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Executive summary

It is frequently argued that the expansion of South Africa's social grant system is leading to a "culture of dependency". This *Policy Brief* demonstrates that there is no evidence for this assertion. In fact, both unemployed South Africans and social grant recipients have a positive attitude towards work. There is also general support for extending the social security system to support the unemployed.

Context: a 'dependency' thesis

In recent years, a worrying discourse has become more pronounced in public debate on social security in South Africa, particularly with regard to the future of social grants. We refer to the association of social grants with the emergence of a "dependency culture".

The idea of a so-called dependency culture has its roots in pre-welfare state Britain. It re-emerged as a strain of neo-liberal thought in the United States in the 1980s. The starting point of this disingenuous thesis is that the poor are responsible for their own poverty and are inherently lazy, preferring to rely on state support rather than work. This thesis ignores the role that social grants can play in restoring dignity to the unemployed and in helping to place them in a better position to seek employment. It also ignores evidence that the unemployed have a strong attachment to the labour market, and would much rather work than be supported by the state.

Opponents of the social welfare state in South Africa argue that social grants foster dependency and that people should be given a “hand-up” not a “handout”. Their view is that a social safety net in the form of grants is anti-development, and is even antipathetic to home-grown anti-poverty solutions. This claim is false.

Research from developed countries that provide social security safety nets has shown no evidence of a dependency culture. But what about the situation in developing countries?

Social security in South Africa

South Africa is a developing country with a social grant system that is growing, specifically through the expansion of the child support grant and the old age grant. The big hole in South Africa’s social safety net is the lack of support for healthy, unemployed people of working age, most of whom are denied the support of unemployment insurance because they have never enjoyed formal employment. There are very persuasive arguments for increasing social grants to cover this group. It would be an important plank of any anti-poverty strategy and would, we argue, be an essential bridge until sufficient employment opportunities become available.

Apart from raising the issues of affordability, opponents of such a scheme cite “dependency” as one of the reasons not to extend the grant system. Their arguments are raised in an evidential vacuum. At most, they may cite anecdotes – “I know someone who says they would prefer to rely on social grants than to go and look for a job.” However, there is no empirical evidence to support such a claim.

The evidence

Evidence-based policy making requires systematic research. The Centre for the Analysis of South African Social Policy at the University of Oxford (CASASP) and the HSRC have collaborated to explore the existence of a so-called dependency culture in South Africa, investigating in particular whether social grants have engendered such a culture.

Using a specially designed module in the HSRC’s 2006 South African Social Attitudes Survey, we found a very positive attitude among both the unemployed and existing social grant recipients towards work; general support for an extension to

the social security system to provide support for the unemployed; and no evidence that social grants generate a culture of dependency.

Dignity

In the first instance we examined the extent to which paid work conferred dignity on those in employment. In response to the statement “A person has to have a job to have dignity,” two-thirds of the respondents agreed or strongly agreed.

Importance of work

We might expect that those without jobs could have adapted to their circumstances and might hold differing views about the importance of work. However, when asked to comment on the proposition that “I feel all right about being out of work because so many other people are out of work too,” those not in paid work overwhelmingly disagreed.

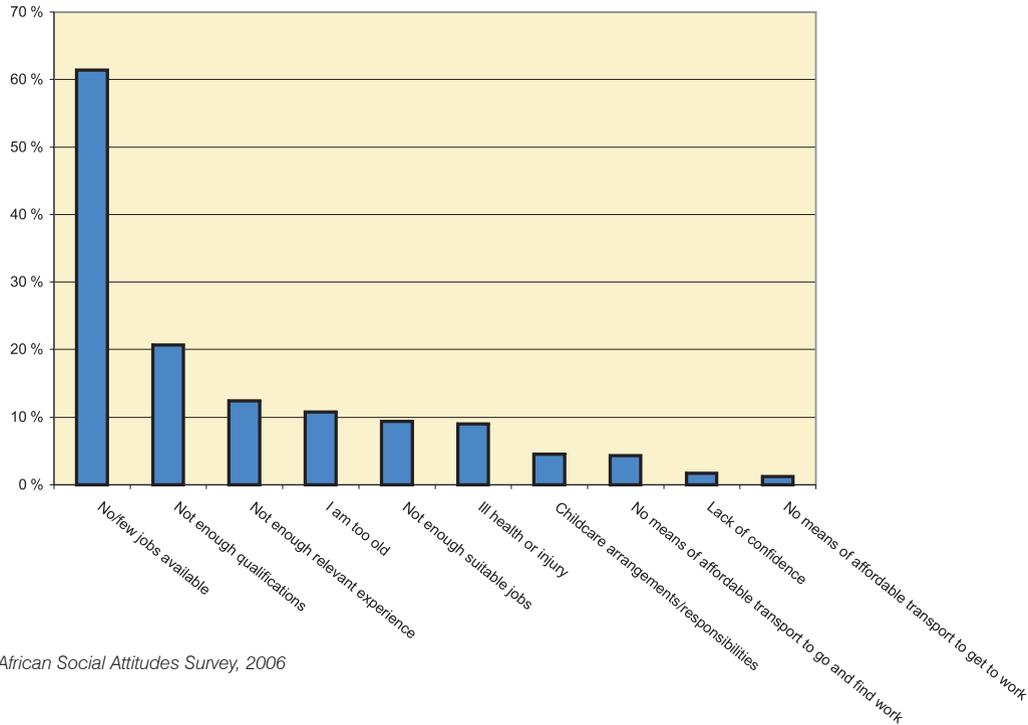
Interestingly, poor people appeared to demonstrate a greater attachment to the labour market than non-poor people: 82% of poor people surveyed stated that it was important to hang on to a job even if they didn’t like it. And relatively few poor people would leave a job that they did not like unless they had another job to go to. Overall, two-thirds of respondents disagreed or disagreed strongly with the statement “If I did not like a job, I would leave, even if there were no other job to go to.”

Nearly 71% of those surveyed thought that work was the “normal thing to do” and 66% thought work helped overcome feelings of isolation. This social integration role of work was stressed most by black Africans, of whom nearly 69% agreed or strongly agreed that work gave them a sense of belonging to the community, whereas only 57% of the white group held these views.

Obstacles to finding work

When asked about the greatest obstacles to finding jobs, about 60% cited “no/few jobs available”. Although this is a demand-side factor that may require macroeconomic policy shifts, some of the other reasons cited suggest possible supply-side interventions. For example, 21% cited “not enough qualifications” and 12% gave “not enough relevant experience” as

Figure 1: Obstacles to finding employment



Source: South African Social Attitudes Survey, 2006

reasons for not getting a job. These underline the importance of putting in place effective training programmes. The data suggests that there is a great willingness to train to obtain the necessary skills.

Though there is relatively little that individuals can do to affect demand-side factors associated with wider macroeconomic

issues, one thing they can do is relocate to find work. More than 80% of unemployed black Africans surveyed would be very or quite willing to relocate to find work. A smaller percentage of other population groups – just over 50% – would be prepared to do so.

Support for unemployment insurance

We explored whether there was any evidence of support for extending the cover of the social assistance scheme to unemployed people. We found that there was widespread popular support for the introduction of such a scheme. As might be expected this support was strongest among the poor, with nearly 84% agreeing or strongly agreeing with the proposition that “people who can’t get work deserve help in the form of social grants”. Support was weakest among the “non-poor” (66%) but still there was a clear majority in favour. The unemployed themselves, perhaps unsurprisingly, also gave significant support for the proposition (79%).

Taxes

There was also general agreement about the need for government to spend more money on social grants for the poor, even if it means higher taxes. Although the “non-poor” group was slightly more reluctant to support this, 59% still agreed. Nearly 63% of those in work (and therefore either actually paying tax or at least closest to the prospect of paying tax) supported the proposition. Among those whose households are currently receiving grants, 72% agreed or strongly agreed with the proposition.

To explore general attitudes to social grants we asked all respondents about their view of whether claimants were “deserving”. In response to the statement: “Most people on social grants desperately need the help,” a clear view emerged in support of the proposition. Poor and non-poor, all population groups, and both those working and those not working, overwhelmingly supported this view.

Child support

Though there is no social assistance for able-bodied people of working age, those caring for children under 14 are entitled

to the child support grant (CSG) for their children if their income is low. There has, however, been some speculation that CSG discourages work-seeking among the recipients. We asked respondents for their views about whether the CSG is too high and discourages people from looking for work. There was little support for this proposition – only 13% of the “poor”, 18% of the “just getting by” and 17% of the “non-poor” either agreed or strongly agreed with the proposition. On the other hand 71% of all groups either disagreed or strongly disagreed with the proposition. Responses ranged from 77% (“poor”) to 65% (“non-poor”). The responses of those where CSG was received in the household were not significantly different from households where no CSG was received.

Working vs. grants

We also asked those not working for pay (that is the unemployed, economically inactive and retired population) whether they consider themselves better off claiming grants than working. This group was adamant in its rejection of the assertion that it is not worth working – over two-thirds disagreed with the proposition. When adding in the unemployed this figure rises to three-quarters.

This data stands in sharp opposition to claims that there is a “dependency culture” among people not working.

Conclusion

The findings of this research refute the notion of a dependency culture among South Africans who live in households that receive grants. There was neither support for the proposition that receipt of the CSG discourages people from finding work nor that people felt better off claiming grants than working.

Overwhelmingly, it was evident that the attitudes of the poor and those receiving grants were not different from other respondents, all of whom demonstrated a strong commitment to work. Our findings show that the most important factors in reducing people’s chances of finding employment were the structural conditions of the labour market and the wider economy, rather than the motivational characteristics of the unemployed and the arrangements of the grant system.

These findings have been released as a CASASP working paper and will shortly be released as an HSRC Occasional Paper. A parallel qualitative study (Surender et al., 2007), commissioned by the Department of Social Development, is also available on CASASP's website www.casasp.ox.ac.uk.

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