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Hunger in South Africa during 2020: Results from Wave 2 of NIDS-CRAM¹

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Abstract

The first wave of the National Income Dynamics Study – Coronavirus Rapid Mobile Survey (NIDS-CRAM) provided strong evidence that there had been a drastic increase in both adult and child hunger in the survey months, May and June 2020, and that almost half of all households had on occasion run out of money for food during April 2020. Comparisons with information from earlier surveys (the annual General Household Survey from 2002 to 2018) showed that much of the improvements since 2000 in adult and child hunger and food security due to the expansion of the Child Support Grant had been almost entirely reversed by the hard lockdown and the coronavirus pandemic. The second wave of NIDS-CRAM shows improvement in all three measures, but that hunger and food insecurity remain disturbingly high.

Keywords: Covid19; lockdown; child welfare; hunger; social grants.

JEL codes: I31, I32, I15



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



CORONAVIRUS RAPID MOBILE SURVEY 2020

¹ This paper forms part of the NIDS-CRAM Wave 2 reports: <https://cramsurvey.org/reports>.

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1. Overview

The first wave of the National Income Dynamics Study – Coronavirus Rapid Mobile Survey (NIDS-CRAM) provided strong evidence that there had been a drastic increase in both adult and child hunger in the survey months, May and June 2020, and that almost half of all households had on occasion run out of money for food during April 2020. Comparisons with information from earlier surveys (the annual General Household Survey from 2002 to 2018) showed that much of the improvements since 2000 in adult and child hunger and food security due to the expansion of the Child Support Grant had been almost entirely reversed by the hard lockdown and the coronavirus pandemic. The second wave of NIDS-CRAM shows improvement in all three measures, but that hunger and food insecurity remain disturbingly high.

In Wave 1 of NIDS-CRAM, 22% of households reported that at least one adult had gone hungry in the past 7 days, and 15% of respondents reported that a child in their household had gone hungry in the week before they were interviewed in May or June. For the month of April, 47% of respondents reported that their household had run out of money (the first month of the lockdown, before social relief measures were instituted). In comparison, the General Household Survey of 2018 reported only 25% running out of money for food *in the past year*, a far less strict criterion. Loss of the main income source during April, the first full month of the lockdown, strongly increased the likelihood of household hunger and of running out of money to buy food (Van der Berg, Zuze & Bridgman, 2020).

BOX A: NIDS-CRAM Wave 2

This report draws on the second wave of the NIDS-CRAM survey. The first wave of this data was collected between 7 May and 27 June 2020 (during stages 3 and 4 of the national lockdown) and the second wave between 13 July and 13 August 2020 (during 'advanced' stage 3 of the lockdown). This allows for an updated picture that is broadly representative of the national population. Around 5 670 participants from the Wave 1 sample participated in Wave 2. Attrition (respondents that did not take part in Wave 2) did not greatly reduce how representative the sample is of the national population.

These sobering findings from Wave 1 of NIDS-CRAM have been widely reported. Wave 2 of NIDS-CRAM now makes it possible to update hunger statistics for July/August (relative to May/June) and statistics on running out of money to buy food in June (relative to April). After discussing the new findings, this policy update concludes that the magnitude of this problem is still such that the need for social relief efforts remains undiminished.

2. How has the overall situation changed since May?

Both waves of the NIDS-CRAM survey asked multiple questions about child and adult hunger, as well as a question regarding household food security (having enough money to buy food), as shown in Box B.

BOX B: Questions on hunger in Wave 2 of NIDS-CRAM

In the month of June did your household run out of money to buy food?

In the last 7 days has anyone in your household gone hungry because there wasn't enough food?

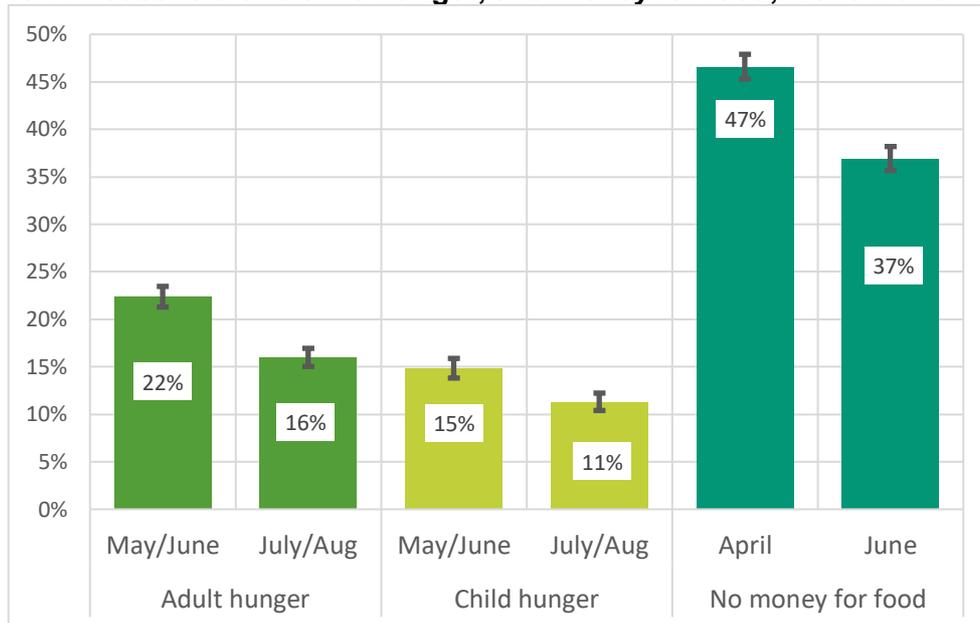
How often did they do hungry? (Options: Never; 1 or 2 days; 3 or 4 days; almost every day; Every day)

In the past 7 days; has any child in your household gone hungry because there wasn't enough food?

How often did they do hungry? (Options: Never; 1 or 2 days; 3 or 4 days; almost every day; Every day)

Since the same questions were asked in both waves, it is possible to shed light on how reported hunger and food security has changed. The situation has clearly improved, as Figure 1 shows. Where 22% of households in Wave 1 reported that someone in the household had gone hungry in May/June, only 16% reported this for Wave 2 in July/August. Child hunger also declined, from 15% of households reporting child hunger in Wave 1 to 11% in Wave 2. Encouragingly, the number of households who ran out of money for food also declined, from 47% of households in April to 37% in June. The fact that the error bars (reflecting the 95% confidence levels) do not overlap for any of these three questions indicates that the changes were indeed statistically significant. But while these results show considerable improvement, the situation is still a cause for concern.

Figure 1: Household and child hunger, and money for food, Wave 1 and Wave 2



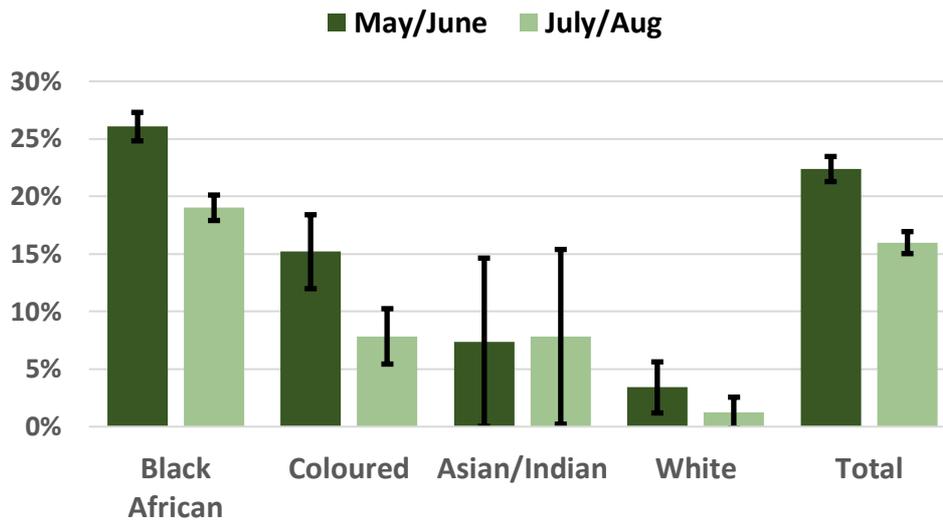
Source: Authors' calculations from NIDS-CRAM data.

As Box 2 shows, if survey respondents indicated that someone in their household had gone hungry because there was not enough food, they were then asked to indicate how often they had gone hungry or skipped a meal in the past 7 days. For those reporting hunger, the severity of hunger as measured by answers to these questions remained largely unchanged. For both household and child hunger, around 30% indicated that this occurred every day or almost every day in the past week in both Wave 1 and Wave 2.

3. How is hunger experienced by different population groups?

Disaggregating adult and child hunger by population group, the story is relatively consistent. Reported household hunger in the Black African population group decreased from 26% in May/June to 19% in July/August, and for the Coloured population from 15% to 8% (see Figure 2). As the sample size in the Asian/Indian and the White population groups is very small, it is difficult to know exactly how hunger has changed in those groups. This is indicated by the large confidence intervals (indicated by the error bars) for these population groups.

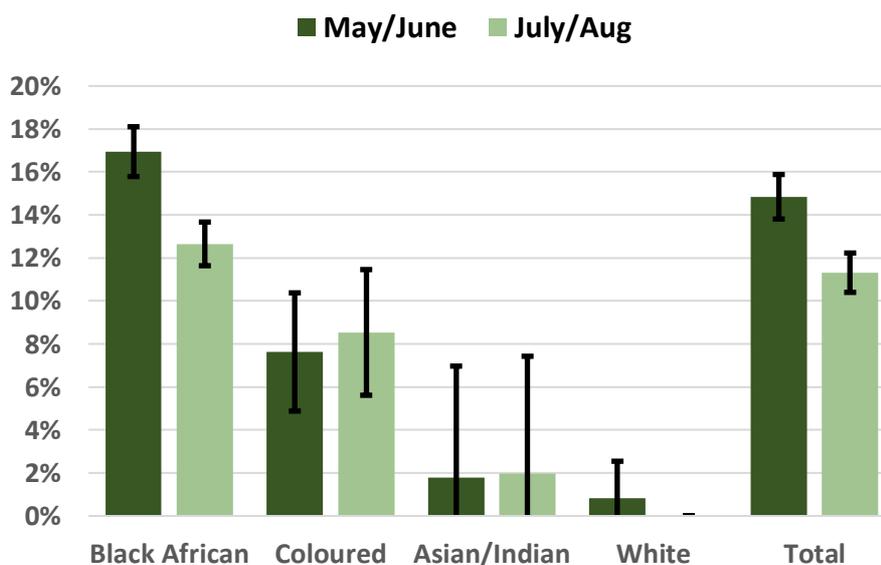
Figure 2: “Anyone in the household” reported hunger by population group



Source: Authors' calculations from NIDS-CRAM data.

The incidence of child hunger has also decreased for Black Africans, where the decline was from 17% of respondents indicating that a child had gone hungry in the past 7 days to 13% in July/August. Sample sizes are too small to identify an accurate measure of change among other population groups.

Figure 3: Child hunger by population group



Source: Authors' calculations from NIDS-CRAM data.

Lack of money to buy food in the month before the survey (April for Wave 1, June for Wave 2) also declined strongly from 50% of respondents in Black African households reporting this in Wave 1 to 40% in Wave 2. The decline in Coloured households was even greater, from 51% to 37%.

4. What government support has been made available?

To mitigate the impact of the lockdown on employment, income and food poverty, the government introduced a number of temporary, emergency social support measures after the promulgation of the State of Emergency on 27 March 2020. These measures included (i) the provision of a temporary supplementary social assistance benefit in the form of a 'top-up' to existing social grants paid to different categories of beneficiaries with variable amounts and over different time periods, and (ii) the establishment of a Covid-19 Social Relief of Distress grant. A third measure, TERS (the Temporary Employee/Employer Relief Scheme), was introduced and a fourth constituted localised social relief (Republic of South Africa, 2020). The first two measures were to be implemented between May and October 2020 amounting to R40 billion and included the following:

- An increase in the Child Support Grant (CSG) of R300 per child for May 2020 only. This amounted to R3.7 billion reaching 12.7 million children.
- A R500 Social Relief of Distress (SRD) Caregiver Allowance paid to the primary caregivers of CSG beneficiary children, from June to end of October 2020 grant, with an estimated budget of R17.6 billion.
- A top-up of R250 for all other existing social grants. Approximately R11.5 billion was budgeted for beneficiaries of the Old-Age Pension (OAP), Disability Grants (DG), Foster Care Grants (FCG) and the Care Dependency Grant (CDG). These were earmarked for payment from May to the end of October 2020 respectively.
- In total, the South African Social Security Agency (SASSA) was expected to top-up 18.3 million grants to approximately 12 million eligible beneficiaries (the difference between these two numbers arises where one beneficiary, for instance the mother of eligible children, receives a grant for each child).
- A new COVID-19 Social Relief of Distress (SRD) grant of R350 per month was established and implemented. Approximately R11.8 billion was committed to be paid to unemployed persons who did not have access to other social grants such as the National Student Financial Aid Scheme (NSFAS) or social insurance from the Unemployment Insurance Fund (UIF). Payment to eligible beneficiaries was to be paid during the months of May, June and July 2020 respectively. However, payments commenced only in June 2020.
- By the end of July 2020, the South African Social Security Agency (SASSA) received 7.8 million applications for the COVID-19 SRD grant, of which 4.4 million (56.4%) were approved and 2.1 million (27%) declined. Two thirds of the applications were from four provinces, namely Gauteng (21.7%), KwaZulu-Natal (20.5%), Eastern Cape (12.8%) and Limpopo (12.0%). The remaining applications were fairly evenly distributed between the Western Cape, Mpumalanga and North West followed by the Free State province, with few applications received from the Northern Cape (data provided by the Department of Social Development, 2020).

A third significant measure was the creation of the Covid-19 Temporary Employer Relief Scheme (TERS), implemented by the Unemployment Insurance Fund (UIF). Its purpose was to prevent the temporary destruction of jobs due to the closure of businesses. The benefit was to be paid for up to three months by covering the cost of salaries of employees on an income replacement rate sliding scale, ranging between 38% for higher earners up to 60% for low earners, with the maximum amount capped at R6 638.40 per month and a minimum of R3500 per month. The Department of Employment and Labour paid out R34 billion in 7.4 million payments for this purpose, while also continuing its normal benefits disbursements, amounting

to R4 billion in 677 000 payments to beneficiaries since March. The TERS is in the process of winding down (Department of Employment and Labour, 2020. <http://www.labour.gov.za/employment-and-labour-ministry-announced-extension-of-covid19-relief-payments-until-august-15-in-budge-vote>).

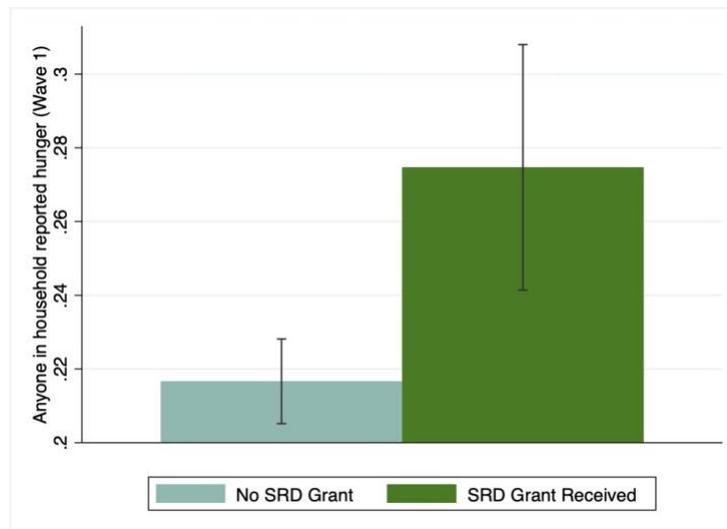
Insurance schemes of this kind are limited in that they reach only individuals who had been employed, and with informally employed persons were excluded. The Covid-19 SRD was intended to fill this gap. However, the value of the Covid-19 SRD grant was much smaller (R350 per month) compared to the TERS. The impact of these two grants on hunger and food security is assessed in Waves 1 and 2 below.

Finally, localised relief was provided in the form of emergency food assistance delivered by government, non-governmental organisations (NGOs), faith-based organisations, the private sector and philanthropic initiatives. In Wave 1, 18% of households received such support from external sources. Government support reached 8%, NGOs (some of which were government funded) faith-based organizations and humanitarian associations 6%, and support from family, neighbors and members of the community 9% (these numbers add up to more than 18%, as some respondents received support from more than one source). Non-governmental and informal giving were fairly significant channels of social provision during the early stages of the pandemic, with substantial reach. Approximately one million food parcels were distributed to 5 million beneficiaries by six organisations, estimated to be worth 400 million (Wills, Patel, Van der Berg and Mpeta, 2020). Questions about the nature and scope of external support received were not asked in Wave 2. In total, 800 968 food parcels were distributed between May and the July 2020 by the Department of Social Development. Three quarters of the food parcels were distributed in May and June with declining provision in July 2020. Only 23.8% of the total number of food parcels were distributed to households during July 2020. This shows a sharp decline in food and nutrition relief provision during this period. No data was available on government and non-governmental food relief initiatives during the period when the NIDS-CRAM Wave 2 survey was conducted. Although this was not assessed in wave two, non-governmental and informal food assistance from relatives, neighbors and the community are likely to be important in mitigating hunger.

The government's food relief programme has been mired by allegations of corruption, irregular payments and capture by public service officials, as documented in the preliminary report of the Auditor General (See Auditor General, 2020). These are now the subject of investigation by the Special Investigating Unit of the National Prosecuting Authority. Similar challenges of fraud and corruption have been encountered in payment of the TERS, also documented in the Auditor General's report. This resulted in the stalling of TERS payments with negative impacts on access to much needed material assistance by those who qualified. Other systemic challenges of an administrative and technological nature also hampered the efficient roll out of the COVID-19 SRD grant at scale.

Data from Wave 2 on the reach of the grants are broadly consistent with administrative information, as set out above. About 12% of respondents reported that they received the COVID-19 SRD grant in Wave 2, 38% the OAP and 48% the CSG. The COVID-19 SRD is largely going to households that reported hunger in Wave 1, as shown in figure 4 below. This figure indicates that households that reported anyone going hungry in the past 7 days in wave 1 were significantly more likely to receive an SRD grant in Wave 2. In Wave 2, TERS was received by 14.2% of respondents that formed part of the labour force. Surprisingly, TERS was more common among Indian and White respondents, perhaps a reflection of the fact that this grant is largely aimed at the formerly formally employed.

Figure 4: SRD grants were more likely to be received by households that reported hunger in April/June.



Source: Authors' calculations from NIDS-CRAM data.

A final policy – the National Schools Nutrition Program (NSNP) – has also been applied as a means of providing relief of child hunger in particular. The policy papers which were generated after NIDS-CRAM Wave I brought to light the necessity of restarting this program even while schools remained closed. While the implementation of this program has been a matter of contention, children have been receiving meals during July and August. These school meals are investigated in further detail in the NIDS-CRAM Wave II report on education.

5. How has government support affected household food security?

In the first wave of NIDS-CRAM, job loss during the lockdown was found to be a major contributor towards households running out of money to buy food. As discussed above, the government has recognised this crisis in household food security, and has both added top-ups to existing grants and created two new instruments to provide relief, namely TERS and the SRD grant.

The reduction in hunger between the two surveys, in April/June and July/August, may have been due to someone getting or returning to a job, or the expansion of social protection through the two new grants (TERS and the SRD) (Bhorat, Oosthuizen & Stanwix, 2020). Additionally, the NSNP, which had stopped during the hard lockdown, also recommenced in July, although it was only partially operational during the wave 2 study period. Finally, public and private food assistance may have had a localised effect of reducing hunger. Existing grants such as the CSG, with their top-ups, would not have reached many more people in the second wave of the survey, so they are less likely to have been associated with reduced hunger between the two period.

Indeed, as in the first wave, regression results from the second wave of data indicate that respondents who experienced losing a job between April and June were more likely to report hunger in their household in the past 7 days, but job gains (largely furloughed workers starting to go back to jobs in the period of the survey) did not have a noticeable association with reported *hunger*. However, regressions show that food security (people reporting that their household had not run out of money for food) is higher in households reporting an increase in income from employment or business between February and June, while households that

recorded a loss in employment or business income were significantly more likely to report they had run out of money for food in June.

Respondents who lived in a household that had received a TERS payment were significantly less likely to report being hungry in the past 7 days. The fact that the TERS payment is relatively large (ranging between R3 500 and R6 838) is likely an important reason why it had a perceptible association with hunger, while the SRD grant of only R350 did not have a visible effect on hunger. To some extent there is in fact an opposite relationship: Households that reported hunger in Wave 1 were more likely to be recipients of SRD grants in Wave 2, as seen in the figures above.

A final regression analysis was conducted among households that reported running out of money for food in April. This investigated the likelihood that they were lifted out of food insecurity, i.e. that they had adequate money for food in April. The results suggest that an increase in income from employment or business. Receiving a TERS payment was a significant factor in restoring food security to a household, raising the likelihood that they would no longer report running out of money for food in June by a full 16%, while a job gain (e.g. furloughed workers returning to work) reduced the probability of running out of money for food by 10%. Few recipients of CSGs or OAPs had not already received such grants plus the top-ups to the grants in April, so these grants did not raise any more people above the food security line. The SRD also did not show any significant effect on reducing food insecurity, probably because its small value of R350 per month insufficient to lift many households above the food security line.

6. Have adults been shielding children from hunger?

In Wave 1 of the NIDS-CRAM study it was evident that adults largely shielded children from hunger in many households. That is to say, reported hunger for any household member in NIDS-CRAM was much higher than reported among children in the household, something that is not usually found in the GHS data (Van der Berg, Zuze & Bridgman, 2020). Shielding is again evident in Wave 2, as hunger for any household member in Wave 2 is also higher than child hunger – 16% against 11%. If one confines the analysis to households with children, the difference between anyone in the household going hungry and child hunger is even larger.

7. Policy to protect households from hunger

NIDS-CRAM Working Papers Number 11 (Van der Berg, Zuze & Bridgman, 2020) and Number 12 (Wills, Patel, Van der Berg & Mpeti, 2020), both based on Wave 1, suggested that the social grant system offered important protection from the worst economic effects of the lockdown and pandemic. The top-ups to the Child Support Grant (CSG) and the Old-Age Pension (OAP) improved the financial situation of households with no other income sources, especially the many that had recently lost employment income, though even after the top-up, households receiving only CSGs and with no other income sources were not able to escape hunger. Whereas TERS and the SRD grant had not been fully operating during Wave 1, our results suggest that TERS has now lifted many out of food insecurity. While the SRD reaches many poor households, its value is too small to lift many above a food poverty line, as is also true for the CSG. Although the smaller grants, even with top-ups, are inadequate to keep households above the food poverty line, they do ameliorate poverty.

As was recommended in the two Working Papers referred to above, the evidence from Wave 2 of NIDS-CRAM confirms that it would be disastrous to prematurely end the top-ups to the grants, and the SRD, at the end of October. All three forms of short term poverty relief discussed in Wills, Patel, Van der Berg & Mpeti (2020) should continue until there is consistent evidence of economic recovery and stabilised conditions in households – (i) social

insurance (UIF/TERS), (ii) social assistance (grants) and (iii) social relief by local and national government and NGOs. While the UIF and TERS (forms of social insurance) have run into administrative constraints due to the need to build strong systems to prevent corruption, and while public social relief has been limited in its reach, the social grant system continues to illustrate its pivotal role in reaching the poor on scale. But all these measures can only offer limited protection: A strong economy that grows and creates jobs remains essential. It is to be hoped that the gradual lifting of the lockdown and the reopening of the economy will reduce current massive unemployment levels and stimulate the rebuilding of the economy.

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