

Care work & the non-profit sector

South Africa's Constitution gives the government an important role in the provision of care. This includes ensuring that all people have the right of access to healthcare services, including reproductive healthcare and emergency medical treatment; and that children enjoy rights to basic nutrition, shelter and basic healthcare services and social services, and the right to be protected from maltreatment, neglect, abuse or degradation.

While government must ensure that its citizens receive these care services, it doesn't have to be the sole provider of the services and can allocate the responsibilities to families, households, communities, non-profit organisations (NPOs) and the for-profit private sector. Because private for-profit services are unaffordable for most South Africans, providing care falls mainly on the Department of Social Development, families, households and communities, and NPOs.

Funding challenges for the non-profit sector

The South African non-profit sector provides many social services, including: post-rape and related care, domestic violence shelter services, child protection services, residential facilities for older persons and people with disabilities, child and youth care centres, victim empowerment services, early childhood development services, as well as services for people struggling with substance abuse.

NPOs have always struggled with funding, but recently this has intensified and as a result it is getting more and more difficult for NPOs to provide services. In some organisations, staff are being retrenched, taking pay cuts, or working without pay.

Why has the struggle for funding intensified?

- The 2008 global recession triggered economic and financial changes.
- Donors are diverting funds away from middle income countries like South Africa to low income countries.
- Donors are deciding that governments should fund a country's services.

Government's approach to funding

The Department of Social Development's approach to funding NPOs doesn't help. The department pays only a portion of some of the organisation's costs to provide the services. The expectation is that the balance needs to be raised from donors. This is unrealistic, given the changes outlined above.

Recent changes in the way the government allocates and spends its budgets

NPOs can be funded by both the national Department of Social Development, as well as the provincial Department of Social Development. Typically, the national Department of Social

Development will fund the national offices of those NPOs with offices country-wide while the provincial departments will fund NPOs based in that particular province.

In 2015/16, the total budget (national and the nine provinces combined) of the Department of Social Development for welfare and social development was R154.58 billion:

- 88% for social assistance and security, like the child support grant and old age grant (R136,84 billion)
- 10% for welfare and social development services (R15,07 billion)
- 2% for administration (R2,66 billion).

But the department has been decreasing the budget share for services — down 3% since 2005 — as it increases the salaries of its own staff at a higher rate than inflation. In 2015/16, NPO transfers accounted for 37.1% of the combined Department of Social Development budgets of the nine provinces, while departmental salaries accounted for 44,5%.¹

Corporate social investment

So, if non-profits aren't getting enough funding from government, who else can they rely on? Corporate social investment (CSI) is one source.

In 2014:

- R6 billion was spent on CSI
- 16% (R960 million) of CSI went towards the social and community development sector (though we don't know how generous corporations were in supporting care work specifically)
- The largest proportions went towards orphans and vulnerable children (33%) and towards people living with HIV or AIDS (12%).
- 6% went towards victims of violence and abuse.²

¹ Department of Social Development (2016). *Summary Report on the Review of the White Paper for Social Welfare, 1997*. Johannesburg: Department of Social Development.

² Trialogue. (2014). *The Trialogue 2014 CSI Handbook 17th edition*. Cape Town: Trialogue.

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But, like government funding, CSI expenditure has been declining over the past few years:

- Taking inflation into account, R6 billion in 2014 represents a 2% decline in overall CSI spending from 2013.
- Support towards the social and community development sector declined from 83% of overall CSI spending in 2013, to 77% in 2014.

The effects of under-funding

- People who need services from government or NPOs live at the sharp end of poverty. Failing to ensure that they have access to services results in one more form of inequality they must struggle with.
- The people who provide the services, most of whom are women, are also treated in very unequal ways.
- Care workers, along with domestic workers and workers in the retail sector, are among the worst paid in South Africa.

What needs to change?

Three policy changes would make an immediate difference to the NPO sector.

- Adopting and implementing the National Treasury's framework for transfers to NPOs will ensure that the Department of Social Development gives organisations their funds on time. At present, NPOs are expected to work for months without pay.
- Introducing one national policy on funding will ensure that provincial offices of the Department of Social Development fund NPOs equitably. Currently, government officials are able to allocate different amounts of money to different organisations even though the organisations are providing the same services. The funding allocated to services also differs between provinces.
- Increasing the Department of Social Development's budget for services by 1.9% every year will double the welfare services budget in five years. The bulk of this increase needs to go towards under-funded NPOs, as well as to the establishment of services in those parts of the country where there are none.

The care work project is a partnership between the Shukumisa Coalition, the National Coalition of Social Services, the National Shelter Movement, the Eastern Cape Welfare Forum, the KwaZulu-Natal Welfare and Social Development Services Forum, and the Vhembe Civil Society Network. The project aims to ensure the availability of quality social services and promote the recognition of care work, which is largely performed by women.

For more information please visit:

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