SMG's means-tested approach and enact a universal CSG, reform the delivery system by drawing beneficiaries into the banking system, simplify the application procedure and create linkages with the health care system as an incentive. All of these recommendations were nullified by veto players, resulting in the continuation of the SMG's approach featuring a rigid means test, cash-based delivery system, complex application procedure and purely unconditional approach.

Policy changes were much more transformative (although not necessarily normatively 'positive') in determining payment levels and eligible racial and age cohorts. The SMG had been a highly racially discriminatory programme, with black children being almost entirely outside the system. For the few who did receive grants, the payment was much lower than for other groups. The SMG had also been available to children up to the age of 18, or even 22 if they were still in secondary or tertiary education. In terms of eligibility, the reforms resulting in the CSG were sweeping. The CSG was made available to all racial groups, while age eligibility was slashed to 7 years old under the CSG.

Faced with the proposition of determining eligibility while staying within the limits of the veto players' preference for fiscal constraint, change agents were determined to focus on the age cohort where the greatest impact could be achieved. The same logic resulted in radical change in terms of benefit levels. Where the SMG had paid between ZAR225 (USD40) and ZAR565 (USD102) per child to (white) beneficiaries, the CSG subsequently paid only ZAR100 (USD18) per child.

Why were changes not wholly transformative across the board? Why did certain significant features of the SMG survive the attempt at fundamental transformation, even when important actors were in favour of reform? Why did change occur in other areas? Insight from neoinstitutionalism provides a perspective for interpreting this incomplete adaptation. In contrast to the conventional depiction of the main variants of this tradition—historical and rational choice institutionalism—as being opposed to one another, the paper reveals that it is precisely through sequentially integrating their insights that partial policy change can be convincingly accounted for.

The analysis highlights the different preferences held by disparate sets of policy actors, with preferences originally emanating from the different institutional contexts inhabited by different actors. It shows how powerful internal veto players were able to block the reform suggestions of external change agents attempting wide-ranging transformation. The only areas to witness significant change were those where a consensual preference existed between veto players and change agents—the preference for non-discrimination and equality; state actors were able to veto all other reform suggestions. Veto players had to agree that certain norms and procedures were 'part of the problem' if they were to support reforms.

The SMG's features, therefore, survived in all areas where state actors perceived regulations to be 'technical' and not directly related to decisions about how much money to give and to whom. This unequal power distribution, and the fact that consensus was limited to the (nonetheless hugely significant) preference for removing discrimination and equalising the system of child support, explains why change was incomplete. The outcome was the survival of the SMG's institutional norms and procedures in many aspects of the CSG's operation, with change limited to decisions about payment levels and eligibility. The results indicate that, contrary to the popular narrative, the CSG did not so much replace the SMG as it preserved and adapted its features in a process of institutional layering. In a policy sense the creation of the CSG thus featured significant transformation in some regards, while change was decidedly limited in others.

Reference:

UNICEF (2012). *The South African Child Support Grant Impact Assessment: Evidence from a Survey of Children, Adolescents and their Households*. Pretoria, UNICEF South Africa.