



POLICY BRIEF

National Income Dynamics
Study (NIDS) – Coronavirus
Rapid Mobile Survey (CRAM)

The impact of the Coronavirus and lockdown on children's welfare in South Africa

Evidence from NIDS-CRAM Wave 1

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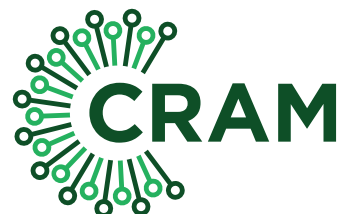
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N.i.D.S.
NATIONAL INCOME DYNAMICS STUDY



CORONAVIRUS RAPID MOBILE SURVEY 2020

Child Hunger

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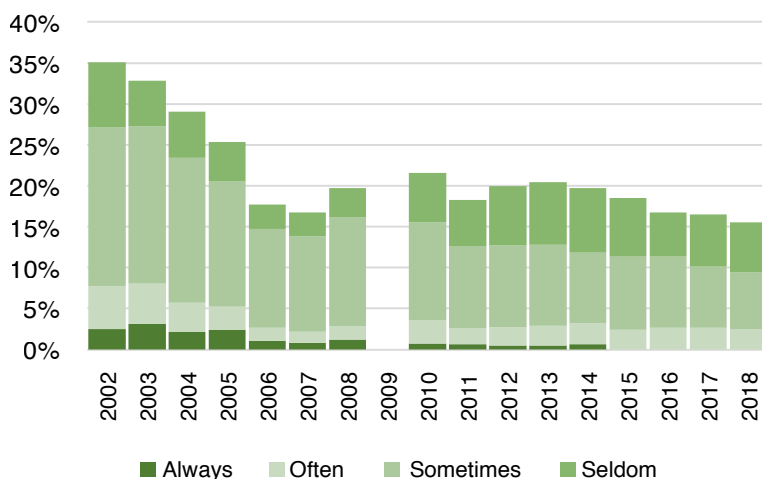
- **There has been a sharp increase in child hunger, from 8% of households in 2018 to 15% in 2020:** 15% of households report a child going hungry at least once in the past week, and 22% of households report the same for anyone in the household. At least 16% of the children who went hungry are under the age of 7.
- **The main driver of child hunger has been income loss due to the lockdown:** For the same level of initial income, child hunger is 10% more likely in household who reported income loss since the start of lockdown.
- **Grant top-ups should not be discontinued until January:** The immediate and long-term consequences of child hunger are so severe, that it is imperative that the grant top-ups not be discontinued until at least January and should not be stopped in October as the current plan is.

1. What was the rate of Child Hunger in South Africa before COVID-19?

Since 2000, stunting, wasting and underweight in children under 5 declined (Osgood-Zimmerman *et al.* 2018), and the GHS records a declining trend in child and adult hunger. The expansion of the reach and age-eligibility of the Child Support Grant (CSG) sharply reduced child hunger. It rapidly declined from 35% of households with children reporting that a child went hungry in the past year during 2002, to only 17% reporting this in 2007.

However, the 2007/8 global financial crisis then affected the SA economy at a time when the CSG expansion had neared its maximum, and child hunger again rose to 22% of households in 2010. After the recession, child hunger again declined, but quite gradually due to the anaemic economic growth, and only returned to its 2007 level in 2017.

Figure 1: Child hunger from 2000 to 2018



Source: Own calculations from pooled GHS data, weighted by household

2. What is the best estimate for how this has changed since COVID-19?

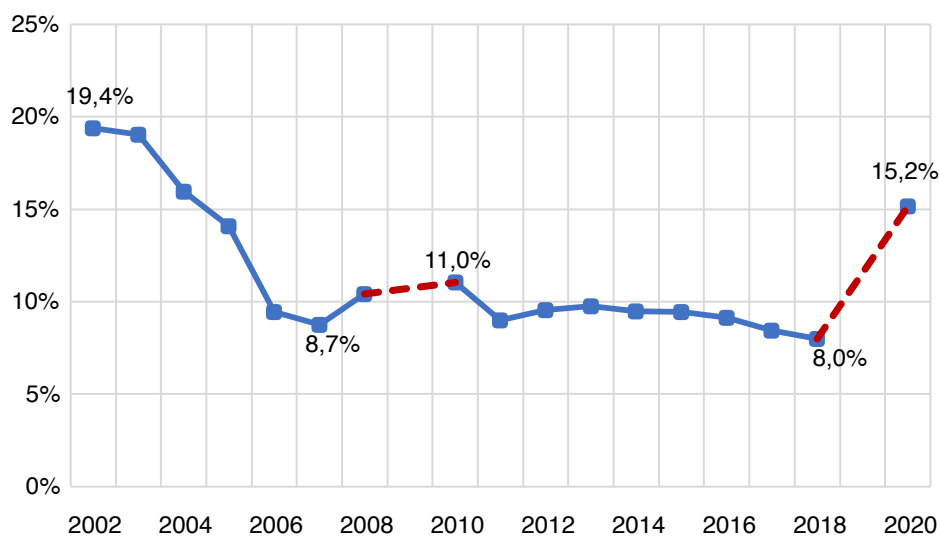
For this broadly representative sample of South Africa, NIDS-CRAM shows that **15% of households** report a child going hungry at least once in the past week, and **22% of households** report the same for an adult. At least 16% of the children who went hungry are under the age of 7. *Figure 2* shows that this rate of child hunger is a sharp increase since 2018 if it is converted to an estimate of hunger in the past week rather than past year, which means that child hunger has been experienced by many households during the lockdown.

Additionally, **47% of households reported running out of money to buy** food in April. This suggests that while households may run out of money to buy food, they are still able to make up the shortfall in some way to put food on the table.

The evidence suggests a sharp increase in hunger, especially child hunger, since the start of the coronavirus pandemic in South Africa and the economic turbulence which has ensued.

Furthermore, child hunger will likely increase in the following months if households continue to run out of money to buy food.

Figure 2: Approximation of child hunger on a scale measuring hunger in the past seven days – high estimates for GHS against actual level in CRAM

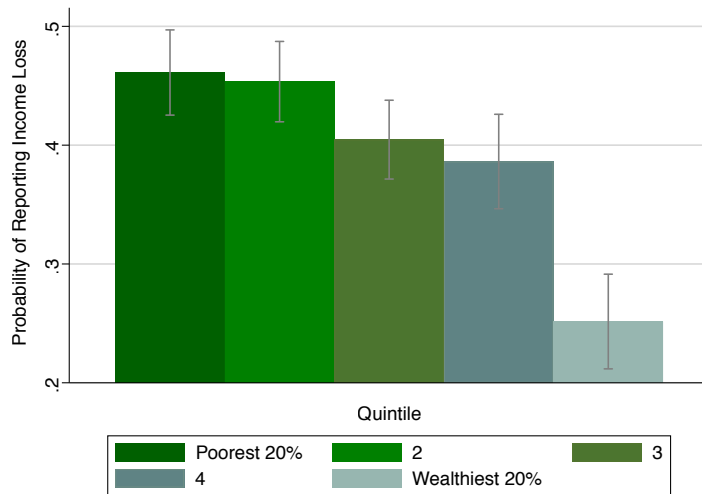


Source: Own calculations from pooled GHS data, weighted by household

3. Child Hunger and COVID-19 in South Africa: National

Lockdown and recession: 40% of households reported losing a main source of income since the lockdown began. Income loss has been experienced across the board, although the wealthiest 20% of South Africans reported significantly less income loss. Income loss has also been the biggest driver of child hunger, and income loss is especially prevalent in grant receiving households who supplemented the grant income with other uncertain income sources that fell away during the lockdown.

Figure 3: Individuals reporting loss of a main income source in April compared to February, according to their income quintile in 2017

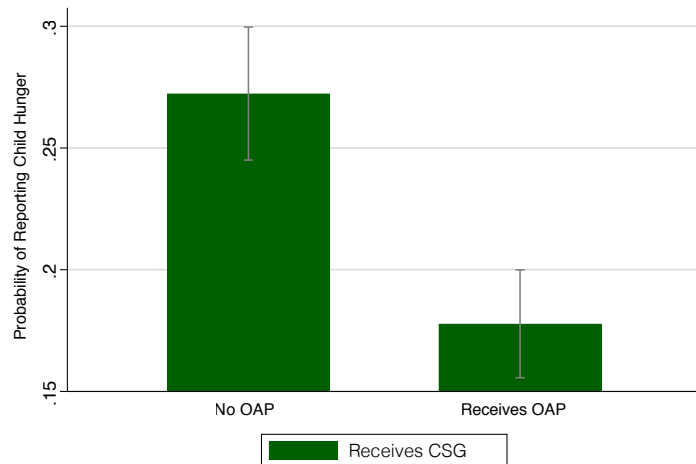


Hunger and income loss: For the same level of initial income (measured as the per capita income in 2017), child hunger is more likely in household that reported income loss since the start of lockdown. Regression analysis shows that households that experienced a loss of income were 10% more likely to experience child hunger, regardless of the income of the household. Indeed, 60% of households that reported a child being very hungry reported losing an income source since the lockdown began.

Hunger and grant receipt: Households that received one or more CSGs were more likely to experience hunger, although this result is not statistically significant. This may suggest that CSGs are well targeted to households that experience hunger. The larger Old Age Pension (OAP), however, does significantly decrease the likelihood of a household experiencing child hunger, even for a given per capita income in 2017, which may point to pension recipients shielding children’s nutrition and alleviating hunger.

Figure 4 (below) shows this relationship. For households that receive a CSG and where grant income is the main income source, those that also receive an OAP experience significantly less child hunger. This is consistent with the fact that a CSG without additional income is insufficient to stave off child hunger, whereas the same does not automatically apply to the much larger OAP.

Figure 4: Child hunger in households containing CSG grant holders by whether the households also benefit from OAPs



Along with the lockdown, government announced some enhancements or top-ups to the grants, as well as some new grants. For both the OAP and the CSG, these top-ups were to apply for a period of six months, from May to October, after which they are to be phased out. In April 2020, the old grant values still applied: R440 for the CSG and R1 860 for the OAP. In May 2020, the new grant value of R740 for the CSG applied, and R2 110 for the OAP. From June (midway through the NIDS-CRAM Wave 1 data collection), the CSG grant changed to R440 per child plus R500 per caregiver. For a caregiver with two or more children, the CSG payment in June was thus smaller than in May.

If one considers that StatsSA's food poverty line per person is approximately R578 per month, it is clear that the CSG grant before the top-up would not have reached this amount. It is also insufficient when considered against the somewhat higher lower-bound poverty line of R835, and against the upper-bound poverty line of R1 265 per month.

Using the data from CRAM and focusing only on those households that are dependent on grants and calculating the grant income they would qualify for, it is found that 68.5% of such households would have been in poverty before the grant top-ups were introduced, using the lowest of the three poverty lines, the food poverty line. The situation would have improved with the May grant values, so that the number of people who fall under the food poverty line declined to 57.6% (which is still very high). At the higher poverty lines, where initial poverty is higher, the impact of the top-ups is smaller.

Table 1: Poverty headcount ratio at different poverty lines amongst grant-dependent households under the normal and the top-up grant values (recipients of CSG and OAP only)

	Poverty line per person per month	Poverty headcount ratio	
		April 2020 grant values	May 2020 grant values
Food poverty line	R578 p.m.	87%	67%
Lower-bound poverty line	R835 p.m.	92%	86%
Upper-bound poverty line	R1 265 p.m.	94%	93%

Source: Calculated from NIDS-CRAM Wave 1. Poverty lines from Statistics South Africa 2019, adjusted for inflation to April 2020 values.

So while the **CSG has played an important role in reducing child hunger**, as was shown earlier, **it cannot eradicate poverty and child hunger if the household lacks additional income sources** (Devereux & Waidler 2017). The top-ups increased the flows of funds into poor households, but in many households the extra funds are unlikely to have made up for losses in other income opportunities.

The CSG of R440 p.m. compares poorly to the loss of income of even the least skilled workers that have lost formal sector jobs, and even after the top-up, the CSG still remains small in comparison to other sources of income.

The OAP is much larger than the CSG, and in itself sufficient to maintain the recipient above all three the poverty lines, if the pension needs to support only one person. Of course, in many cases there are other household members who also are financially strained, so many pensioners are themselves in poverty.

This fact adds impetus to the urgent need for increased economic activity, so that the income-generating activities which supplemented grant income in the past can be rekindled

4. Policy options: What can policymakers do about this?

Policy options for the next 1-3 months (July-Sept 2020)

Drawing from the international literature and the South African institutional and socio-economic context, the following responses can be considered:

1. **Improve the functioning of new social grants and social insurance.** It is imperative that the additional social insurance and grant mechanisms introduced by government to address the economic effects of the lockdown become functional.
2. **Re-opening of school feeding schemes.** It is still unclear when the full school population will be able to return to school, but schooling and feeding need not necessarily be linked. The staggered approach of returning learners on a phased basis over a period of months means that many learners will not access school feeding until August 2020. It is therefore to be welcomed that the Department of Basic Education now appears to plan to provide food to all learners, whether in school or not. (Department of Basic Education, 2020).

“The immediate and long term consequences of child hunger are so severe, that it is imperative that the grant top-ups not be discontinued after October, as the current plan is.”

Policy options for the next 3-6 months (July-Sept 2020)

3. **Bring forward planned expansion to the school nutrition scheme.** The school feeding scheme is already due to expand to include providing breakfast for learners and for feeding to be extended (2020 Estimates of National Expenditure). This should be extended as quickly as possible to cover those learners who are at greatest risk of malnutrition.
4. **School feeding could be extended to provide meals for the weekend.** Provision of non-perishable food would allow learners to eat during weekends or public holidays when the feeding scheme does not operate.
5. **ECD centres should be reopened and government should consider greater support to ECD centres.** This would firstly make them more viable financially (the lockdown appears to have led to many ECD centres considering permanent closure). More importantly, it would also allow them to offer more nutritious meals.

REFERENCES:

Devereux, S. & Waidler, J. (2017). Why does malnutrition persist in South Africa despite social grants? Food Security SA Working Paper Series No.001. DST-NRF Centre of Excellence in Food Security.

Osgood-Zimmerman, A., Millea, A.I., Stubbs, R.W., Shields, C., Pickering, B.V., Earl, L., Graetz, N., Kinyoki, D.K., Ray, S.E., Bhatt, S. and Browne, A.J., 2018. Mapping child growth failure in Africa between 2000 and 2015. *Nature*, 555(7694), pp.41-47.

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Table 2: NIDS-CRAM at a Glance: Child and Adult Hunger

NIDS-CRAM at a Glance	National										Provincial										Location			
	South Africa		WC		GP		EC		NC		NW		KZN		MP		LP		FS		Non-Urban	Urban		
	Mean	S.E.	Mean	S.E.	Mean	S.E.	Mean	S.E.	Mean	S.E.	Mean	S.E.	Mean	S.E.	Mean	S.E.	Mean	S.E.	Mean	S.E.	Mean	S.E.		
Child Hunger	15,2%	0,35	12,2%	0,32	12,1%	0,32	13,3%	0,34	20,0%	0,4	22,4%	0,42	20,5%	0,4	14,9%	0,35	12,9%	0,33	14,1%	0,35	16,3%	0,37	11,7%	0,32
Adult Hunger	22,3%	0,42	18,6%	0,39	17,2%	0,37	23,7%	0,42	28,5%	0,45	32,2%	0,47	27,0%	0,44	22,5%	0,42	19,9%	0,39	26,7%	0,44	24,0%	0,43	17,5%	0,38
Ran out of Money for Food In April	46,9%	0,50	47,2%	0,5	42,7%	0,5	42,5%	0,5	47,3%	0,5	56,2%	0,5	51,1%	0,5	47,8%	0,5	49,5%	0,5	45,0%	0,5	48,0%	0,5	43,2%	0,5

NIDS-CRAM at a Glance	National										Income Quintiles (2017 Income)										Gender of Respondent				Population Group			
	South Africa		Poorest 20%		2		3		4		Wealthiest 20%		Male		Female		Black African		Coloured		Asian/Indian		White					
	Mean	S.E.	Mean	S.E.	Mean	S.E.	Mean	S.E.	Mean	S.E.	Mean	S.E.	Mean	S.E.	Mean	S.E.	Mean	S.E.	Mean	S.E.	Mean	S.E.	Mean	S.E.				
Child Hunger	15,2%	0,35	23,4%	0,42	17,7%	0,4	16,6%	0,38	9,0%	0,3	5,0%	0,21	13,3%	0,34	16,5%	0,37	17,0%	0,37	9,0%	0,28	2,6%	0,16	2,6%	0,16				
Adult Hunger	22,3%	0,42	34,1%	0,47	27,8%	0,45	27,1%	0,44	16,0%	0,37	6,0%	0,25	23,3%	0,41	22,2%	0,42	25,8%	0,44	16,0%	0,36	7,4%	0,26	3,6%	0,19				
Ran out of Money for Food In April	46,9%	0,50	60,0%	0,5	54,1%	0,5	55,0%	0,5	46,0%	0,5	21,0%	0,4	45,0%	0,5	48,8%	0,5	50,0%	0,5	52,0%	0,5	45,5%	0,5	19,3%	0,35				

Notes on these figures:

Provincial estimates should be treated with caution, as NIDS-CRAM is not necessarily provincially representative.

Income quintiles based on income data from NIDS wave 5 in 2017. These estimates are given for the matched sample only (see footnote).

Estimates for the Indian/Asian population should be treated with caution, as this population group is small.

For further information please see cramsurvey.org