EARLY CHILDHOOD EDUCATION: THE DIFFERENCE BETWEEN POLICY AND REALITY

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Introduction

The importance of early childhood development (ECD) has taken traction globally, with vocal proponents ranging from US President, Barack Obama, to Columbian pop star, Shakira. Globally, ECD is being regarded now as a critical ingredient for strategies that seek to reduce poverty and inequality. In South Africa, political leaders agree.

At the ANC 8 January 2008 conference, newly elected ANC president, Jacob Zuma, said: 'During the course of this year, we need to further enhance our efforts to improve the conditions of children and youth in poverty [and] the development of a comprehensive strategy on early childhood development' (Zuma 2008).

Prior to Zuma's commitment, former president, Thabo Mbeki, in his State of the Nation address on 8 February 2008, identified ECD as one of the 21 'apex priorities', saying that the government would 'massively speed up implementation of ECD programmes, expand the number of trained staff and double the number of sites and child beneficiaries by end-2009' (Mbeki 2008).

During this time, the importance of ECD was also underscored by Mbeki's finance minister, Trevor Manuel, in his budget speech on 20 February 2008, when he noted that 'social development programmes such as early childhood development, the expansion of Grade R enrolment…for which funds are allocated to provinces, are labour intensive and contribute strongly to social cohesion in poor communities' (Manuel 2008).

Despite these commitments, the then education minister, Naledi Pandor, introduced some reality to the debate when she said in her 2008 budget vote that, for the government, ECD is 'an area of frustration due to the slow pace of progress in extending full and adequate ECD to all children' (Pandor 2008).

More recently, in March 2012, Department of Social Development minister, Bathabile Dlamini hosted a national ECD conference with the theme *Tshwaragano Ka Bana* (Working Together for Children), where she said that 'we always see communities protest over unemployment and lack of infrastructure, but never over children's rights to early development programmes. This is something we as a country must start to prioritise' (Dlamini 2012). She further stated in her keynote address to this conference that 'our provision of early childhood development services must be integrated to deal with structural effects of the apartheid education system'.

The importance of ECD

Poverty and inequality impact negatively on millions of people in urban and rural communities in South Africa. This has a particularly devastating effect on children, and their families, since it deprives them of their socio-economic rights and results in inadequate access to health care, education, social services and nutrition.

The provision of quality ECD can play a critical role in overcoming the effects of poverty on young children and their families. International research indicates that the early years are critical for development, leading to higher levels of social, emotional, cognitive and physical well-being in young children. These, in turn, translate into significant social and economic benefits to the country.

Recent studies have shown that focused expenditure on ECD programmes yields an 'extraordinary return, far exceeding the return on most investments' (Heckman 2008; see also Rolnick & Grunewald 2003). Investment in ECD has economic spin-offs, not only in terms of those beneficiaries being educated, but also for the ECD workforce being trained and supported. Generally, children from low-resource environments who have not participated in a quality ECD programme cannot regain the opportunities for development they have missed out on. It is, therefore, critical to introduce these programmes at an early stage.

A comprehensive range of ECD interventions, beginning in

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pregnancy and lasting until the child enters formal schooling, produces the best results. The optimal approach to ECD provision, thus, includes prenatal support to mothers (including nutritional support), support and protection for families and parents, childcare and early cognitive stimulation for children, and preparation for children entering into formal schooling. In addition, these early years are recognised as the appropriate phase for young children to acquire the values, behaviour and attitudes, which are important for the building of a peaceful, prosperous and democratic society.

ECD provision in South Africa

South Africa has made notable progress since April 1994 as far as the position of children is concerned. The government has implemented a number of initiatives related to the well-being of children of which some have been successful, and others less so. The successful ones include: free medical and health-care services for pregnant women and for children from birth to 6 years of age; the establishment of a directorate for ECD within the then national Department of Education; the establishment of a children's section within the national Department of Social Development; the introduction of a Grade R system for children aged 5 years turning 6 years; and a nationwide ECD audit surveying ECD sites, which was completed in 2000. Furthermore: provincial social development departments have made subsidies available for ECD sites; the provincial education departments make Grade R grants-in-aid available; and 10.5 million children now receive the Child Support Grant each month.

The 2000 ECD audit found 23 482 ECD sites across South Africa with 1 030 473 children (16 per cent of the 0–6 age cohort) enrolled in them (see DoE 2001a). Of these children, 21 per cent were 5–6 year olds, 15 per cent were 3–5 year olds and only 5.0 per cent were under the age of 3 years. However, only 11 420 (53 per cent) of these sites had electricity, water and toilets; and 1 669 (8.0 per cent) had neither electricity, nor water nor toilets. Forty per cent of ECD services were located in rural areas and 60 per cent in urban areas. Only 1.36 per cent of disabled children were under ECD supervision. Access to ECD services was lower than the national average in the three provinces with the greatest number of poor children – Limpopo, Eastern Cape and KwaZulu-Natal. Quality was poorest at ECD sites catering predominantly for black African learners. The audit showed that of the 54 503 educators/practitioners working with children at ECD sites, 88 per cent required additional training of some kind (with 23 per cent having no training at all), and a mere 12 per cent were fully qualified.

More recent statistics, from March 2012, show that 836 000 children were in 19 500 registered ECD centres nationwide, with 488 000 (58 per cent) of these receiving the ECD subsidy from the provincial Department of Social Development (Dlamini 2012); and by September 2012, 767 865 children were enrolled in a Grade R class (DBE 2012).

From the above statistics, it is clear that the leading challenge in ECD is to increase access to ECD programmes and to improve the quality of these programmes.

Policy initiatives since 1994

Since 1994, South Africa has put in place policies and legislation intended to prioritise ECD as a critical component in the country's overall social development. The South African government has signed a number of international and regional agreements, such as the African Charter on the Rights and Welfare of the Child, and the International Convention on the Rights of the Child, and has committed itself to meeting the aims of Education for All, and the Millennium Development Goals.

The government has committed itself to uphold the rights of children through the South African Constitution, and by introducing national legislation, policies and programmes, including the Children's Act 38 of 2005, Education White Paper 5, the National Integrated Plan for ECD, and the National Development Plan.

The Education White Paper 5 of 2001 on early childhood development sets out national policy on ECD and prioritises a reception year (Grade R) in South Africa. It adopts a poverty-targeted approach, and lists important areas to focus on, including: the extent to which ECD is provided in South Africa; the phasing in of a compulsory Grade R year for eligible children by the year 2010; the high level of inequality that exists in the provisioning of and access to ECD services and facilities; and the high degree of variance in terms of the quality of ECD services provided (TAU 2008).

The government's target in Education White Paper 5 was that by the year 2010, 945 000 of all 5-year-old children would have access to a Grade R year prior to entering Grade 1. Of these, 810 000 (85 per cent) would be in public schools and 135 000 (15 per cent) would be in independent schools and community-based schools. From figures released in various editions of *Statistics at a Glance*, and *School Realities* (see Table 4.2.1), it is clear that the Grade R provision target was not reached by 2010, and President Zuma extended the target date to 2014. At the present take-up rate (see Table 4.2.1), it will take at least until 2018 to reach the government's target of a place in Grade R for every child before entering Grade 1.

Grade R funding is calculated according to norms and standards that were published by the Department of Education in 2006 and amended in 2008. Government expenditure on Grade R from 2006/7 to 2010/11 is shown in Table 4.2.2.

For children aged 0–4 years, Education White Paper 5 is particularly vague, mentioning only 'the development of a strategic plan for the inter-sectoral collaboration focusing on the quality of learning programmes' (DoE 2001b).

The National Integrated Plan (NIP) for ECD is the government's response to early childhood development programmes for children from birth to 4 years of age in South Africa, and calls for an integrated approach to ECD. The plan includes home-based, community-based and centre-based provision, as well as services in informal ECD settings, prisons, places of safety and youth centres. The NIP is comprehensive, but does not spell out its financial implications. Although the NIP is a strategic plan it has been interpreted as ECD policy in South Africa.

The National Development Plan and ECD

The National Planning Commission (NPC), through the National Development Plan (NDP) has acknowledged ECD as having a critical role to play in achieving socio-economic success in South Africa, and has recommended two years of universal ECD provision for children prior to Grade 1. Through 'direct and immediate measures to attack poverty' the NDP aims 'to reduce the acute effects of poverty of millions of South Africans over the short term' (NPC 2012). The plan proposes the introduction of a nutrition programme for pregnant woman and young children, and the extension of early childhood development services for children under 5 years of age. It sets specific objectives, of which the following relate to ECD:

» ECD should be a top priority among the measures to improve the quality of education and long-term prospects of future generations;
» dedicated resources should be channelled towards ensuring that all children are well cared for from an early age and receive appropriate emotional, cognitive and physical development stimulation; and
» all children should have at least two years of pre-school education. (NPC 2012: 69)

In order to achieve this, the NDP has set out a number of actions that need to be implemented. These are:

» to design and implement a nutrition programme for pregnant woman and young children, followed by a children development and care programme for all children under the age of 3 years;
» to increase state funding and support to ensure universal access to two years of ECD exposure before Grade 1; and
» to strengthen co-ordination between departments, as well as the private and non-profit sectors (the focus should be on routine, day-to-day co-ordination between units of departments that do similar work). (NPC 2012: 70)

Table 4.2.1: Grade R enrolment, 2000–2012

Year	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpuma-langa	North West	Northern Cape	Western Cape	Total
2012	158 363	30 639	95 374	189 169	117 950	59 202	44 489	15 036	57 643	767 865
2011	157 184	28 627	86 240	181 585	117 279	56 726	44 937	13 153	50 923	734 654
2010	164 803	27 209	76 460	175 541	113 432	51 758	42 010	12 387	43 603	707 203
2009	154 514	23 767	64 935	154 666	97 570	46 194	30 174	11 508	36 895	620 223
2008	133 249	23 699	54 979	124 742	98 963	40 671	22 294	9 575	30 627	543 799
2007	112 889	22 429	49 931	118 884	93 030	34 962	16 143	8 423	30 834	487 525
2006	96 384	20 072	47 314	92 948	102 969	25 734	15 311	7 259	33 650	441 641
2005	105 231	18 449	41 073	79 276	98 273	14 171	9 727	6 598	32 389	405 197
2004	75 571	16 482	34 690	73 098	89 725	23 695	5 625	5 875	31 726	356 487
2003	46 371	16 323	31 666	75 996	89 790	13 884	4 325	5 500	31 532	315 387
2002	23 562	17 220	28 189	72 312	90 332	12 148	3 142	3 744	28 077	278 726
2001	18 873	16 002	23 920	73 993	84 243	5 803	3 176	4 042	11 473	241 525
2000	19 555	15 025	21 368	66 031	75 219	10 922	3 193	3 972	11 346	226 631

Source: DoE (2002–2006b); DoE (2006a–2009); DBE (2010–2012)

Table 4.2.2: Government Grade R expenditure, 2006/7–2010/11					
	2006/7 R'000	2007/8 R'000	2008/9 R'000	2009/10 R'000	2010/11 R'000
Eastern Cape	64 346	91 513	274 397	395 539	539 922
Free State	49 632	56 338	70 324	77 337	81 727
Gauteng	79 000	152 739	214 571	310 146	583 746
KwaZulu- Natal	102 658	167 736	208 234	336 202	608 363
Limpopo	68 868	63 935	155 759	228 615	445 775
Mpumalanga	41 827	64 211	91 551	143 375	243 195
North West	151 510	146 512	164 165	210 088	302 866
Northern Cape	18 141	24 692	57 251	73 350	115 264
Western Cape	107 397	164 804	226 792	274 011	320 922
National	683 379	932 480	1 463 044	2 048 663	3 241 780

Source: DoE (2008); Wildeman (2008); Wildeman & Lefko-Everett (2008) (from provincial budget statements)

The NDP is unambiguous about its commitment to ECD and its importance for reducing poverty and inequality. However, the plan's actual aims are confusing, as the terminology and phrasing that is used differs from section to section.

The plan starts with an overview in which the aims with regard to ECD are summarised. It states that the aim is to ensure 'universal access to two years of early childhood development' (NPC 2012: 30), 'at least two years of preschool education' (NPC 2012: 34) and 'two years of early childhood development exposure before grade 1' (NPC 2012: 70). The NDP uses 'early childhood development', 'preschool education' and 'early childhood development exposure' interchangeably, and in some cases speaks of 'exposure to' ECD, while in others of ensuring 'universal access' to ECD. These various phrases and terminologies are in reality very different, and create confusion as to what the NPC actually aims to achieve.

However, in Chapter Nine, under the section heading 'Early Childhood Development', the NDP states that 'universal access to quality early childhood development for children aged 0–3 must be made available, (NPC 2012: 300) and, thereafter, that it aims to 'make 2 years of quality preschool enrolment for 4 and 5 year olds compulsory before Grade 1' (NPC 2012: 300). Although this provides much needed clarity in terms of the specific programming the NDP proposes, an issue arises with the statement regarding the extension of Grade R by an additional year. By making these two years compulsory, this means that the two years of 'universal access to early childhood development' that the NDP initially proposes and focuses on is seemingly meaningless, as it actually proposes more than two years of universal access to ECD in the more detailed plans (Richter et al. 2012).

The implementation of the proposed objective of making two years of preschool enrolment compulsory, extending Grade R to include an additional year servicing 4 and 5 year olds, would result in several challenges. To extend Grade R in this way, an additional 33 000 classrooms would need to be built by 2030. At a modest estimate of R400 000 to construct and equip a Grade R classroom, it would cost the government R13.2 billion.

Over and above this, 33 000 teachers would need to be recruited and trained. Should these teachers earn a salary of R5 000 per month, the government would need to make provision for an additional R2 billion for teacher's salaries per year.

Making ECD opportunities a reality for South African children

In making ECD a reality for our children, several challenges emerge which need to be overcome if we are to ensure that young children have their constitutional, social, educational and economic rights met. The main challenges are: political will, systemic challenges and implementation challenges.

Political will

Notwithstanding the various endorsements by senior politicians and government officials, and the many ECD summits and conferences that have been held, there is clearly limited political will to prioritise ECD in South Africa. Political will implies active political authority to enforce its full implementation with sufficient financial resources to meet the needs of children and their families. In South Africa, we have the innovation and capacity to provide ECD, but the government seems to lack the motivation to bring it about. Signing conventions and introducing legislation and high profile but short-lived programmes is not sufficient.

Systemic challenges

Several systemic challenges are evident in connection with ECD. These impact significantly on implementation and, no doubt, would also affect the plans in the NDP negatively.

Co-ordination across government departments and sectors

Although comprehensive ECD is accepted as a critical cog in the improvement of educational outcomes, government departments responsible for ECD work in isolation, resulting in substantial gaps in provision. There is an absence of government leadership in ECD, with no department significantly championing it. There is also limited co-ordination on norms and standards, monitoring and evaluating, programme delivery, quality assurance and accountability.

Model of delivery

The government lacks a clearly developed and articulated model for the delivery of ECD services for centre-based, home-based and community-based programmes. No model is in place that encompasses a broad range of interventions, offering a comprehensive package of ECD services. These do exist in small pockets across a range of communities, initiated by innovative non-profit providers. However, the government has not examined these, nor has it taken the many lessons learned on board.

Funding

ECD services, whether they are community-based, home-based, or centre-based, are inadequately funded, if they are funded at all. Generally, the government does not fund infrastructure costs or start-up costs for the establishment of ECD centres and programmes, with the result that in many isolated areas no ECD centres or programmes exist. There is yet to be an appropriately designed and implemented model for funding of ECD services. Lessons learnt from the roll-out of Grade R provisioning demonstrate the need for a funding model for all ECD services that is 'government-driven and pro-equity' (Richter et al. 2012). The NDP acknowledges that children of different age groups require different interventions, with children from birth to 3 years of age being 'best served through home- and community-based programmes that focus on working with families' (NPC 2012: 300), whereas children in the 4–5 age cohort 'benefit from more structured learning in group programmes' (NPC 2012: 300).

Inequality in the access to benefits

The government's current focus and funding model for ECD prioritises service provision for children from 3 years and older, and favours centre-based provision. This means that the most vulnerable of children are not reached, especially those living in areas with few resources (typically, in sparse rural areas), and those with disabilities. If the government is to provide universal access to ECD, the most significant interventions should be targeted at the most vulnerable children.

The absence of sanctions to enforce provision

The government's policy priority and the NDP's ECD objectives do not impose an obligation on any level of government to ensure ECD provision for children from birth to 3 years of age; they merely commit the government to providing access to ECD services. This is vague and meaningless. With regard to children aged 4 and 5 years, the NDP proposes two years of compulsory preschool enrolment before Grade 1. Unlike the more general goal of providing *universal access* to ECD for younger children, the NDP promises two years of preschool programming which is *compulsory*, obliging the government to provide centre-based provision for all children in the 4–5 age cohort. In order to achieve compulsory provision, the state will have to mobilise substantial financial resources towards this end.

Lack of capacity to achieve objectives

There is a significant lack of capacity in national, provincial and local government, as well as in the other sectors involved in ECD, such as the NPO sector and higher education institutions. To achieve the vision of quality universal access to ECD, South Africa is going to need a substantial increase in human resource capacity in the ECD sector.

Implementation challenges

The absence of an implementation agenda

The NDP provides an overarching goal of reducing inequality and eradicating poverty, and sees ECD as part of a strategy for achieving this by 2030. Despite the commendable vision for the future of our country, the NDP does not provide any form of implementation plan for achieving its objectives. An explicit plan and costing, which specifically states the obligations, commitments and targets of the government, is required.

Home-based care system

The vast majority of children in the youngest age group (0–2 years of age) are not in ECD centres but in home-based care with child-minders that have no training and are unregistered; they are part of the system, but without a funding framework (Richter et al. 2012).

Inadequate human resource capacity

The dearth of quality ECD teachers in South Africa poses major problems in implementing ECD programmes and Grade R. South Africa is in need of ECD teachers who are well trained and have the knowledge and skills to educate children effectively. To ensure quality Grade R plus an additional year for 4 and 5 year olds, it is crucial that the processes for employing

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ECD teachers are examined so that posts are filled with people who are competent and skilled.

Teacher-child ratios
The government set a target of providing 945 000 learners with access to Grade R by 2010. With a teacher to child ratio of 1:30, a total of 31 500 Grade R teachers is required. Presently, the country produces fewer than 1 000 trained ECD teachers per year. In implementing two years of compulsory provision of ECD programming prior to Grade 1 for children in South Africa, it is essential that sufficient numbers of teachers are appropriately trained.

Teacher qualifications and conditions of service
A major gap in ECD provisioning is the absence of a comprehensive national strategy for the training of Grade R and ECD teachers. Different training programmes are conducted across the country by various institutions and organisations. It is of concern that there is no government strategy for the development of ECD and Grade R teachers (TAU 2008). Worryingly, too, there is no clear policy stating the qualification requirements of ECD and Grade R teachers. The norms and standards are structured in such a way that Grade R teacher salaries differ substantially from others in the schooling system. It is important that the level of teacher salaries is looked at and made uniform, as it has a negative effect on attracting and retaining Grade R and ECD teachers.

Variations in provincial budgets and per capita spending
There are variations in the funding of Grade R and ECD between provinces. Whereas the Western Cape and North West provinces provide a subsidy of R12 per child per day, the Eastern Cape provides an amount of R15 per child per day. This is because the Western Cape, for example, provides a smaller per capita amount but supports as many ECD centres as possible, whereas those provinces that provide a larger amount support fewer ECD centres but at a higher rate.

Registration costs and processes
Not all ECD centres are registered, and even fewer receive the per capita ECD subsidy. While registration is free, meeting the minimum standards can be costly and beyond the means of poor communities. Applications can take years to process, and as the government does not fund start-up costs or infrastructure upgrades, many centres cannot meet the minimum standards for registration. If two years of preschool enrolment becomes compulsory, the government will have to provide a means for ECD centres to be constructed and for other ECD sites to be upgraded to meet the minimum standards and become registered.

Equipment, materials, resources and physical infrastructure
Quality ECD programming requires specific, age-appropriate educational equipment, materials and resources. It is clear from various provincial reports that quality educational materials and learning resources for children are not available and accessible in their home language. A further challenge experienced is the slow procurement processes. This has a negative impact on a number of areas including infrastructure, provision of equipment, and support (TAU 2008). It is essential that education equipment, materials, resources and infrastructure are provided so as to improve programme quality and delivery.

Recommendations going forward

In order to achieve the NDP vision and outcomes, a number of immediate actions are required. These include the following.

The mobilisation of political will
Notwithstanding the progress that the government has made to date, there must be more political will to provide ECD programmes. Commitment must go beyond lip service. ECD must be made a political priority, and financial resources must be made available to implement policies and programmes.

The crafting of targeted ECD legislation
To show the political will and ensure that plans are implemented, South Africa needs clear and unambiguous legislation on ECD programmes and services. Vague clauses in the Children's Act are inadequate. ECD must be legislated for, as in the United States of America, with *Head Start* and *No Child Left Behind*, and as in the United Kingdom, with *Sure Start*.

A substantial increase in funding
Clearly the budget allocations for Grade R and ECD are hopelessly inadequate. At between just 1.0 and 2.0 per cent of the education budget, the allocation for Grade R alone needs to increase at least four-fold immediately. The same should be the case for the Department of Social Development ECD budget. Again, these steps require determination and political will.

Increase in provision rates and ECD programme quality

To ensure that children have their rights met, South Africa urgently needs to increase access to ECD and Grade R and to improve the quality of ECD and Grade R.

Establishment of minimum training qualifications for ECD teachers

Even if universal access to ECD is achieved, there is no way to ensure that its provision is of a high standard, as there are no legislated minimum qualification standards for ECD and Grade R teachers. South Africa, therefore, needs to establish minimum and explicit training qualifications for these teachers, so that each child's right to a quality education is upheld.

Respect for ECD and Grade R teachers

Recognition needs to be given to the work done by ECD and Grade R teachers. It is critical to the future of ECD that those providing it should not feel exploited. No longer should they be paid salaries as low as R200 per month and denied decent conditions of service, such as medical aid and pension, adequate leave provision, protection against unfair dismissal and all the other rights enjoyed by teachers in formal schooling. One way to achieve this is to employ Grade R teachers (and possibly teachers of 4 and 5 year olds) in provincial education departments, and put them on the provincial education department payroll.

Increase in the competencies of government ECD officials

The skills of officials in the national and provincial departments of social development, education and health, as well as local authorities, must be improved. A proper administrative foundation should underpin a developmental state that cares for its youngest and most vulnerable citizens.

Co-operation with the non-profit sector

The government must seek closer co-operation with the ECD non-profit sector and communities which have vast knowledge, skills and experience in this field. The non-profit sector can add immense value to such programmes.

A realistic and effective ECD implementation plan and costing

A long-term ECD plan must be developed by the government, one that clearly sets out the steps it will take to ensure that universal access to ECD for children 3 years old or younger, and an additional year for the 4–5 age group, becomes a reality. It also needs to be costed so that the National Treasury can make fiscal provision for the plan to be implemented over time.

A national, integrated monitoring and evaluation system

To ensure effective implementation of the ECD goals set out in the NDP, a national, integrated monitoring and evaluation system needs to be put in place. This system would hold the government and all ECD service providers accountable in the implementation of ECD service provision, as well as provide a system for continuous review of progress, targets reached and appropriateness of modes of delivery, and ensure that the ECD services provided are of a high quality.

Conclusion

South Africa has made some progress in meeting the rights and needs of young children, but so much more needs to be done. Eighteen years after the historic democratic elections, we still fail our youngest children and their families in many respects. Millions of young children continue to be denied access to quality ECD programmes and services. Given the immense social, educational and economic benefits of quality ECD opportunities it is imperative that every child has such an opportunity. This is an opportunity that could determine not only the destiny of a child, but also that of a nation.

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JUST GIVE THEM THE MONEY? BUILDING YOUTH ASSETS AS AN OPTION TO ENHANCE YOUTH OUTCOMES

Lauren Graham

Introduction

The many challenges facing South Africa's youth have received broad coverage during 2012, both in the media and in policy debates. In labour market debates, the youth wage subsidy – tabled by the ANC, supported by the DA, criticised by COSATU and now awaiting pronouncement by NEDLAC – has elicited most comment. Although a little belated, this attention that youth unemployment has been receiving is encouraging. Concern must be raised, however, over the way in which this particular debate has evolved, particularly in relation to the challenges that young people face and how they need to be supported in making the transition to employment or sustainable livelihoods.

In this article, a brief picture of the challenges facing young people is sketched. In doing so, a critical argument is made – that societal inequalities are perpetuated at the vital life phase of transitioning out of school, and that intervening at this point in a young person's life not only offers an opportunity to change its course, but also provides a leverage point at which to address inequalities. An intervention that may be particularly effective in breaking this inequality cycle is (borrowing from Hanlon, Barrientos & Hulme 2010) to just give money to the young. While the concept of just giving money to anyone, particularly those of a working age, may sound heretical to the establishment, it is argued in this article that once we make a mental shift towards both valuing young people and considering the benefits of cash transfers, we may be able to see the potential of such an intervention in South Africa.

The first part of the article depicts the situation facing many young South Africans and links this discussion with an analysis of data from the first wave of the National Income Dynamics Study (NIDS), demonstrating the relationship between inherited inequality and life chances for young people. In the second part, the case for cash transfers is briefly outlined before considering what 'just giving money to the young' might entail. Results from randomised control trials evaluating youth cash transfer schemes in other parts of Africa are provided before the article concludes with a consideration of the potential for building material assets for youth in South Africa.

Being young in South Africa

Each year, just over 1.1 million children enter the education system in Grade 1 (DBE 2010). Yet, it is also evident that almost half of these learners do not reach their matriculation year. While drop-out rates up to Grade 9 are low (cumulative percentage of 13 per cent across the grades to Grade 8 for 2007–2008), from Grade 9 onwards the percentage of learners dropping out of the system is 6.5 per cent, 11.5 per cent and 11.8 per cent for Grades 9, 10 and 11 respectively (DBE 2010). Thus, by Grade 12 around 40 per cent of learners have left the education system. These figures, in fact, may be under-reporting the issue. Others claim that the drop-out rates are much higher. Mamphela Ramphele states that in 2011 just over half of the cohort that should have matriculated had dropped out prior to reaching matric (*Mail & Guardian* 23.02.12); and Badat (2009) claims that just over 25 per cent of the original cohort reach matric each year. This means that annually between 400 000 and 750 000 learners leave school without a matriculation certificate. Some may go on to gain a further education and training certificate, but given the challenges in this sector these numbers are small (Perold, Cloete & Papier 2012).

Moreover, most young people exiting the further education and training band in the school system are ill equipped to enter the labour market (DoL 2011; Lam, Leibbrandt & Mlatsheni 2008). Not only do they fall short on the hard work skills required by employers, they also lack the skills necessary to search for jobs and plan a career. Skills and capabilities are an essential requirement for young people to transition to the workplace (Brewer 2004), to move into entrepreneurship, and to create livelihoods for themselves if they are unable to find work. Thus, from a demographic dividend perspective, we are unlikely to reap the rewards of our 'youth bulge' due to inadequate investment in education and learner retention.

On the other side of the equation is unemployment. South Africa's current narrow unemployment rate for the economically active population stands at 25.5 per cent (Stats SA 2012), but young people are disproportionately affected in this group of unemployed people. For the youth population (15–34 years), the unemployment rate is 70.9 per cent (National Treasury

2011), and if the ILO definition of youth (15–24 years) is used, this figure touches on 50 per cent.

Under challenging employment conditions, such as the present, many young people will typically defer employment in favour of extending their education. However, currently, less than an estimated 300 000–400 000 young people are engaged in further or higher education programmes in a given year (Sheppard & Sheppard 2012; Gibbon, Muller & Nel 2012). This means that post-school education options do little to soften the impact of such an unfavourable employment environment.

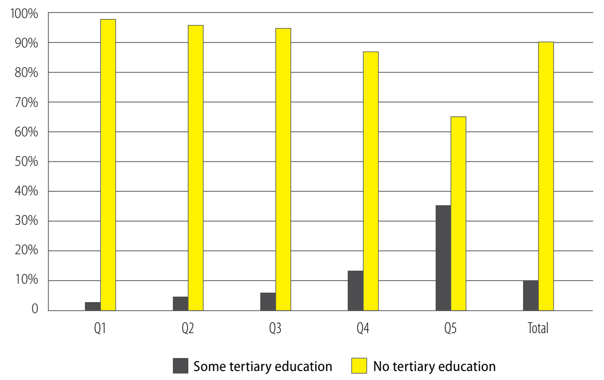
Given the prevailing circumstances, there is little chance of a dramatic improvement in the short to medium term, much needs to be done to reverse severe job losses over the past two to three years. There are no quick fixes. The weak capacity of the economy to create employment is structurally entrenched (Seidman-Makgetla 2010; Altman 2003), and because structural challenges require structural solutions, much time will have to pass before their benefits start to accumulate.

South Africa, therefore, is faced with a very large proportion of young people who are unskilled, unqualified and in most respects unemployable, searching for jobs in a market that cannot create enough jobs quickly enough for the general unemployed population. The structural solutions include an education system that promotes learner retention and ensures that young people leave school with skills, and a labour market regime that ensures job creation at a faster rate than the growth of the labour market. However, as indicated above, even if we implement the most optimal policies today, their results may be visible only in a number of years to come. Thus, the obvious question is: What can be done about the current generation of young people? Must we regard them as collateral damage? If not, what are the opportunities for dealing with the problem in the present? In answer, we need to understand what differentiates young people who do manage to make the transition into further education or employment from those who do not. It is to this that the article now turns.

Which young people do succeed?

While there are no doubt individual-level factors that shape whether a young person is able to access further or higher education and, thus, to have an increased chance of securing employment, household income seems to be significant. An analysis of the NIDS, focusing on young people between the ages of 16 and 35, demonstrates that the income of the household within which a young person lives strongly determines their ability to gain entrance to further and higher education. Figure 4.3.1 shows that when a young person's household falls within income quintiles 4 and 5, the chances of him or her entering tertiary education are significantly higher than those of an individual who resides in a household falling within income quintiles 1–3.

Figure 4.3.1: Access to tertiary education by income quintile



Note: A chi-square test was performed and a significant relationship was found to exist between household income quintile and access to some form of tertiary education X2 (4, N = 7247) = 860.76, p < .001

FOUR

> Far from breeding a population of lazy, dependent people, cash transfers offer access to vital financial assets that people are able to leverage for a range of other positive outcomes.

What this demonstrates is that access to financial assets, in the form of household income, does influence the ability of young people to enter tertiary education. We know, too, that access to tertiary education shapes the ability of individuals to gain employment and, in turn, to secure a higher income level. This suggests that income inequality experienced at the household level is a reliable predictor of the ability of young people to successfully move out of poverty. Therefore, young people who live in lower-income households are likely to remain in the lower-income quintiles throughout their lives, suggesting that inequality is perpetuated at this critical point of transition. If this is the case, we have to ask how these inequality cycles might be broken.

Considering financial assets: a case for cash transfers

It is clear that access to financial or material assets is one of the key determinants that enable certain young people to make the transition into further education or employment faster than others. No doubt, such access to assets is also linked with being aware of the cultural capital, social networks and information that facilitate easier entry to such opportunities, but the role of financial assets cannot be discounted. Qualitative research has highlighted the often unseen financial obstacles that young people face in accessing further education and employment. One such study of youth in a Gauteng informal settlement points to how lack of the smallest amounts of money to pay for the use of an internet café, to print documents and to post applications limits their ability to apply for positions in colleges and universities (Graham 2012). Should they clear these hurdles, such costs are tiny in comparison to the large application fees they are expected to pay with no guarantee of securing a position. The extent of reported household poverty means that borrowing the necessary money from family members who are also unemployed is very difficult, and certainly not possible should more than one application be required. Similarly, the road to accessing employment opportunities, even in the sectors that require very low-skilled labour, often involves the cost of taxi trips to labour brokers, the printing and faxing or posting of CVs and the like. Small amounts of money are certainly one of the assets necessary to break into the opportunities that otherwise seem so far away for so many young people. Against this backdrop, there seems to be a case to be made for a cash transfer to young people.

While popular discourse about cash transfers often suggests that such mechanisms breed dependency and laziness, research repeatedly demonstrates the positive effects of this intervention. For instance, data on the child-support grant (CSG) demonstrates how it leads to better nutritional and educational outcomes for children (DSD, SASSA & UNICEF 2012), confirming earlier work done on the effects of the CSG (Delany et al. 2008). Other studies demonstrate the CSG's link with the empowerment of women, as well as the use of the grant for generating further income (Patel et al. 2012). Loeb et al. (2008) and Graham et al. (2010) demonstrate how the disability grant is a vital source of household income, helping not just the disabled person, but also their household members, to be food secure. Further afield, the link of cash transfers with other economic activity has been noted (Hanlon et al. 2010). The benefits of the basic income grant (BIG) piloted in Namibia are also well documented, and while questions have been raised about the evaluation of the programme, Kaufman (2010) suggests that there is still evidence that the grant has the potential to assist people out of poverty, particularly in countries where there is high income inequality. Clearly, far from breeding a population of lazy, dependent people, cash transfers offer access to vital financial assets that people are able to leverage for a range of other positive outcomes. While it may not mean that people fully escape poverty, it certainly does alleviate poverty, and in the case of cash transfers aimed at children, provides the possibility of meeting basic nutritional and health needs that are essential if such children are to be able to succeed in their education (Heckman 2008). So why is the question of cash transfers to young people still such a contentious issue?

Considering giving money to the young

Those opposing cash transfers to young people generally base their views on two popular, but erroneous, assumptions. The first relates to the role of social protection, and the second to the nature of young people. In terms of the former, social protection is considered in terms of the protection it offers to those members of the population unable to provide for themselves through employment. It is for this reason that the grants system in South Africa primarily targets those too young to work through the CSG, those too old to work, through the old-age pension, those who cannot work, due to the need to care for an ill or disabled child, through the care-dependency grant, and those who are unable to work due to disability, through the disability grant. Thus, social protection is intended to act as a safety net for those who cannot or should not access the labour market. The problem with this view of social protection is that it is disconnected from the reality of high levels of structural unemployment, and particularly the very high levels of youth unemployment discussed above. Further, it ignores the potential of social protection measures to be viewed as assets that will assist people to escape poverty. Considering cash transfers to the young thus requires a shift in our assumptions about social protection to understand their potential to provide vital resources that are necessary for poverty alleviation and other outcomes.

In addition, the contention around cash transfers to the young may lie in views of young people that give them less credit than they are due. Often, young people are viewed as a 'ticking time bomb' (Medley et al. 2012) – as an unruly and uncontrollable group of people simply waiting to engage in violent behaviour should they not be able to access jobs. Such views are not confined to the media. Being party to policy discussions regarding youth also provides evidence of such a discourse in policy circles. Alternatively, young people are popularly viewed as being irresponsible – purposefully falling pregnant to qualify for the CSG, despite repeated evidence that debunks this notion (Makiwane & Udjo 2006; Devereaux & Lund 2010). Spending money on young people in the form of a cash transfer is, therefore, likely to be viewed as a high-risk venture. Will young people not simply spend the money in the local taverns or on clothes and cell phones? Will it not create perverse incentives?

Such views of young people suggest a disconnect between those writing about and thinking about young people, and the actual lived reality of young South Africans. Data from an ethnographic study of young people in Gauteng demonstrates that, in fact, young people may use the money wisely. Some already engage in positive community activities – running informal youth clubs, sports clubs and crèches. Others, when they are able to access some income, use the money to go out and look for work, or spend it on an application fee (Graham 2012). Spending time with young people offers insight into their lives and forces one to reconsider views of this sector of our population. Young people tend to demonstrate immense optimism and hope for the future (Morrow, Panday & Richter 2005) and want to invest in a better future for themselves. Once we are able to view them with a different lens, we may be more open to considering the possibility of just giving money to the young and leaving its spending to their discretion.

The case for just giving money to the young

The idea of cash transfers to benefit young people is not new. The proposed youth wage subsidy is a mechanism that makes funds available through tax benefits to companies that employ young people (National Treasury 2011). However, it effectively keeps the money out of the hands of young people by ensuring that it goes directly to the employer as a stimulus to the labour market to employ young people. The proposed job-seeker's grant (proposed at the ANC policy conference earlier this year) may be an alternative or complimentary cash transfer to the youth wage subsidy. Such a grant is, however, likely to be targeted directly at the beneficiary, that is at unemployed people, in a transfer system conditional on job-seeking behaviour.

What both of these proposed cash transfers do is address the youth unemployment problem from a purely economic perspective, with a deficit view of both the private sector and young people. In the case of the youth wage subsidy, the youth unemployment challenge is viewed from a labour-demand perspective; it is seen as a problem of desirability – young people are undesirable employees when compared with their more experienced counterparts and, as a result, the private sector is unwilling to employ them. The private sector, consequently, needs to be incentivised to invest in employing and training young people. While there may be some level of truth to this premise, such an analysis avoids the tough questions of structural unemployment and institutionalised low-quality education, which are discussed above. A youth wage subsidy is unlikely to fundamentally shift youth unemployment, as it is likely to benefit those young people with some level of education who may already be able to enter the labour market. A job-seeker's grant looks at the supply side of the labour market equation and suggests that young people are not looking for jobs. Such a grant would stimulate young people to go out and look for jobs by imposing conditionality on the grant. This approach again ignores the structural challenges that young people face in seeking work – it is not that they refuse to seek employment; their low levels of skills make them largely unemployable.

Both of the proposed mechanisms fail to understand the challenge of youth unemployment from a youth perspective and do not grasp the immense difficulties facing young people as a result of the structural failures discussed above. Neither mechanism is able to acknowledge that young people are not supported to build the assets they need to make the transition from school to an autonomous adulthood. The education system has largely failed them and, in the absence of second-chance opportunities, they are unable to access the means for building the educational and skills assets needed to better negotiate the transition to the labour market. Clearly, an alternative option is necessary to support young people to make such a transition.

It is with this in mind that the option of youth savings accounts (YSAs) or individual development accounts (IDAs) should be considered. The model of IDAs or YSAs originates from the premise that young people 'need assets to make the transition to adulthood' (Beverly 2012), that as youth transition to adulthood, their ability to save and accumulate assets becomes very important as they begin to accept financial responsibilities and plan for the future (Chowa & Ansong 2010). Such models of cash transfers have been implemented in various parts of the world, in both developed and developing contexts, and have demonstrated a great deal of success. YSAs or IDAs are essentially programmes in which young people and/or their households are encouraged to save towards their future in a matched savings scheme where for every amount saved by the individual or household, a matching amount is deposited into the same account. Matched amounts are secured either through private sector involvement or through government funds. Saved funds are intended to be withdrawn only for spending on asset accrual – that is, for investment in further assets, either in the form of education, employment or entrepreneurship activities, or in the gaining of additional assets such as land, livestock or housing. Such a model combines a cash transfer with an imperative to save.

Various models of IDA and YSA exist, many of which are tailored towards specific social and cultural contexts. In Ghana, for instance, savings were in the form of livestock instead of cash (Chowa et al. 2012) and in Uganda household savings were viewed as more socially acceptable than individual savings accounts (Chowa & Ansong 2010; Chowa & Elliott 2011). Key to all of these models is that cash transfers in the form of matched savings are viewed from an asset approach (Sen 1999; Nussbaum 2001), in which young people and/or their households are considered interested in investing in their own future outcomes, and as having the capability to do so, but being in need of support – including financial – to leverage their capabilities towards better future outcomes. This is in stark contrast to a youth wage subsidy or job-seeker's grant, which sees cash transfers as necessary mechanisms to stimulate engagement in employment amongst people who are otherwise unwilling to participate in the labour market.

Because of the emphasis on support and building of assets in general, such models are seldom focused exclusively on financial assets. Most often, matched savings schemes are combined with other interventions, such as information sharing, support for identifying education, entrepreneurship and employment opportunities, mentorship programmes and the like. Experience has shown that they, in fact, work best with such additional interventions (Beverly 2012). Far from detracting from the investment in financial assets, such an approach demonstrates how a suite of asset interventions, including access to financial assets, is necessary to support young people in breaking out of the cycle of poverty.

The results of such interventions in other parts of Africa are encouraging. In randomised control trials, matched savings schemes, in combination with other interventions aimed at building various types of youth assets, resulted in: higher rates of post-secondary schooling (Beverly 2012); a positive sense of self; planning for future security in times of shock; caution about unguarded consumption (Sherraden et al. 2007; Scanlon & Adams 2008); and higher academic achievement (Chowa et al. 2012). However, such results are dependent on a range of variables, including parental attitudes towards savings, the perceived value of savings amongst young people, access to savings mechanisms and, of course, the amount of money available to save.

The above suggests that investing in building financial assets, alongside other asset development for young people, may be a key interim strategy for assisting young people to make the transition into tertiary education and/or to help them to gain a sustainable livelihood. How such a strategy might work in South Africa is open for debate. Will it take the form of another social grant? Will it use the grant system to connect with young people exiting school, in order to provide a savings start-up programme that they themselves can contribute towards? Is there a space for significant private sector involvement? These questions are unlikely even to be tabled before a shift in assumptions, as argued for in this paper, takes place. For a cash transfer to young working-age people to materialise, attitudes towards them need to change first.

While such a strategy does not address the low quality of education or the structural unemployment problems that young people face, it would offer a support base for young people to equip them to better survive once they have left school, and potentially to invest in their own futures in particular ways.

Conclusion

This article has sought to demonstrate that current thinking around youth unemployment fails to incorporate the very severe challenges that young people face once they leave school. Such challenges need to be recognised as being structurally rooted, and major investments are, therefore, required to deal with the education crisis. In the interim, however, we cannot afford to sacrifice another generation of young people. Strategies to assist them with the transition from school into some form of sustainable livelihood, if not employment, are essential. Current policy proposals, such as the youth wage subsidy, and the job-seeker's grant, may make some inroads in this regard, but as has been argued above, they start from a premise of stimulating supply of and demand for labour, rather than recognising the real structural constraints to gaining employment that young people face. As an alternative or complimentary strategy, this article argues that investments in young people's financial assets, alongside the development of other assets, could interrupt the cycle of poverty and inequality, particularly since inequality is perpetuated at this transitioning phase. Or perhaps, if such lofty ideals are out of reach, at the very least it might enable young people better to cope and survive in what must often be viewed as a bleak situation.