

CHAPTER 4: THE SOUTH AFRICAN SOCIAL SECURITY AGENCY

4.1 INTRODUCTION

This chapter focuses on SASSA. SASSA was established in terms of the South African Social Security Agency Act (Act No. 9 of 2004) with the purpose of managing social security in South Africa. It deals with the establishment of SASSA, its design and the implementation of a payment system for social grants. Attention is given to the Australian model of social security, because it had to a large extent shaped the establishment of SASSA in South Africa tremendously. It includes a discussion of the legislative framework that governs the administration and payments of social grants as well as the different grant types and the qualifying criteria. The chapter concludes with some fundamental challenges in the grant administration system.

According to Kaseke (2010:161) South Africa has three different social insurance schemes, namely unemployment insurance, the Compensation of Occupational Injuries and Diseases Fund and the Road Accident Fund. The unemployment insurance scheme is provided under the terms of the Unemployment Insurance Act (Act No. 63 of 2001) where it provides protection to workers including domestic workers against the risk of temporary unemployment, but civil servants and non-South Africa citizens are not protected. The Compensation of Occupational Injuries and Diseases Fund pays compensation for work-related injuries and diseases in terms of the Compensation of Occupational Injuries and Diseases Act (Act No. 130 of 1993) while the Road Accident Fund provides protection against the risk of road accidents and pays compensation to victims of road accidents (Kaseke, 2010:161).

Kaseke (2010:162) further states that social insurance plays a pivotal role in preventing poverty and it is therefore an anti-poverty form of social security which prevents insured individuals from sliding into poverty in the event of being exposed to social risks. However, since the inception of SASSA the main business of SASSA has been the management, administration and payment of social assistance grants only and social

insurance does not fall within the ambit of SASSA. Therefore the focus of the chapter will mainly be on social assistance in South Africa as it is been administered by SASSA.

The provision of social assistance seeks to impact on the living conditions and income levels of recipients and plays an important role in the poverty paradigm, either by reducing poverty, preventing people from falling into poverty or helping people to cope with poverty (Lalthapersad-Pillay, 2007:18). Lund (2002:683) states that the South African system of state social assistance targets the elderly, people with disabilities, children and families. The writer further states that it was first introduced in the first half of the last century for white people and then gradually extended to reach all citizens though there was steep racial discrimination in the levels of the grants as well as in the administration processes prior to 1994. Kaseke (2010:160) claims that South Africa has one of the most comprehensive social assistance systems in Southern Africa.

4.2 DEFINING CASH TRANSFER SCHEMES

Tabor (2002:1) defines cash transfers as the provision of assistance in the form of cash to the poor or those who face a probable risk in the absence of the transfer of falling into poverty. According to Pauw and Mncube (2007:6) various considerations must be taken into account by policy makers when it comes to the design of cash transfer programmes. Design issues according to these writers include whether the grant is universal (all members of society are beneficiaries) or targeted at specific groups of people. Other matters are whether to attach conditions towards the assistance or whether to make it unconditional. With reference to social assistance design, Lund (2007:59) argues that the following questions are important when it comes to social security programmes. The questions include the following, namely:

- Should the benefit be universal?
- If the benefit is not to be universal, by what means will people be included or excluded from qualifying?
- For how many years should a beneficiary be eligible for the benefit?

- Should the new benefit be available to all who qualify, from the date of introduction? How will the introduction date be set?
- What should the level or value of the benefit be, and how can it be designed to vary over time?
- Should the same level of benefit apply to all beneficiaries, or should it be varied according to particular criteria?
- By what means and how often will the benefit be delivered?
- Is it possible or desirable to design linkages with other programmes?

The answers to these very important questions obviously would impact on a number of aspects in a person's life. These may include aspects such as who will benefit from the grant, for how long, how easy or difficult would it be to access the benefit and what the grant amount eventually would be.

According to Woolard, *et al.* (2010:8) the term *social assistance grants* in South Africa refers to non-contributory and income-tested benefits provided by the state to vulnerable groups. Social assistance in the South Africa context is therefore unconditional and targeted.

4.3 THE ORIGIN OF SASSA

As from the 01st of April 2006 the responsibility for the management, administration and payment of social assistance grants was transferred to SASSA. Reddy and Sokomani (2008: 82) state that during the 2006/07 financial year 80% of SASSA's resources were spent on the establishment of the Agency - on operational issues and the integration of the social assistance administration and payments.

The establishment of SASSA resulted from a recommendation made by the Commission of Inquiry into a Comprehensive Social System of Social Security for South Africa (Taylor Committee). It has been established to act eventually as the sole agent that will ensure the following:

- Efficient and effective management, administration and payment of social assistance,
- Serving as an agent for the prospective administration and payment of social security and
- Rendering services relating to such payments.
- Its main function is therefore:
 - To administer social assistance in terms of Chapter Three (3) of the Social Assistance Act (Act No. 13 of 2004)
 - Collate, maintain and administer such information as is necessary for the payment of social assistance,
 - As well as be responsible for the central reconciliation and management of payments and transfers of funds in a national data base of all applications for and beneficiaries of social assistance, and
 - Establish a compliance and fraud mechanism in order to ensure the integrity of the social security system.

SASSA has, among others, the following traits:

- It is a creature of stature,
- It is a juristic person,
- It is an institution implementing policy set by the Department of Social Development and
- It is headed by a CEO who reports directly to the Minister (Olivier, Mpedi and Jordaan, 2009:63).

Figure 4.1: Head Office structure



The existing framework as seen in Figure 1 could be described as a centralised institution with limited autonomy (e.g. concurrence or approval of the Minister is required for a range of decisions, a Chief Executive Officer (CEO) manages the Agency, but is subject to the direction by the Minister and the Minister may override any decision taken by the CEO and the Minister determines a code of conduct, etc.) Notable however is the absence of any Board or other supervisory or advisory structure (Oliver *et al.*, 2009: 62).

Before 2006, prior the establishment of SASSA the social assistance functions were located within the Department of Social Development nationally and provincially. However, the provincial departments were autonomous and the national department could not institute administrative uniformity within the provinces. The integration of the provincial social assistance functions was effected through a Service Agreement which was signed between the national and provincial departments. The agreement made provision for continued support service especially corporate services from the Department of Social Development towards SASSA until SASSA could manage to operate independently in an effective and efficient manner. It included the transfer of many staff to SASSA. An important question however was whether the transferred staff were adequately trained for the new SASSA. Reddy and Sokomani (2008:50) claim that evidence from the Special Investigating Unit (SIU) brief to run a basic investigative training course for staff suggested that it was not the case, because of a general inability to take accurate, detailed and admissible statements (the most important competency for all investigation staff). These writers further claim that Nceba Matongosi, the co-ordinator of Black Sash noted in an interview that SASSA employees were more or less the same personnel who had been part of the ineffective grant administration system. It is the opinion of the researcher that the process which was followed to transfer the majority of the staff especially the operational staff who were responsible for the administration of the core business at the time of establishing SASSA might have been the most cost-effective way of staffing SASSA, but not necessarily the most effective and efficient way of securing a service of high standard which is beyond reproach. The entire organisational design, vision and mission of SASSA have changed and it was expected of the staff members to operate at a higher

level of effectiveness and service excellence, yet they have been taken from various different and fragmented departments where business was done totally differently.

SASSA is almost identical to Centrelink an Australian social security model which was established in 1997. During the establishment of Centrelink in Australia many federal administration bodies merged together with the staff and functions from various social security and employment departments into a new and independent agency. The centralisation of the administration and payments of social grants together with combating grant fraud and corruption were major underlying objectives during this merging process (Reddy & Sokomani, 2008:52).

SASSA followed almost the same trends as Centrelink. In the South African context the establishment of SASSA also called for the merging of different provincial departments into one independent statutory body. Improved service delivery and combating fraud and corruption also underpinned the establishment of SASSA. It therefore seems as if those engineers who were responsible for the establishment of SASSA borrowed extensively from abroad. Adopting international best practices and models of grant administration together with the acceptance and implementation of the recommendations made by the Taylor Commission to centralize grant administration is to be applauded (Reddy & Sokomani, 2008:78). On the contrary, the researcher is of the opinion that adopting a first-world concept and applying it to a third-world environment is not necessarily commendable. The Australian social security model operates in a country with a well established democracy unlike in South Africa where the democracy is still relatively young. The researcher is of the opinion that problems usually associated with a young democracy are issues such as power consciousness instead of service delivery innovations and the needs of people first and corruption. The highly technological social assistance system which flourishes in Australia because of the technologically advanced stage of that country might not necessarily work well in South Africa especially in the far rural areas where infrastructure and connectivity remain huge challenges.

According to the previous acting CEO of SASSA, Mr. Pakade the focus over the past four years has been on the establishment and operationalisation of the Agency. Considerable strides have been made and the Agency has worked tirelessly to improve services to beneficiaries among others shortening the turn-around time from application to approval of grants, improving access for eligible beneficiaries as well as improving beneficiary liaison. Other improvements include the establishment of a harmonised medical assessment tool, an automated grant application system in some regions, the deployment of mobile units to bring services closer to the people especially far-off rural areas, eradication of huge grant application backlogs, a decrease in litigation cases and service standards at pay-points. Mr. Pakade further says that the legacy of the past remains a challenge because there are still inequalities with regard to the availability and distribution of key enablers such as infrastructure which is critical in bringing services closer to the people. The adverse financial constraints that the Agency experienced together with the global economic meltdown, an organisational culture that still does not promote service excellence are remaining challenges that need to be addressed (SASSA Strategic Plan 2010/2013).

According to the current CEO, Ms. Virginia Petersen the priorities of the Agency continue to be customer-care centred benefits administration and management systems, improved organisational capacity and increased access to service. The automated business remains critical in order to provide a seamless approach to align enrolment, registration, verification and approvals which will be credible and reliable. The development of a new payment model with the aim of reducing high handling costs and the shift to an effective electronic payments constitute a high strategic priority of the Agency over the next years (SASSA Annual Report, 2010 / 2011).

4.4 THE FUNCTIONING OF SASSA

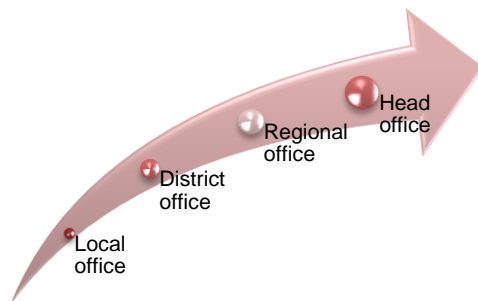
SASSA consists of one national office and nine different regions. All major decisions are taken at head office and cascaded down to regional offices.

Figure 4.2: National organisational structure



Figure 4.2 illustrates that the Head Office is the central point. The Head Office of SASSA is situated at national level in Pretoria. A CEO is in charge of the entity. Figure 4.2 further illustrates that SASSA comprises nine different regions, namely the Northern Cape, Western Cape, Eastern Cape, Limpopo, Free-State, Gauteng, North West, Kwa-Zulu Natal and Mpumalanga. Each region has its own regional office which structurally cascades down through districts to local areas (see Figure 4.3). Each region is headed by a regional executive manager who provides strategic leadership and overall management regarding the administration and payment of grants in the region. The regions comprise various districts with a district office in each district and the districts comprise various local areas with various local offices. Each district office has its own district manager who provides strategic leadership and overall management regarding the administration and payment of grants in the district. Not all local offices have local office managers.

Figure 4.3: Organisational management arrangement



SASSA has a four-tier organisational management arrangement, namely a head office, regional office, district office and local office. It is however, the opinion of the researcher that this four-tier management arrangement does not necessarily assist in a smoother, more cost effective and efficient service delivery. Unless decision-making powers and delegations are decentralised to regional offices this four-tier management arrangement can be viewed as a major stumbling block in effective service delivery, simply because correspondence with head office creates bottle-necks and administrative delays.

4.5 LEGISLATIVE FRAMEWORK

The administration of social security is about the translation of principles into practice and about transforming the promise of the law into actual results (Strydom, 2006:235). Since the establishment of SASSA in 2006 the responsibility of administration, management and payment of social grants has resided with the Agency. SASSA functions within a legislative framework which regulates its mandate. The following pieces of legislation are important:

4.5.1 The Constitution of the Republic of South Africa of 1996, and the Bill of Rights, Section 27

Section 27 of the Constitution, containing the Bill of Rights, 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). The Constitution therefore entrenches social security as one of the socio-economic rights enshrined in the Bill of

Rights (Reddy & Sokomani, 2008:10). Section 27(2) emphasizes that the state must take steps to realize this right, but simultaneously provide for some measure of flexibility in doing so. It provides that the state must take reasonable legislative and other measures within its available resources to achieve the progressive realization of each of these rights (Oliver, *et al.* 2009: 26).

4.5.2 The South African Social Security Agency Act (Act No. 9 of 2004) makes provision for the establishment of SASSA, the administration, management and payment of social grants. Reddy and Sokomani (2008:49) state that the objective of SASSA is to act as the sole agency that will ensure the efficient and effective management, administration and payment of social assistance.

4.5.3 The Social Assistance Act (Act No. 13 of 2004) prescribes the manner in which SASSA should execute its functions. These functions include the administration of social assistance, populating and managing a national database for all social assistance applicants and beneficiaries and establishing compliance and fraud mechanisms to ensure that the integrity of the social security system is maintained (Reddy & Sokomani, 2008:49). The Social Assistance Act (No. 13 of 2004) also determines the qualification requirements in respect of grants applications and ensures that minimum norms and standards are prescribed for the delivery of social assistance (Oliver *et al.* 2009:61). According to Van Rensburg and Horsten (2004: 59) in the realm of social assistance the Social Assistance Act of 2004 is the most important instrument regulating the payment of social assistance grants and other relief measures.

4.5.4 The Public Finance Management Act (Act No. 1 of 1999) regulates financial management in government departments to ensure that all expenditure, revenue, assets and liabilities are managed efficiently. The objective of this Act is to promote sound financial management. This Act therefore places an obligation on SASSA to manage its financial budget, its expenditure, revenue, assets and liabilities efficiently and effectively.

4.5.5 The Promotion of Administrative Justice Act (Act No. 3 of 2000) gives effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in Section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto. The objective of this Act is to promote fair administration. This Act therefore places an obligation on SASSA to provide written reasons why a particular decision was taken, for example why a grant application was unsuccessful.

4.5.6 The Promotion of Access to Information Act (Act No. 2 of 2000) gives effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith. The objective of this Act is to promote access to information. Any person who has applied for a social grant has the right, in terms of the provision of this Act, to know what the outcome of his or her grant application is. This Act therefore places an obligation on SASSA to provide information regarding the progress or outcome of a grant application and whether a specific grant application was successful or not.

4.6 THE GRANT ADMINISTRATION PROCESS FROM APPLICATION TO APPROVAL

There is a specific process flow from the point of first contact to the last point in the value chain where a grant application is approved or disapproved. In terms of SASSA's procedural manual, a four step process is outlined for the grant application process. The process includes screening, attesting, quality control and verification. However, Steele (2006:65) states that there are several areas in the application process where speed of delivery can be a frustration to applicants and it can be possible that an applicant experience several different delays during the delivery of the services applied for.

Figure 4.5: Process Flow

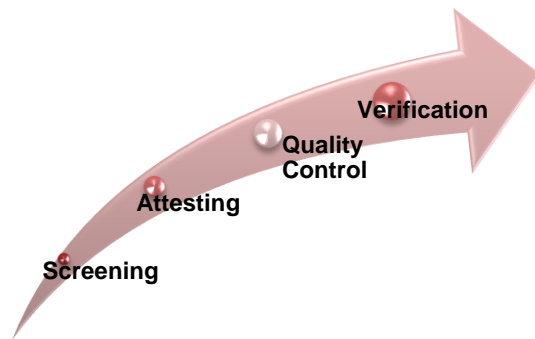


Figure 4.5 illustrates the ideal scenario for the grant administration process. It includes the screening, attesting, quality control and verification. The following activities are important during screening: check completeness of required documentation, complete checklist of required documentation, issue affidavits and forms, book customer for medical assessment if it is an application for a disability grant, receipt of all required documents and update screening register. During attesting the following activities are important: interview customer and check documents for completeness, complete the application form, capture data on SOCPEN, retain application receipt in the file and advice customer to proceed to next step and update attesting register. During quality control the following activities are important: ensure completeness and compliance of all the documentation to the legislative/process requirements, ensure that the information captured on SOCPEN is consistent with documentation required, complete quality control form and update the quality control register. The following activities are important during verification: verify information captured on SOCPEN against documentation submitted, approve or reject application on SOCPEN, issue outcome letter and receipt to customer and update verification register.

However, it might occur that at some offices due to staff shortages especially at service points in deep rural areas there might be only one or two officials. In such instances applications can not be finalised at that local office or service point and must be brought to the nearest office where the application process will be completed. In addition, certain local offices do not have network connectivity and even if there are enough officials to

take down an application it can still not be captured on the system and in such instances those applications must also be brought to the nearest office for capturing and approval purposes. This obviously seriously compromises the turn-around time of applications. It further creates unnecessary backlogs and grant pay-outs with large amounts.

4.7 VARIOUS GRANT TYPES

Kaseke (2010:164) states that by its nature social assistance schemes are selective in order to ensure that benefits are directed to the neediest members of society and this selectivity is also justified on grounds of limited state resources. The Social Assistance Act (No 13 of 2004) makes provision for grants for the following categories of children; child support grant, foster care grant and care dependency grant while the grant-in-aid is a new development in the legislation (Jansen Van Rensburg, 2005:5). In addition, the Act also caters for the war veteran grant, old age grant and disability grant. The following social grant types therefore form part of SASSA's mandate: grant for older persons; disability grant; war veterans grant; care dependency grant; foster child grant; child support grant; grant-in-aid and social relief of distress. According to the SASSA Fact Sheet: Issue no 9 of 2012, the total number of social grants recipients by 30 September 2012 was 16 079 635.

4.7.1 The child support grant (CSG)

This grant type has replaced the old maintenance grant. The maintenance grant was paid to a legal parent of the child in his or her custody, but it did not provide a general system of relief for poor families because of the qualifying criteria. These qualifying criteria included passing a means-test, the parent who was the recipient of the grant could not receive another grant type, the parents and the child/children were supposed to live in South Africa and be South African citizens. Proof was needed that steps were taken to obtain maintenance from the biological parent before the grant was approved and the grant was eventually only paid in respect of a maximum of two children (Van Rensburg & Horsten, 2004:60-61). In addition, Woolard, *et al.* (2010:15) state that it

was initially expected of children to participate in development programmes and to have proof that they had been immunized. These writers further state that the requirements were also eventually dropped after it became evident that these programmes simply do not exist in many areas. The requirement in respect of immunization was dropped out of the recognition that it often discriminates against children who were already disadvantaged in terms of access to services.

The child support grant was introduced in 1998 and the initial programme covered only children up to the age of seven years, but was further extended to children up till the age of fourteen years by 2005 (Pauw & Mncube, 2007:13). It was extended to the age of 18 years during late 2009. The grant is also means-tested. According to the SASSA Fact Sheet: Issue no 9 of 2012, the total number of child support grant recipients by 30 September 2012 was 11 306 024.

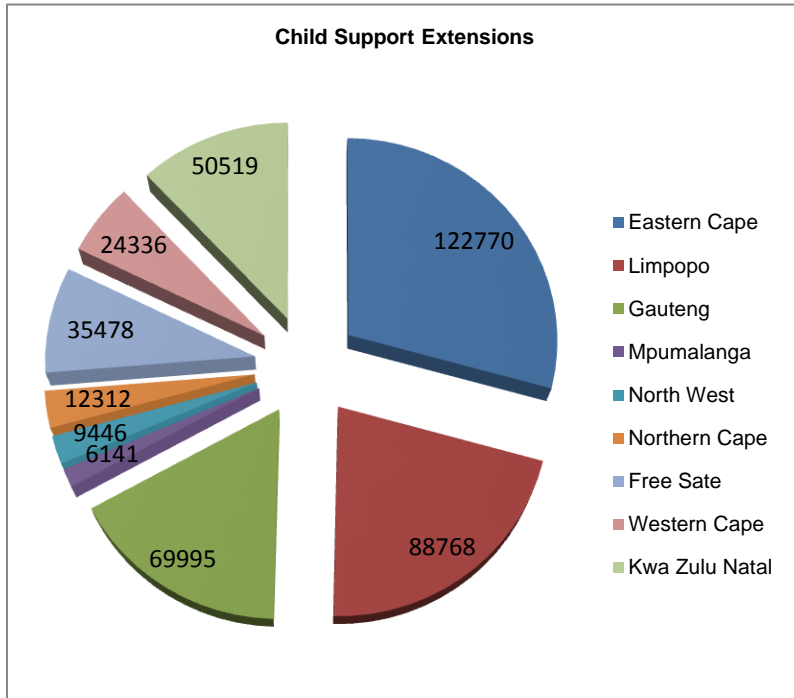
According to Lalthapersad-Pillay (2007:20) the primary care-giver who is not necessarily the biological parent could be a beneficiary of the grant on behalf of the children to a maximum of six children. However, for biological parents who apply on behalf of children there is no limit on how many children may qualify. The provisioning by the Social Assistance Act (No 13 of 2004) that a primary care-giver may receive a child support grant has various advantages especially in the context of the HIV/AIDS pandemic in South Africa. However, the main disadvantage of such provision is that those children who are living on the streets and children from child-headed households where there is no adult person are excluded from this provision. SASSA has made guidelines available in December 2009 for staff members regarding the appointment of an interim person to receive a grant on behalf of the child. These guidelines are based on Regulation 24 and Section 20 (6) of the Social Assistance Act (No 13 of 2004). An interim primary care-giver can be defined as a person older than 16 years of age whether or not related to the child who takes care of the child on a temporary basis after the death of the initial primary care-giver or parent.

In broad, these guidelines and conditions allow for a person older than 16 years of age to be appointed by a SASSA manager to serve as an interim primary care-giver. Such

interim primary care-giver will not be subjected to a means-test. The appointment is for a period up to six (6) months. The rationale behind this provision is to prevent the child who has received a grant from falling into financial hardship because the parent or the primary care-giver of the child has passed away. However, the provision does not apply in respect of foster-care children, simply because the appointment of a foster-care parent follows a legal process. It is also unfortunate that street children and children from child-headed households still fall outside this provision. Those children in terms of the criteria who fall outside the parameters of the safety net provisions still remain vulnerable and poor.

With reference to the child support grant, Van Rensburg and Horsten (2004:67) state that not all eligible beneficiaries in respect of the child support grant access the grant because of the documentary requirements. They state that it is in particular difficult if not impossible to access the child support grant for children from rural villages, street children and children from child-headed households. It is also doubtful, according to Jansen van Rensburg (2005:8) whether these children 16 years and older who might be appointed as interim care-givers will access the system given the fear of social workers, the formalities of applying for an identity document and general ignorance about the social grant system.

Figure 4.6: Child support extension



Source: SASSA Annual Report 2009/2010

Figure 4.6 illustrates the number of child support extension beneficiaries reached during the period 2009/2010 financial year. It is clearly evident that many beneficiaries have been reached since the policy changes with regard to the extension of the child support grant up to the age of 16 years. A total number of 419 765 children have been benefited in this regard nationally. The Eastern Cape is the region where most children benefited with a total of 122 770 beneficiaries followed by Limpopo with a total of 88 768 children. Mpumalanga is the region with the least children who benefited from the child support extension grant policies with a total of 6 141 children, followed by North West with 9 446 children benefiting and Northern Cape with 12 312 children (SASSA Annual Report 2009/2010).

4.7.2 Foster Care Grant (FCG)

Lalthapersad-Pillay (2007:21) regards foster care as a crucial element of care for children whose parents have died or who are unable to care for their own children. The foster care grant is provided when a children's court is satisfied that a child needs foster care. The child is placed in the care of foster parents under the supervision of a social worker. This grant unlike others is not means-tested because fostering is not seen as a poverty matter (Pauw & Mncube, 2007:14).

It is a temporary placement for a period of two years and is supposed to terminate upon family re-unification or adoption. According to Van Rensburg and Horsten (2004: 67) the aim of the foster care is to provide monetary assistance to persons other than the biological parents who take care of a child while government and private institutions search for permanent placement.

In order to qualify for this grant the applicant must be a South African citizen or someone with permanent residence or a refugee. The foster parent and the child/children must live in South Africa. A court order stating that the child has been placed under foster care must accompany the application. The child must remain in the care of the foster parent and attend school.

The foster care placement is required by law to be reviewed every two years which not only makes the grant costly and labour-intensive to administer, but it also increases the workload of the limited social workers. It results in administrative delays, non-adherence to legal reporting and the capacity to only absorb a limited number of children (Lalthapersad-Pillay, 2007:22). In addition, the HIV/AIDS pandemic has also put the system under huge pressure.

Van Rensburg and Horsten (2004:70) state that the foster care grant has become the preferred grant because of the substantially higher amount than the child support grant, the fact that it is payable to children up to the age of 18 years and foster care parents are not subject to a means-test. There is currently a huge backlog of foster care placement cases because of a shortage of social workers. The scarcity of social

workers has also resulted in a lack of monitoring services to foster care placements and lack of re-unification services to biological parents.

As a result of these factors the foster care placements have become a more permanent placement while it never was the intended purpose and the foster care placement orders are simply extended every two years. Van Rensburg and Horsten (2004:70) also argue that the mere fact that there is no social assistance available to adoptive parents may act as a deterrent to foster care parents who are considering the adoption of children in their care and therefore suggest a means-test social assistance for adoptive parents.

According to the SASSA Fact Sheet: Issue no 9 of 2012, the total number of foster care grant recipients by 30 September 2012 was 585 699.

4.7.3 Care Dependency Grant (CDG)

This grant is for children younger than 18 years of age with physical or mental disablement who require permanent home care. People older than 18 years may apply for the disability grant. The grant is also means-tested except for children who are placed in foster care. In such cases the income of the foster care parent will not be taken into consideration. Van Rensburg and Horsten (2004: 71) state that this grant type is poorly accessed and is not available for children on the basis of HIV/AIDS.

According to Lalthapersad-Pillay (2007:24) there is no specific provision for children with chronic illnesses such as HIV/AIDS and relatively few children in the terminal stages of the virus have managed to access this grant. It is further denied to children with minor disabilities despite the fact that their impairments also have financial implications (Van Rensburg & Horsten, 2004:71).

The applicant must be a South African citizen or someone with permanent residence. The person who applies and the child must live in South Africa and must not be cared for by a state institution. The person must also not be in receipt of another grant. A medical report or assessment confirming the disability must accompany the application.

Van Rensburg and Horsten (2004:56) state that the children who are HIV positive themselves are not regarded as able to qualify for the care dependency grant. Jansen Van Rensburg (2005:14) states that although this grant provides for certain contingencies such as severe disabilities it fails to provide for childhood chronic illnesses and children affected by HIV/AIDS. The writer further argues that such children and their families while not qualifying for the grant have to incur extra costs due to the health conditions which greatly reduce their chances of development and equal opportunities in life.

The major problem, according to Jansen Van Rensburg (2005:15) is the unavailability of the care dependency grant to child-headed households, children whose parents have died and who are being cared for by extended family members, children without adult care givers, children with moderate disabilities and chronic illnesses who need assistance and children living with HIV/AIDS. The writer also claims that denying children this grant on the basis of HIV/AIDS infringes on their right to social assistance, human dignity, life and equality. According to the SASSA Fact Sheet: Issue no 9 of 2012, the total number of care-dependency grant recipients by 30 September 2012 was 118 469.

4.7. 4 Old Age Grant (OAG)

Social assistance to older people is a sure way of targeting poverty among this vulnerable group and can be seen as a means of achieving redistribution and plays a pivotal poverty alleviation role for the entire household (Lalthapersad-Pillay, 2007:19). According to Duflo (2003) cited in Pauw and Mncube (2007:6) evidence from a South African study on old age pensions found positive impacts on the health of young children when the pension went to grandmothers.

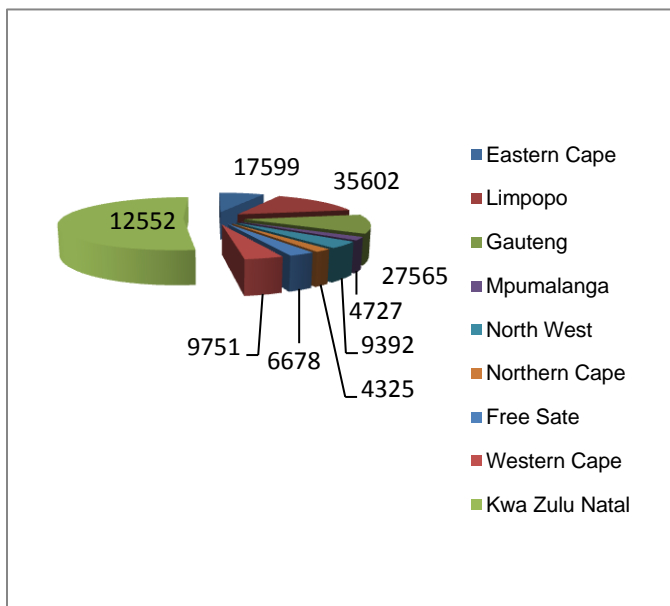
In substantiation, Lalthapersad-Pillay (2007:19) states that the OAG enables old age pensioners to support their extended family including grand children and unemployed adults since the money is used to meet basic needs such as food, clothing, education and the health needs of children. However, as much as this might be the case the

researcher poses the ethical question as to how morally correct this arrangement is for grandmothers who have their own financial needs such as food, shelter, clothes, security and health care.

Beneficiaries who want to apply for this grant are subject to a means-test. The applicant must be a South African citizen or someone with permanent residence. The person must live in South Africa and must not be cared for by a state institution. The person must also not be in receipt of another grant.

The initial qualifying age was 60 years for women and 65 years for men. However, the Social Assistance Amendment Act (No 6 of 2008) was published in the Government Gazette during July 2008 and made provision for men to qualify at the same qualifying age as women. Subsequently, an age equalisation policy was introduced by SASSA during July 2008 and men aged 64 and 63 years could apply. This age equalisation is progressively implemented until men at the age of 60 years may access the old age grant by April 2010. According to the SASSA Fact Sheet: Issue No. 9 of 2012, the total number of old age grant recipients by 30 September 2012 was 2 811 380.

Figure 4.7: Age equalisation



Source: SASSA Annual Report 2009/2010

Figure 4.7 reflects the number of men registered during the 2009/2010 financial year as a result of policy changes with regard to age equalisation. It is evident that since the age equalisation policies changed many men have been registered to benefit from this policy changes. A total number of 128 191 men have benefited in this regard nationally. Limpopo presents itself as the region where the most men have been reached with a total of 35 602 men. The Gauteng is the region with the second largest number of beneficiaries reached with a total of 27 565 beneficiaries followed by the Eastern Cape with a total of 17 599 men as a result of the age equalization policy changes. The Northern Cape is the region with the lowest number of men who have benefited from the age equalisation policy change namely 4 325 followed by Mpumalanga with 4 727 and the Free State with 6 678 (SASSA Annual Report 2009/2010).

4.7.5 Disability grants (DG)

According to Lalthapersad-Pillay (2007:23) the uniform disability grant was extended to all racial groups in 1993 and is paid to those with physical or mental disabilities that render people unable to work and support themselves. There are currently two types of disability grants, namely a temporary disability grant and a permanent disability grant. The temporary disability grant allows a beneficiary to access the grant for only a period of six months to twelve months.

The disability grant is also means-tested and subject to medical eligibility criteria (Pauw & Mncube, 2007:12). SASSA is currently making use of contracted medical practitioners to perform the medical assessments. It is only after the medical assessments are done that an application for this grant is taken down.

The applicant must be a South African citizen or someone with permanent residence or a refugee. The person must live in South Africa and must not be cared for by a state institution. The person must also not be in receipt of another grant. A medical report or assessment not older than three months confirming the disability must accompany the application. The person must be between 18 years and 60 years to qualify for this grant.

People younger than 18 years who are physically or mentally disabled may apply for the care dependency grant. The grant type of people older than 60 years will systematically be changed to old age grants. The challenge with regard to the medical assessments is that SASSA does not have a footprint in far deep rural areas and the contracted medical practitioners are many times reluctant to travel to such areas during special outreach programmes. When people from far-off areas travel to sites where contracted medical practitioners are available they often pitch up without their medical records. Consequently, their applications are not approved.

According to Lalthapersad-Pillay (2007:23) there was a huge increase (143%) in the uptake of this grant from 400 000 to 970 000 beneficiaries and he states that one of the reasons for the increase in the number of beneficiaries can be attributed to the increase in the prevalence of TB and HIV-related opportunistic illnesses. According to the SASSA Fact Sheet: Issue No. 9 of 2012, the total number of disability grant recipients by 30 September 2012 was 1 187 457.

4.7.6 War Veteran Grant (WVG)

This grant type is declining rapidly. It is also a means-tested grant and is likely to be phased out. Applicants for this grant must have fought in the Second World War (1939 to 1945) or the Korean War (Pauw & Mncube, 2007:12).

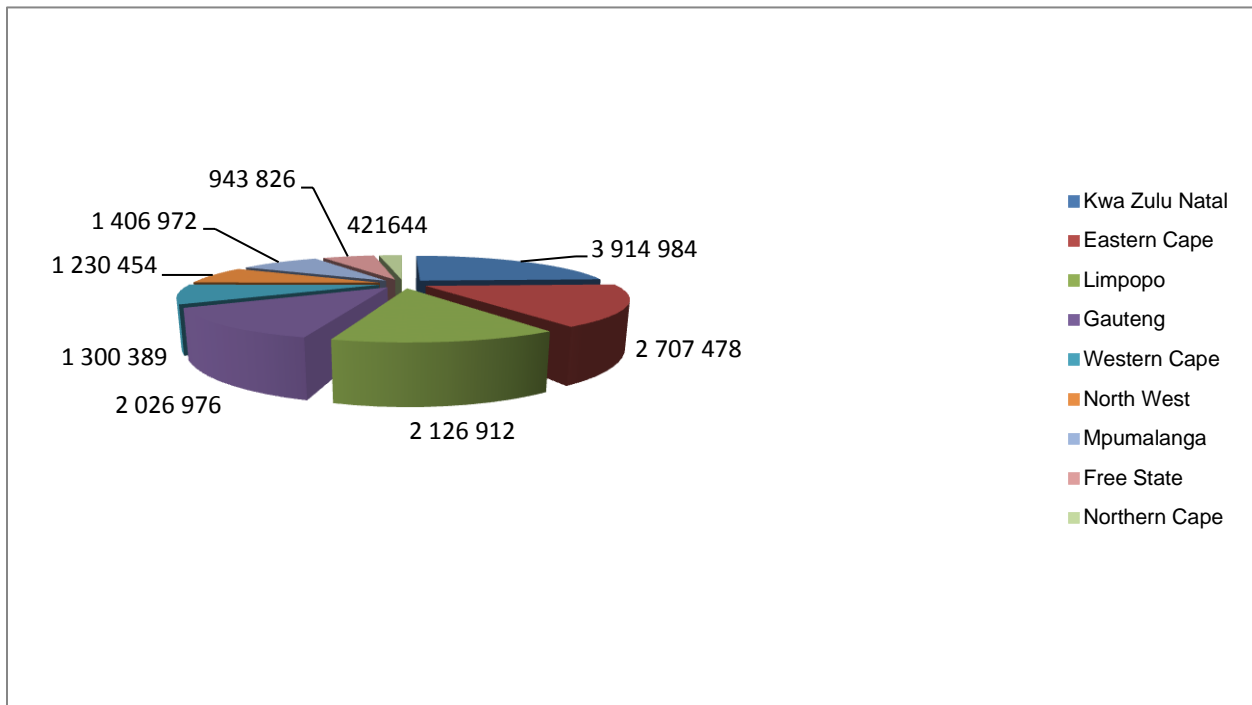
Applicants must be 60 years and older, a South African citizen or someone with permanent residency, must live in South Africa and must not be cared for by a state institution. The person must also not be in receipt of another grant. According to the SASSA Fact Sheet: Issue No. 9 of 2012, the total number of war veteran grant recipients by 30 September 2012 was 641.

4.7.7 Grant-In Aid (GIA)

Applicants who want to access this grant must be 60 years and older and already receive either the old age grant, war veteran grant or disability grant and as a result of his physical or mental condition and must require full-time care by another person.

However, the applicant must not be cared for in an institution subsidized by the government. According to the SASSA Fact Sheet: Issue No. 9 of 2012, the total number of grant-in aid recipients by 30 September 2012 was 69 965.

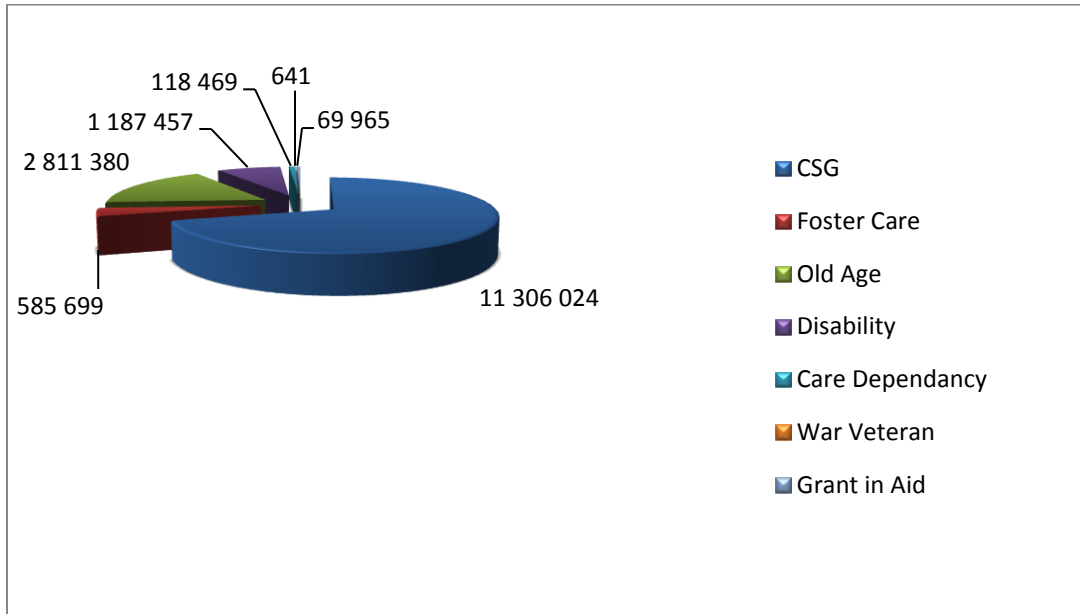
Figure 4.8: Total of grant recipients per region



Source: SOCPEN System September 2012

Figure 4.8 shows that rural regions such as Kwa-Zulu Natal have the largest number of beneficiaries, namely 3 914 984 in total followed by the Eastern Cape that has 2 707 478 beneficiaries and Limpopo with 2 126 912 beneficiaries. The more urban regions such as Gauteng has 2 026 976 beneficiaries and the Western Cape 1 300 389 beneficiaries. The Free State and the Northern Cape have the least beneficiaries with Free State 943 826 and the Northern Cape with 421 644 beneficiaries. The total number of beneficiaries who are recipients of social grants in South Africa add up to 16 079 635 people (SASSA Fact Sheet: Issue No. 9 of 2012).

Figure 4.9: Total of grant recipients per grant type



Source: SOCPEN System September 2012

Figure 4.9 reflects that most beneficiaries fall within the Child Support Grant with a total of 11 306 024 beneficiaries. The next grant type with the most beneficiaries is Old Age Grant with a total of 2 811 380 beneficiaries. The Disability Grant category is the grant type with the third most beneficiaries, namely 1 187 457 in total. War veteran recipients are the least with a small total of 641 beneficiaries. Children therefore definitely constitute unmistakably the largest group of recipients of grants in South Africa followed by Old Age grant recipients and the Disability Grant recipients (SASSA Fact Sheet: Issue no 9 of 2012).

4.8 VALUE OF SOCIAL GRANTS

The value of the social grants usually increases by the 01st of April every year. The value of the different grants as from the 01st of April 2012 is as follows:

Table 4.1: Grant types and Grant Amounts

GRANT TYPE	AMOUNT
Old Age Grant	R 1200, 00
Old Age Grant above 75 years	R 1200, 00 plus R20
War veteran	R 1200, 00 plus R20
Disability grant	R 1200, 00
Grant-in-aid	R 280, 00
Foster care	R 770, 00
Care dependency	R 1200, 00
Child support grant	R 280, 00

Source: South African Social Security Agency: Social Grants 2012

According to Lund (2002: 683) the pension is delivered either into a bank account or more commonly in rural arrears through a mobile delivery system. This is where the money is dispensed from automatic teller machines attached to vehicles which park at predetermined pension pay-points. These functions are done by the outsourced payment contractors.

4.9 MEANS TESTING

Social grants are as a rule payable subject to a means test. It implies the evaluation of the income and assets of the person applying for the social grant in order to establish whether a person's means are below a stipulated amount. Means-tested social assistance is restricted to those people who qualify for assistance in terms of a means-test (Strydom, 2006:70). It entails that the income and assets of the person be evaluated in order to determine whether the person qualifies for a social grant or not. Each year SASSA makes amendments with reference to the threshold in an attempt to curb inflation and to make the grants more accessible. Previously there was a differentiation between the applicable threshold for urban areas and rural areas, but this has been removed.

Table 4.2: Annual Asset and Income Threshold as from April 2012

ASSET AND INCOME THRESHOLD	APRIL 2012
<u>Asset threshold</u>	
Old person's, disability and war veteran's grant	
Single person	R 792 000
Married couple	R 1 584 000
<u>Income threshold</u>	
Old person's, disability and war veteran's grant	
Single person	R 47 400
Married couple	R 94 800
Child support grant	
Single person	R 33 600
Married couple	R 67 200
Care Dependency	
Single person	R 144 000
Married couple	R 288 000
Foster care	No means test

Source: South African Social Security Agency: Social Grants 2012

4.10 FUNDAMENTAL CHALLENGES IN THE CURRENT SOCIAL ASSISTANCE SYSTEM

Despite all the good ground gained in terms of making social assistance available to more and more citizens in South Africa fundamental challenges still exist in the system and in the way payments are disbursed. Steele (2006:64) states that delays are currently being experienced in terms of the capturing, validation and approval of applications by a number of factors such as the lack of sufficient human resources, lack of technological resources and the large number of backlogs to be dealt. There are still under-developed pay-points especially in far-flung rural areas where the fundamental rights of beneficiaries in terms of receiving their grants in a humane manner are compromised. The paymaster might also not bring enough money to the pay-points especially during December months. This causes disruption in payments and beneficiaries need to stay longer at pay-points and wait for their money. Loan sharks remain a huge challenge since they lend money to beneficiaries (sometime 100% loans) and keep the payment card of beneficiaries (illegally so) in order to secure their repayments. It is simply exploitation of the poor.

SASSA also does not necessarily have a footprint in all areas in South Africa in terms of offices and infrastructure. People in deep rural areas therefore have to wait for the monthly payment cycle when SASSA officials visit the area for payments to apply for grants. The scenario definitely compromises the turn-around time for the approval of grants. Those applications must be brought to the nearest office where the necessary network connectivity exists to process such applications. However, it may happen during the approval process that critical documentation or information is missing. In such instances the pay-point official has to take the application back during the next monthly payment cycle to the applicant. In such cases applicants might wait for three or more months before they receive a grant. Steele (2006:64) states that speed and response in the delivery of services are important and beneficiaries of cash benefits generally dislike having to queue and wait in offices or pay-points because delays are inconvenient and stressful.

The sporadic legal battles between SASSA and the various paymasters (service providers) are also not good for the working relationship between the two entities and for service delivery in general. There is currently a huge issue in SASSA where certain grant process functions such as the approval of grants and the review of grant cases which have lapsed on the Social Pension System (SOCPEN) may only be performed at certain delegated levels. In many instances SASSA does not have the necessary staff to perform these functions and it creates backlogs. The austerity measures also seriously hamper service delivery. The high vacancy rate and the slow pace of appointments together with the inability to retain staff also contribute to organisational memory loss and disruption in service delivery. Fraud and corruption still remain a huge challenge in SASSA and the Agency simply does not have enough resources to curb it fast enough. Unless these challenges are dealt with robustly it has the potential to overshadow all the good work done so far.

Lund (2002:688) states that there is obviously room for improvement of the system - given the necessary political will. According to Riedel (2007:73), although government's social assistance programme is one of the largest redistributive programmes and a vital mechanism to poverty alleviation, it also has its gaps. Households without members to qualify for the child support grant, old age or disability grant are left with no or minimal access to social security. The plea therefore might be for a universal type of social assistance to all who are unemployed. Lalthapersad-Pillay (2007:24) states that there is little recognition of households who are forced to care for dependents of family members who have died of AIDS. Child-headed households specifically remain in the wilderness.

The most serious concern, according to Lalthapersad-Pillay (2007:21), is the gap in targeting all the poor since the system has disadvantaged working aged unemployed people who are excluded from any social assistance. In addition, many eligible children and households lose out on grants as they do not have the necessary documentation.

Haarmann (2000:16) warns that often ineffectiveness and poor administration hamper the success of social security systems as a tool for poverty alleviation. Kabeer

(2008:114) also states that the complexity of the regulations, ineffectiveness, unhelpful and frequently corrupt officials are major reasons why eligible beneficiaries are excluded. Lund (2002: 689) highlights a concern about the number of civil servants who are illegally drawing civil pensions and the state pensions. She claims that it should be a matter of greatest administrative simplicity to stop this practice because the government holds data-bases on both civil and state pensions.

Other obstacles to access grants, according to Van Rensburg and Horsten (2004:67) include lack of awareness of eligibility for the grant, illiteracy, poor infrastructure at pay-points, long delays and backlogs in the grant application processes, inability to provide documentary proof of efforts to obtain maintenance, officials who do not understand the guidelines and policies, or different interpretation and implementation of policies as well as difficulties in obtaining supporting documentation from other government departments.

Social grant fraud and corruption are not only solved through arresting, prosecuting and recovery of money, but should go further than that. The appointment of suitable and competent candidates (even at the cost of political incorrectness) continued training of the existing staff, continued monitoring and evaluation of services rendered as well as regular quality control checks should also be re-inforced. Strengthening internal control systems such as increasing the security of the SOCPEN database is equally important. In addition, there should also be an interface between the databases of different government departments in order to detect anomalies (Reddy & Sokomani, 2008:75).

Reddy and Sokomani (2008:78) also state that serious scrutiny should take place of the costs involved in setting up SASSA in relation to the added benefits. It would also appear that the regional offices that were established to support the national office and to give strategic direction to the districts appear to create additional layers of bureaucracy. This might be impeding rather than expediting effective and efficient grant administration. In addition, these writers suggest that more training should take place especially at rural level to educate the public on the difference between SASSA and the Department of Social Development. The fact that the establishment of SASSA is based

upon Centrelink, an Australian social security model also raises serious concerns as to whether an international best practice model from a first-world country with a much longer and stable democracy than South Africa is applicable and adoptable in a third-world country with such a young democracy.

In addition, Lund (2002: 688) states that as effective as the system of support is there are serious problems which need attention and which could be addressed relatively easily. She claims that there are instances of leakage and corruption in the system. In order to guarantee effectiveness Kaseke (2010:166) also states that there is a need to address on a continuous basis some of the problems bedeviling social assistance, notably corruption and maladministration.

There are very high security risks involved in conveying so much cash around at fixed times. On the question as to how the social assistance system could be improved, Lund (2002:688) suggests that the very first step would be to raise awareness of and appreciation for the achievements of the system so far. However, she states that the new government cannot take credit for having built the system it can take credit if it sustains the system.

Practical suggestions Lund (2002:688) proposes include increasing the efficiency of the system, lowering the transaction costs to the individual beneficiary and better regulating the public-private partnership which involves some aspects of administration. The transaction costs are currently still high. The writer further states that the outsourcing of delivery to private firms has without a doubt brought certain benefits in terms of speed of service delivery and in bringing pay-points closer to where beneficiaries live. In addition, Lund (2002:688) argues that the profits being made by these private companies are such that it would be possible to get the best of both worlds, private and public by improving parts of the system. Lund (2002: 689) also argues that the outsourcing of the social grant payments has not been regulated intellectually because of the inconsistency in the unit costs being used by different firms (service providers) and too little coordination between state and the private agent when the systems fail. She also claims that private insurance companies are being allowed access to pension

lists and few provincial governments are given selective access to certain firms on the same day when payments are done. Apparently these firms use aggressive marketing tactics and make wild promises to poor beneficiaries. This leads to exploitation of the poor. These beneficiaries are largely illiterate and cannot make informed decisions on such complicated issues. Such practices should therefore be stopped.

Lund (2002:689) states there is a need for further rigorous research about the effectiveness of the pension system. However, she warns that too much flourishing of formulae and swash buckling of mathematical swords on the basis of fragile data can be dangerous for both economic and social policy. Lund (2002:682) states that South Africa is one of the few middle income countries which have so significantly increased over a period of fifty years or more a non-contributory scheme of assistance especially to older people.

4.11 CONCLUSION

The chapter focuses on the establishment of SASSA, its design, the administration and payment management of social grants in South Africa. Although the main focus is on social assistance, brief attention was given to the three different social insurance schemes, namely Unemployment Insurance under the Unemployment Insurance Act (No 63 of 2001), the Compensation of Occupational Injuries and Diseases Fund under the Compensation of Occupational Injuries and Diseases Act (No. 130 of 1993) and the Road Accident Fund.

Since the establishment of SASSA in 2006 the responsibility of management, administration and payment of social grants has resided with SASSA. Before the commencement of SASSA these functions and responsibilities resided within different provincial government administrations. However, such services were not unified in nature. SASSA's development and establishment followed similar development trends as Centrelink in Australia. It is, however, the opinion of the researcher that a concept that has worked well in a first-world environment might not necessarily be effective in a

third-world country such as South Africa, because a third-world country might not necessarily be as technologically advanced than a first-world country.

SASSA is headed by a CEO with four different executive managers reporting directly to the CEO. The four different domains include internal audit, customer care, information technology and the office of the Chief Financial Officer. Furthermore, SASSA is a national entity with the head office in Pretoria with nine different regions and operates within a legislative framework.

The growth per grant type since the inception of SASSA in 2006 until 2010/2011 has been phenomenal. The overall expansion of social grants has had a positive impact on poverty reduction.

Some of the strengths of the existing social grant administration arrangement include the following:

- SASSA is well-established as a national entity;
- It operates within a well-defined legislative framework that governs its actions and decisions;
- It has an appointed CEO who brings stability to the Agency;
- It already had 16 079 635 beneficiaries in payment of grants by 30 September 2012.

With regard to weaknesses one can list the following aspects, namely:

- There are still administrative delays in the grant administration process which create backlogs and beneficiaries have to wait longer for grant payments;
- Corruption and fraud are still prevalent in SASSA and that undermines the integrity of the system;
- Staff shortages at critical staff levels compromise the turn-around time of grant administration;
- Inadequate infrastructure and lack of connectivity exist at service points;

- Under-developed pay-points compromise the chance of some beneficiaries getting payments in a humane and dignified way; and
- There are still long queues at certain pay-points.

Notwithstanding all the weaknesses there are still opportunities that could be seized. The creation of an in-house payment model, the automation of the core business processes and the possible expansion of other social security arrangements apart from social grants to make possible a comprehensive social security service are all opportunities to be explored.

Possible threats may include aspects such as:

- Fraud and corruption;
- Political interference in administrative processes;
- Political exclusion and marginalisation;
- Sustainability of grants and the impact on the economy;
- Malfunctioning or collapse of the SOCPEN system; and
- Hijacking or manipulation of the SOCPEN system.

Despite the challenges mentioned earlier in terms of the current social assistance provision, the extent and scope of social assistance in South Africa are well-defined. The ANC-led government has certainly gained a lot of ground in terms of making sure that social assistance policies are in place to give assistance to all who qualify, irrespective of race or gender.

Tremendous gains in terms of policy developments with reference to the administration of social assistance have been made since 1994. However, too many challenges still remain in terms of the implementation of these policies. There is therefore still a lot that needs to be done in order for SASSA to operate at a level of full efficiency and effectiveness and it calls for political will, dedicated staff, who are properly trained and motivated, prudent management as well as proper infrastructure and sufficient budget. Apart from the conditions mentioned budgets need to be spent in accordance with

allocations in order to take services to the destitute. But it is a little too early and too soon to write SASSA off completely. However, serious questions should be asked as to whether international best practices, especially in first-world countries, are adoptable in a third-world country like South Africa.