

# CHAPTER 1 ORIENTATION AND PROBLEM STATEMENT

This thesis focuses on the administration of social grants in SASSA with specific reference to the strengths and weaknesses in the grant administration process. This introductory chapter contains the orientation and problem statement and the basic theoretical assumptions. A discussion follows on the method of investigation, the research design, participants, data-collection instruments, procedures that were followed and data-processing. The introductory chapter concludes with a discussion of some ethical aspects and a synopsis of the various chapters that constitute this thesis.

## 1. TITLE OF THE STUDY

An assessment of the strengths and weaknesses of the South African Social Security Agency in the Northern and Western Cape Provinces

**Key words:** social grants, beneficiary, South African Social Security Agency, pay-point, pay cycle, front-line staff, pay-point team member, process-evaluation, implementation-evaluation, SOCPEN.

## 2. ORIENTATION AND STATEMENT OF THE PROBLEM

The researcher is currently employed by the South African Social Security Agency (SASSA) and functions as a District Manager in the Siyanda District in the Northern Cape. Since the establishment of SASSA the administration of the social grant system has not been assessed with the result that its strengths and weaknesses have not been identified scientifically. It has as yet thus not been possible to establish the necessity for possible adjustments to the system. For improved service delivery the researcher wanted to determine how the grant administration system operates.

In South Africa the provision of social assistance benefits constitutes the largest part of the Government's poverty alleviation programme (Department of Social Development:

2006). According to Panagos (2001:6) social assistance can be seen as non-contributory and income-tested. It is therefore a state-funded system.

Section 27 of the Bill of Rights contained in the Constitution (1996) of the Republic of South Africa 1996, (thereafter the Constitution) states: “that everyone has the right to have access to social security including appropriate social assistance if they are unable to support themselves” (RSA Constitution). There is therefore an obligation on the state to provide social assistance to eligible people of this country. However, although the Constitution guarantees the right to have access to social assistance it does not guarantee social assistance as such and the conditions to be met before social assistance is awarded remain the prerogative of the government (Panagos, 2001:5).

According to Van der Berg, Louw and du Toit (2007:9) the transition to democracy marked a turning point in the history of South Africa by extending full social participation to groups who used to be systematically excluded. Before the first democratic elections in 1994 social assistance in South Africa was characterized as fragmented and discriminatory. According to Haarmann (2000:10) the democratic South Africa inherited a fragmented social security system which was not based on comprehensive coverage for the population as a whole, but started as a social security net for mainly white people. It was eventually extended to other groups, but with less coverage. Only a small portion of the citizens of South Africa had benefited from such a social security system.

It was against this background of fragmented and inadequate social security services that the government under the auspices of the Department of Social Development appointed a task team to examine the social security system and to come up with proposals on how to establish a more comprehensive and integrated social security structure. This task team was called the Taylor Committee (Department of Social Development, 2002).

A specific term of reference among others during the investigation of the Taylor Committee (Department of Social Development, 2002) was to evaluate the entire social

assistance mechanism including all grants, their funding mechanisms and the efficiency with which they achieve their goals.

Some of the major findings of the Taylor Committee (Department of Social Development, 2002) were the following:

- Disability provisions are not comprehensive;
- Many people remain financially vulnerable;
- No child benefits are available for children older than 7 years and for under school-attending age.

SASSA was established during 2006 as a Public Entity in terms of the Public Finance Management Act (Act No.1 of 1999) and the South African Social Security Agency Act (Act No. 9 of 2004). One of the major reasons why SASSA was established was to render a more comprehensive and integrated social security services with the emphasis on providing a more effective and efficient social security service and to combat fraud and corruption. Steele (2006:64) states that any administrative system concerned with the delivery of benefits must be adequate to meet the volume of delivery of cash benefits and that the SOCPEN system as a transfer and payment system of social grants can successfully carry the volume of transactions without any noticeable problems.

However, long queues waiting at pay-points (in certain regions old and fragile beneficiaries sleep at the pay-point the night before the payment commences), inhumane conditions at pay-points such as no shelter, no running water or toilet facilities, missing files, lost applications, lengthy turn-around time before social grant applications are approved, broken payment machines at pay-points, late arrival by payment contractors and SASSA staff at pay-points, fraud and corruption were all pertinent problems at the time of SASSA's establishment.

Apart from these service delivery challenges severe staff shortages at critical operational levels where grant applications are processed and infrastructural challenges such as insufficient office space (too many staff in a specific office) and insufficient or no

connectivity at certain service delivery points are, all organisational challenges that SASSA is facing. As much as these undesirable service conditions and human resource and infrastructural challenges were prevalent during the time of SASSA's establishment, one could argue that some of these challenges are still very prevalent today.

However, despite this state of affairs operational efficiency should be a very high priority to SASSA given the importance of the services it renders to the poor and destitute. Yet, Steele (2006:67) states that the administration system of the South African grant system can be somewhat cumbersome for both the applicant and the administrator because the forms used for most grants are detailed and often quite technical. The writer further states that this could lead to applicants feeling frustrated and administrators on the other hand can also feel intimidated in the process especially in cases where no proper training has been provided to administrators on the application process. According to Walker (2005:232) cited in Steele (2006) internationally recipients require ease of application, simplicity of rules and procedure, good communications and avoidance of repetition in providing information to agencies. In substantiation, Steele (2006:66) states that simplicity has definite advantages for administration in terms of ease of computerization, less staff training, reduction in error and lower advertising costs.

Certain policy changes were made since the inception of SASSA in order to expand its services and to reach more people in its desire to push back the frontiers of poverty. The following are some of the important policy changes:

- Age equalization where men and women could qualify for old age pension at the qualifying age of 60 years (previously men could only receive an old age grant at the age of 65 years).
- Extension of the child support grant up to 18 years of age (previously children could only access the child support grant up to the age of 7 years).
- Applications with alternative proof of identity documents (previously a valid identity document was a prerequisite to access a grant).

Considering that no evaluation has been done of the strengths and weaknesses of the application-to-approval process of grant administration in SASSA, it is regarded as desirable that such a venture be embarked upon. In view of this the following research question emerges: What are the strengths and the weaknesses in the application-to-approval process of grant administration in SASSA up to the payment of social grants at pay-points?

### **3. AIM OF THE STUDY**

The general aim of the research project is to assess the application-to-approval process of grant administration in SASSA up to the payment of social grants at pay-points. The specific objectives of the study are therefore:

- To describe the current application-to-approval process of grant administration
- To assess the strengths and weaknesses in the grant administration process of specified administrative procedures and structural issues as perceived by attesting officials (front-line staff responsible for taking down the grant applications), data-capturer officials (staff responsible for capturing the information on the application form onto the SOCPEN system), pay-point team members (staff responsible for rendering services at pay-points) and beneficiaries at pay-points.
- To provide a report on the strengths and weaknesses of the grant administration process from application to pay-out, to the top management of SASSA.

### **4. BASIC THEORETICAL ASSUMPTIONS**

SASSA is responsible for the administration and payments of social grants in South Africa. Any administration has its strengths and weaknesses. The success of a social grant payment system depends largely on the competence and effectiveness of the management of the application system. An assessment of the grant administration process in SASSA from application to pay-out will highlight its strengths and

weaknesses. Such an assessment can lead to improvement of services delivery and better customer satisfaction.

## **5. METHOD OF INVESTIGATION**

The research is a combination of explorative and descriptive purposes (Rubin & Babbie, 2011:113). A descriptive design seeks to describe while an exploratory design seeks to explore.

These methods can be very useful in helping researchers to learn more about a given problem area or about the perspective and experiences and is useful for preliminary investigations where little is already known (Thyer, 2001:258). A pure quantitative research method on the other hand is defined as confirmatory, deductive, structured, controlled and linear research that results in quantitative data (Tashakkori & Teddlie, 2003:297).

### **5.1 Analysis of the literature**

The literature study covers social grants and policy changes with regard to those who are eligible for social grants and the administration of the South African social security system. Published and unpublished resources, books, dissertations, journals and other related material were utilized. The researcher made use of the following databases; namely Ferdikat, SACat, Ebscohost and Internet resources.

### **5.2 Empirical investigation**

#### **5.2.1 The research design**

The main purposes of the research was exploration and description (Rubin & Babbie, 2011:113) because the researcher's intent was to describe and explore the application-to-approval process of the current social grant administration as well as the policy changes that have come into effect.

In order to achieve this purpose a quantitative research approach was used. According to Thomas (2003:2) quantitative researchers seek explanations and predictions that will generalize to other persons and places.

### **5.2.2 Participants**

For economic and practical reasons the study was conducted in two regions, namely, the Northern-Cape and the Western Cape. The Northern-Cape comprises various Districts while the Western Cape comprises two metro areas. Various offices in the Northern-Cape and Western-Cape were part of the research. For the purpose of discussion and easy reference the researcher will refer to all areas as districts. However, the Districts are presented in alpha-numerical order as a way to preserve the identity of the respondents and for ethical reasons.

The grant administration process from application-to-approval includes various stages. The staff members include the screening official (step one) who checks the completeness of required documentation. The attesting official (step two) who takes down the application and captures it on SOCPEN and then forward it to the next level namely quality control (step three). Thereafter a verifying official verifies the information captured on SOCPEN against documentation submitted and approves or rejects the application on SOCPEN (step four).

Apart from the staff of SASSA, staff at pay-points (where beneficiaries receive their payments) and beneficiaries at pay-points were also part of the research focus. Staff members and beneficiaries were elected by virtue of their availability and preparedness to be part of the research project.

Apart from the officials in the value chain of the grant administration process, managers are also found at each district office level who oversee the grant application process in the districts. These managers were also initially included in the sample and a questionnaire was also developed for them to complete. The grant administration managers were chosen by making use of non-probability, purposive sampling (Babbie, 2001:179). Non-probability, purposive sampling, according to Rubin and Babbie

(2001:255) is when the researcher selects the sample on the basis of his own knowledge of the population, its elements and the nature of the research aim. In other words when one select the sample based on one's judgment and the purpose of the study. However, none of them responded to the questionnaires despite various reminder phone calls and e-mail correspondence.

Various role players (front-line staff, data-capturers and pay-point team members) in SASSA were identified who would be able to provide the data necessary for the project. The supervisors and team leaders of the front-line staff and data capturers were explained in a meeting by the researcher what the research entails and how it will unfold. The researcher basically explained to the supervisors and team members the various measurement instruments and that it is expected from front-line staff who are available and prepared to complete questionnaire one and data-capturers who are available and prepared to complete questionnaire two. The researcher also explained to the pay-point team members what the research entails and how it will unfold. The researcher therefore explained to the pay-point team members the measurement instruments applicable to them. In addition, beneficiaries at pay-points were approached by the researcher or pay-point team members (who have assisted with the collection of data) and these beneficiaries were also explained in detail what the research entails and how it will unfold. Front-line staff, data-capturers, pay-point team members and beneficiaries were then included on the basis of the availability and preparedness to take part in the study.

### **5.2.3 Data-collection instruments**

Four data-collection instruments were developed as a result of the uniqueness of the study. The first instrument was designed to collect data on the actual grant application process and problems and strengths in this regard (Annexure 1: questionnaire front-line staff). The second questionnaire was developed to collect data on the capturing of the application (Annexure 2: questionnaire data-capturer) onto the SOCPEN-system. The third data-collection instrument (Annexure 3: questionnaire pay-point team member) was developed to measure services at pay-points and to determine the problems



experienced at pay-points. The fourth questionnaire (Annexure 4: questionnaire beneficiaries at pay-points) was developed to target the beneficiaries who receive grant payments at pay-points. The fourth questionnaire was designed in checklist format and was completed with the assistance of pay-point officials or the researcher in order to make provision for a lack of basic literacy.

### **5.3 Procedures**

The following procedures were followed in this project:

- A pilot study was conducted to determine the feasibility of the study. Provisional enquiries indicated that there is a need for an assessment.
- Role players were identified in SASSA who would be able to provide the data necessary for the project.
- Permission was requested from the then acting CEO to conduct the research project.
- Staff members were identified in the various districts such as grant administration supervisors, team leaders, pay-point team members as well as grant administration managers.
- Explanations were given to these grant administration supervisors, team leaders, pay-point team members and grant administration managers on how to complete the questionnaires.
- The data-collection instruments to be used by the participants were either e-mailed or personally delivered to the various districts, including the questionnaires for the recipients of grants at the pay-points in the Northern-Cape and due dates for completion was agreed upon.
- The questionnaires for the recipients of grants at the pay-points in the Western-Cape were administered by the researcher during the grant payments because there are no dedicated SASSA staff who render pay-point services in that region.
- Follow up calls were done on the non-return cases.
- The collected data were electronically processed by the Statistical Consultation Unit at the North-West University.

- The final report was thereafter compiled by the researcher.
- A report describing the strengths and weaknesses in the administration of the social grants was drafted.

#### **5.4 Data-processing**

Information contained in the structured part of the questionnaire was processed electronically with the assistance of the statistical consultation service of the University of North-West by making use of the SPSS programme.

The information collected in the semi-structured section was ordered and classified according to emerging themes (Poggenpoel, 1998:342).

#### **5.5 Ethical aspects**

Ethical aspects are important during any research. According to Israel and Hay (2006: 2) ethical behaviour helps protect individuals, communities and environments. Participation was voluntary but consent was required from participants. Provision was made on the questionnaires that participants give consent by virtue of completing the questionnaire. Confidentiality was maintained throughout the process by keeping the questionnaires anonymous. Detailed explanations were given to all participants before the study commenced.

### **6. CHAPTER DIVISION**

The chapters are divided as follows:

Chapter 1    Orientation and problem statement

Chapter 2    Social security from an international perspective

Chapter 3    Social assistance: a South-African perspective

Chapter 4    The current South African Social Security Agency

- Chapter 5 Research methodology
- Chapter 6 Front-line staff: the starting point of grant applications
- Chapter 7 Data capturing as an integral part of the grant administration process
- Chapter 8 The importance of help-desk services at pay-points
- Chapter 9 Beneficiaries at pay-points: the most importance link in the value chain
- Chapter 10 Conclusions and recommendations

With the layout of chapters 2 – 4 the macro-micro organising principle were followed. Chapter 2 provides the context for chapter three with chapter three providing the context for chapter 4 with chapters two, three and four nested in one another.