

The administration of Old Age Grants: determining its influence on poverty alleviation in the Kgautswane rural community

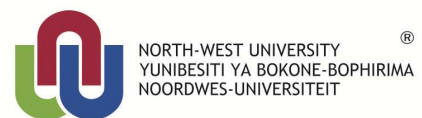
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University

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May 2015

It all starts here™



Declaration

I, Mosekami Piet Mokgala declare that

**The administration of Old Age Grants: determining the influence thereof on
poverty alleviation in the Kgautswane rural community**

**is my own work, that all the sources used or quoted have been duly
acknowledged by means of complete reference and that I have not previously
submitted the thesis for a degree at another University.**

Mosekami Piet Mokgala

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Firstly and foremost, I would like to thank God the Almighty for the work that he enabled me to complete for nothing is impossible with God, Jesus Christ the firstborn over all creation who through him I could do all things and the Holy Spirit, who is the spirit of power, wisdom and understanding. The triune God deserves my best praise.

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Abstract

Keywords: Old Age Grants, social security, SASSA, SOCPEN, social contract, sustainable development, effectiveness, efficiency, poverty, inequality, ethical, administration, public service, service delivery.

Poverty and inequality remain high in South Africa. Social grants are a mechanism implemented by the government to eradicate poverty. Post-apartheid South Africa has achieved significant transformation to adjust the ills imposed by the previous administration. Part of this transformation includes the transformation of the public service to render services effectively, efficiently and ethically. The focus of this study was to investigate how the administration of the Old Age Grants influences the livelihoods of beneficiaries in the Kgautswane rural community. Policy without effective, efficient and ethical implementation is as much use as none at all. The study investigated how policies of social security are implemented by people into practices that influence the quality of lives of beneficiaries.

In the past, the use of grants was constrained by the complexity of the application process and onerous documentation requirements. This meant that many of those eligible for grants were not receiving them. Application was also complicated by the fact that the Department of Social Development, responsible for the administration of the grants, had inadequate capacity. In recognition of these constraints, the government endeavoured to simplify the grant administration process by establishing South African Social Security Agency (SASSA), an agency that is responsible for administering social grants. The Department of Social Development retained responsibility for policy development. Alleviating poverty will remain a key challenge for government.

Social welfare is a necessity for South Africa as developmental state, but this implies that there is a need for a concerted effort by government to ensure the appropriate administration of this system to the benefit of the country, including the tax payers who fund the system. Beneficiaries remain dependent on the system for their continued livelihood, and the effective, efficient and ethical administration of the system will contribute to the development of a capable state, able to sustain the social contract with its citizens.

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CHAPTER 1: ORIENTATION AND OUTLINE OF THE STUDY

1.1 INTRODUCTION

“Overcoming poverty is not a gesture of charity. It is an act of justice. It is a protection of a fundamental human right, the right to dignity and a decent life” (Nelson Mandela, 2005).

This study focuses on the administration of the Old Age Pension Grant as a poverty alleviation mechanism. This is a policy implemented by the government of South Africa, with the Department of Social Development, through the South African Social Security Agency (SASSA), as the executive arm of government. In this chapter the background of and orientation for the research, the problem statement, the aims of the research and the paradigmatic perspective on the research methodology are set out. The research design, research methodology and chapter layout are also discussed.

1.2 ORIENTATION AND PROBLEM STATEMENT

Post-apartheid South Africa has achieved significant political transformation with incremental improvements in social services. According to the SASSA (SASSA, 2008:13), over the past decade, the South African government has implemented numerous poverty-alleviation measures, with social assistance being one of them. The social assistance programme was not designed with specific exit strategies for beneficiaries, other than a change in their living circumstances and the income levels of recipients. Social assistance is a non-contributory system of social grants, financed entirely from government revenue (SASSA, 2008:14).

South Africa attained democratic rule in 1994, but the country is still confronted by numerous socio-economic challenges. Despite the progress made by government and other role-players in raising the livelihood of many South Africans, families still live in perilous conditions. In many respects, the history of South Africa and the country's political economy continue to mould the quality of life of most families in significant ways, with social security being one (The Presidency, 2008:3).

In Section 27(1) (c) of the Constitution of the Republic of South Africa, 1996, it is stipulated that everyone has the right to have access to social security, including appropriate social assistance for those that are unable to support themselves (South Africa,1996). The White Paper on Social Welfare (South Africa, 1997:5) states that social welfare policies and programmes which provide for cash transfers, social relief and enabling developmental services ensure that people have adequate economic and social protection during times of unemployment, ill-health, maternity, child rearing, widowhood, disability and old age. Social welfare programmes of this nature contribute to human resource development by enabling impoverished households to provide adequate care for their members, especially children and those who are vulnerable. When such programmes are combined with capacity building, people can be released from the poverty trap (South Africa, 1997:5).

Triegaardt (2000:2) states that there is agreement among developing nations that social security is important for poverty prevention, since it ensures a basic minimum standard of living for people, and contributes to achieving a more equitable income distribution in society. Social security can be seen as a measure towards realising sustainable social development.

Sustainable social development is defined as the ultimate objective of social development, which aims to bring sustained improvement to the well-being of the individual, family, community and society at large. The reduction or eradication of mass poverty, inequality and conditions of under-development are widely accepted indicators of social progress in the dimensions of social welfare, health, education, housing, urban and rural development and land reform. Social welfare is a process of planned social change designed to promote people's welfare in conjunction with a comprehensive process of economic development (South Africa, 1997:99).

The Social Security Convention 102 (International Labour Organisation, 1952:29) provides a definition of social security, which is accepted throughout the developed and developing nations, which includes:

- the protection which society provides for its members through a series of public measures to:

- offset the absence or substantial reduction of income from work resulting from various contingencies (notably sickness, maternity, employment injury, unemployment, invalidity, old age and death of the breadwinner);
- provide people with health care; and
- provide benefits for families with children.

Thus, from the above, a deduction can be made that social protection is a public measure that replaces the absence of income, whilst also attempting to reduce poverty and provide a means to satisfy needs such as health care. Social protection can be regarded as a social means for needs provision.

The Report from the Committee of Inquiry into a Comprehensive Social Security System for South Africa (Taylor, 2002:21) contends that the apartheid system discriminated along racial lines, with especially poor white people benefiting. Education, health and housing benefits were biased towards whites, and job reservations ensured that white wage earnings were protected (Taylor, 2002:21). Labour policies were designed to protect the labour market position of white workers. Therefore challenges that developmental democracies like South Africa are faced with are not only pure administration of the social grants system, but also to administer these equally in such a way that the past results of injustices from inequality and racial discrimination are addressed through a system that replaces the absence of income for the vulnerable and impoverished. The effective and efficient administration of social grants is a problem that the present government needs to address so that social development can be adequately attained.

The Department of Social Development's Strategic Considerations for the Development of Comprehensive Social Security (Department Social Development, 2008:8) reports that there are central priority areas for the reform of social security, such as:

- to ensure that the social assistance framework and government funded basic services are functional, adequate, complete and efficient;

- to introduce a contributory social security framework sufficient to ensure adequate levels of protection to income earners; and
- to introduce appropriate redistributive measures aimed at income earners to:
 - mitigate any identifiable effects of social security provision on the labour market;
 - participate within the formal sector;
 - improve access to social security by removing access barriers, whether financial or institutional; and
 - improve incentives to enter and remain within the formal labour market.

From the above it can be argued that the policy around the provision of the social right to social protection receives enough consideration and resources from government with the intention of mitigating income gaps. The Department of Social Development (2011:11), states that policy makers must introduce appropriate redistributive measures to improve access to social security by removing access barriers whether financial or institutional.

Section 195 of the Constitution, 1996, states that public administration through which social assistance is rendered must be governed by democratic values and principles such as promoting and maintaining high standards of professional ethics, and the efficient, economic and effective use of resources (South Africa, 1996). The Constitution, 1996, also stipulates that the focus should be on ensuring that public administration is development-oriented, that services are provided impartially, fairly, equitably and without bias, that people's needs must be responded to, and that an accountable public administration embraces transparency fostered by providing the public with timely, accessible and accurate information (South Africa, 1996).

The administration of social grants is subject to these Constitutional guiding principles that entail values and ethics that promote efficiency, effectiveness, transparency, justice, fairness and accountability, while barriers to gain access to these services must be removed. The research investigates the challenges in the administration of the old age grants in meeting these constitutional requirements of public administration.

During 2004, the administration and the disbursement of social grants were unified when the SASSA Act, 2004 (Act 9 of 2004) established the South African Social Security Agency. The mandate of SASSA is regulated by the Social Assistance Act, 2004 (Act 13 of 2004). The Department of Social Development focuses on the development of social policy and monitoring of service delivery. The delivery of the welfare services is now the main activity of the provincial Departments of Social Development (SASSA, 2011:33).

The SASSA was created to promote efficiency and effectiveness in the administration and payment of grants to improve social assistance service delivery, mainly by improving co-ordination and raising administrative standards. For the purpose of this research, emphasis is placed on old age grants and the manner in which the administration of these grants alleviates poverty in the Kgautswane rural area. Social assistance in the form of Old Age Grants is provided as a means to bridge the income gap for older citizens. This is also a means to substitute income for elderly people who never contributed to any pension schemes due to unemployment or lack of income (Department of Social Development, 2011). The SASSA's administrative system is called the Social Pension System (SOCPEN). An effective and efficient administration of the SOCPEN should include an instrument through which policy is implemented in such a way that the correct cash benefit is transferred to every person eligible at an appropriate time. Such a system should have adequate controls in place to be able to exclude persons not eligible from accessing social security benefits and also limit any unintended effects that may occur (SASSA, 2011:23).

According to SASSA (2011:6-7), the characteristics of an effective and efficient grants administration system include:

- delivery and volume;
- speed of service;
- accuracy and adequacy; and
- user efficiency.

SOCPEN has two levels of functioning namely the application and process level; and the maintenance, verification and information monitoring level. The application and process level is a provincial function where the responsibility is to receive, capture and approve grant applications. However, in some instances, the process is further decentralised to district levels in order to improve service delivery. Once an application has been approved and registered on the system for payment at provincial sphere, the responsibility of voucher generation, validation and information monitoring becomes a SASSA function at national sphere (SASSA, 2011:31). The manner in which services are provided has a direct impact on beneficiaries and will therefore influence their perception of social grants.

There are challenges such as inadequate Information Communication Technology (ICT) and office space associated with the administration of social grants. The SASSA has achieved an average turnaround time of nine days which is an improvement from previous turnaround time for new applications. The SASSA embarks on a process of rolling out systems to ensure systems integrity and response time in the capturing and verification of grant applications. In effecting efficiency in the grants payment system, the SASSA focuses on reducing costs incurred in the payments of grants. Human resource development is also at the heart of the turnaround strategy of effective administration of social grants. The moratorium on the filling of positions and its subsequent implications on service delivery had to be balanced against the SASSA's commitment to improve access and deliver quality services. There is also continued commitment to relentlessly uproot fraud and corruption in the administration and payment of grants (SASSA, 2011:36).

Another major challenge for administration of social grants, is that social grants are paid by the national government to the provinces as part of their annual allocations and this money is not ring-fenced or specifically reserved for social grants. In some provinces this has led to shortfalls and non-payment of grants. In general there is no guarantee that this money will be utilised for social grants and not channelled in other directions (Van Zyl, 2003:112).

Other challenges, according to Van Zyl (2003:11), relate to the frequent inability of the provincial governments to administer the system and to ensure timely and correct pay outs of benefits. The privatisation of the distribution function has not improved the situation. Challenges experienced with the payment of pensions include a lack of security at pay-points, the appalling conditions in which pensioners have to queue for their pensions, the harsh and unfriendly treatment of older people, the lack of skills among the staff responsible for pension administration, inadequate infrastructure and information systems, and fraud and corruption. The pensioners mainly affected are the poorest of the previously disadvantaged groups in society (Department of Social Welfare, 2001).

The General Household Survey (Statistics South Africa, 2011) is a household survey that has been performed annually since 2002 by Statistics South Africa. The Survey was introduced to address a need identified by the Government of South Africa to determine the level of development in the country and to measure, on a regular basis, the performance of programmes and projects that were implemented to address these needs. The Survey is specifically designed to measure multiple facets of the living conditions of South African households, as well as the quality of service delivery in a number of key service sectors. The percentage of individuals that benefited from social grants increased from 12.9% in 2002 to 29.6% in 2011. Simultaneously, the percentage of households that received at least one grant increased from 30.1% in 2002 to 45.7% in 2009 before declining slightly to 44.4% in 2011. Table 1 below shows that the incidence of poverty generally increased with the age of individuals. The relatively high poverty rates among individuals aged 65 and older reflected the clustering of the destitute around the recipients of Old Age Grants.

Table 1.1: Indicators of poverty by the age of household head.

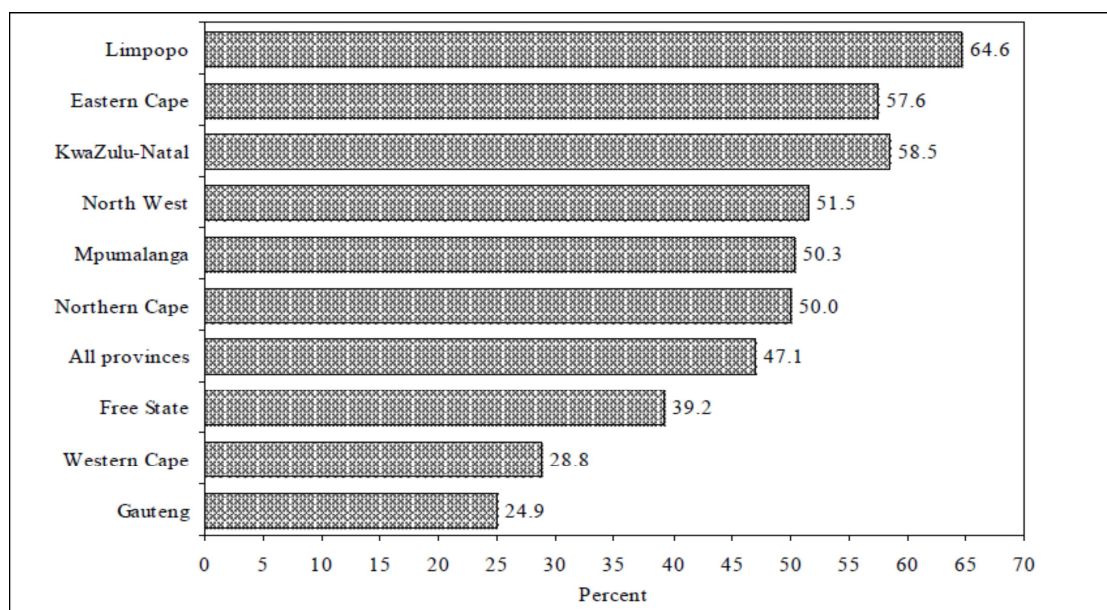
Age (Years)	Poverty Rate (%)	Percentage shares of all households	Percentage shares of poor households
0-14	21.9	0.3	0.2
15-24	27.9	5.7	4.8
25-34	23.9	22.3	16.0
35-44	31.4	22.1	20.9
45-54	34.2	20.3	21.0
55-64	36.8	14.9	16.5

65+	47.3	14.4	20.6
All age groups	33.2	100.0	100.0

Source: Statistics South Africa (2008).

The poverty rates of South Africa's nine provinces differ significantly, as do those of the urban and the rural areas of the country (Armstrong, *et al*, 2008:9). Figure 1 below shows that in 2005/06 the poverty rates in the various provinces ranged from 24.9% in Gauteng, 28.8% in the Western Cape, 57.6% in the Eastern Cape and 64.6% in Limpopo, this being the highest. The three provinces with the highest poverty rates namely KwaZulu-Natal, the Eastern Cape and Limpopo constitute 47.4% of the South African population.

Figure 1.1: Provincial poverty rates among individuals.



Source: Statistics SA (2008): Income and Expenditure Survey 2005/06.

The ruling party's election manifesto, since 1994, is to create a better life for all South African citizens (Zuma 2009:1). Post 1994 elections, the government had a significant task to operationalise its manifesto. According to Hoogeveen and Ozler, (2005:59), despite the apartheid system coming to an end in 1994, South Africa still faces developmental and economic challenges such as high poverty, crime and unemployment rates, excessive socio-economic and income inequalities and HIV/Aids. The Presidency (1994:4) argues that the promotion of human development

and the eradication of poverty and inequality would allow South Africa to attain high and sustainable levels of development.

In the latest manifesto, (ANC,2014), the ANC's review of the present government achievement points to the fact that thousands more people have been lifted out of extreme poverty through the expansion of social grants, housing, water, electricity and other basic services and furthermore through improved access to better education and health care. This was attested to by the 2011 Census which outlined progress in these areas. Increasing access to services will be the focus of government for the next years (ANC, 2014).

From the above, it can be argued that access to welfare services, which include the Old Age Grant, is a strategy by the present government in its drive to eradicate poverty and inequality and to attain sustainable development for all its citizens. The specific focus of this study is on the manner in which the administration of the Old Age Grant addresses the socio-economic challenges highlighted above with specific reference to the Kgautswane rural community.

According to Chapman (2006:116-118) the rationale of social grant assistance is to reduce risk, chronic poverty and vulnerability of citizens. Social grants, especially the Old Age Grant, reach that goal by reducing the extent of poverty for the elderly in South Africa. Van der Berg, *et al*, (2006:34) argue that social grants are important sources of income for poor households, especially in rural areas, as they contribute up to 50% of income in households headed by the elderly and prevent many such households from falling into poverty.

The elderly represent 20.6% of the total population that live in poverty in South Africa. As already indicated, the study focuses on the Kgautswane rural community in the Limpopo Province of South Africa. This area was part of the former Sekhukhuneland homeland in the apartheid era and comprises 18 tribal villages of scattered homesteads with a population of around 200,000. The sole access to the surrounding area is via an unpaved road linking the villages to the nearby towns of Burgersfort, Ohrigstad and Lydenburg which are between 15 and 40 kilometres away (Ntawanga, 2013:51).

The Kgautswane rural community has high unemployment levels estimated at 60% of the population. The community also has lower levels of education, and inadequate health care facilities, with only one clinic situated at the Thusong Multipurpose Community Centre. The sectors that offer employment are agricultural farming and slate mining in the surroundings of Ohrigstad and Lydenburg. There are infrastructure shortages for basic service delivery such as water and roads, and other services such as ICT. The social grants are paid out at the Tribal Authority offices. Beneficiaries have to travel long distances on foot from the surrounding areas, to get to the pay-point and also to submit an application at the Department of Social Development's local offices in the towns of Lydenburg, and Praktiseer. The research seeks to investigate the administration of specifically the Old Age Grant by observing the manner in which these services are provided.

The problem statement for this research addresses the extent to which employees and service providers involved in the administration of Old Age Grants in the Kgautswane rural community are capacitated to provide effective, efficient and professional service to the beneficiaries of the grant. The study seeks to address institutional incapacities that defeat the objectives of an efficient, effective public service delivery that impacts on the strategies to alleviate social problems such as poverty.

1.3 RESEARCH OBJECTIVES

The objectives of the study are to:

- describe the theoretical and legislative frameworks pertaining to social assistance in South Africa;
- describe the extent of ethical, efficient and effective administration of the Old Age Grants by service providers in the Kgautswane rural community;
- determine the impact that administration of the Old Age Grants has as a poverty alleviation mechanism on the livelihoods of beneficiaries living in the Kgautswane rural community;

- propose solutions to the challenges identified through the empirical investigation, facing the administration of the Old Age Grants in the Kgautswane rural community.

1.4 RESEARCH QUESTIONS

The following questions can be asked:

- What are the theoretical and legislative frameworks that support social assistance in South Africa?
- How ethical, effective and efficient is the administration of Old Age Grants in the Kgautswane rural community?
- What is the influence of the administration of Old Age Grants in alleviating poverty on the livelihoods of beneficiaries living in the Kgautswane rural community?
- What are the recommendations proposed to ensure effective and efficient administration of Old Age Grants in the Kgautswane rural community?

1.5 CENTRAL THEORETICAL STATEMENTS

- Social protection can play a fundamental role in creating more inclusive and sustainable development pathways, wherein the absence of social protection, especially the most vulnerable, are subjected to increased risks of sinking below the poverty line or remaining trapped in poverty for generations (United Nations, 2012:3).
- Wherever social protection systems with wide population coverage and adequate and affordable benefit levels are in place, they have been effective in reducing poverty and inequality as well as promoting economic and social development at large (United Nations, 2012:4).
- Social grants are regarded as a redistribution programme and play a critical role in poverty alleviation and promote social development in households headed by old aged persons (Manuel, 2003:7).

- Administration in every sphere of government is governed by the values and principles governing public administration in Section 195(1) of the Constitution (Public Service Commission, 2002:4).
- There is a constitutional requirement for all spheres of government to provide effective, efficient, transparent, accountable and coherent government for the country to secure the well-being of the people and the progressive realisation of their constitutional rights (Public Service Commission, 2002:5).
- 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).

The next section discusses the methodology followed in the study.

1.6 METHODOLOGY

The purpose of this section is to describe the research methodology used in this study. According to Bailey (1982:32), a research methodology is the philosophy of the research process. Babbie and Mouton (1998:39-40) state that choosing the research methodology to be used in a research project depends on the research problem and the research objectives. Babbie and Mouton (2011:49) also state that scientists use a variety of methods and techniques in research. Methods used vary according to the tasks they perform, from methods and techniques of sampling, to data collection methods to methods of data analysis. But the selection of methods, and their application, is always dependent on the aims and objectives of the study, the nature of the phenomenon being investigated and the underlying theory or expectations of the investigator.

Three broad methodological paradigms have dominated the scene in recent social research: the quantitative, qualitative and participatory action paradigms (Babbie & Mouton, 2011:50). For the purpose of the study, a qualitative paradigm is followed.

Qualitative researchers attempt to study human action from the insiders' perspective. The goal of research is defined as describing and understanding rather than the explanation and prediction of human behaviour. The emphasis is on methods of

observation and analysis such as unstructured interviewing, participant observation and the use of documents (Babbie & Mouton, 2011:53). The qualitative research paradigm provides the researcher with the perspective of target audience members through immersion in a culture or situation and direct interaction with the people being studied. Qualitative research methods used in social research include observations, in-depth interviews, focus groups and the analysis of documents (Babbie & Mouton, 2011:53). For the purpose of this study the qualitative paradigm is used, as the phenomenon being studied involves a real life experience in the administration of Old Age Grants in the Kgautswane rural community. The advantage of using qualitative research is that it generates rich, detailed data that leaves participants' perspective intact and provides a context for understanding behaviour. A disadvantage is that data collection and analysis may be labour intensive and time-consuming (Webb & Auriacombe, 2006:592). The research will describe how the administration of Old Age Grants benefits those in the Kgautswane rural community and data will be collected using literature review, interviews and observation as research instruments.

1.6.1 Research design

A research design is a plan or a blueprint of how a researcher intends to conduct the research. Webb and Auriacombe (2006:589) argue that a research design consists of a plan, a roadmap, that allows the researcher to test the validity of the hypothesis or answers to the questions. According to Babbie and Mouton (2001:205), qualitative research designs are divided into ethnographic studies, grounded theory, case studies, participatory action research and phenomenological studies. For the purpose of this study a case study design is appropriate.

Bailey (1972:42) defines a case study as an in-depth study of one or a few cases in contrast to a more superficial cross-sectional study of a larger sample. Creswell (2007:166) regards a case study as an exploration or in-depth analysis of a bounded system, bounded by time and/or place, or a multiple or single case, over a period of time. The case being studied may refer to a process, activity, event, programme, individual or multiple individuals. Graham (2000:1) defines a case as a unit of human activity embedded in the real world. The case study is an intensive investigation of a single unit. This unit can vary from individual people, families, communities, social

groups, organisations and institutions, events and countries (Babbie & Mouton, 2011:310).

Case study design differs from other methodological frameworks in that it is more of a framework for designing a study than for conducting a study. According to Baxter and Jack (2008:544-559), a qualitative case study is an approach to research that facilitates exploration of a phenomenon within its context using a variety of data sources. This ensures that the issues are not explored through one lens, but rather a variety of lenses which allows for multiple facets of the phenomenon to be revealed and understood. Stake (1995:45) emphasises that the most important advantage of a case study is that it enables the researcher to present the complexity and multi-dimensionality of a case. The case study as a qualitative research strategy is best applied to understanding social phenomena in relation to their wider context. It does not seek to identify the causes of phenomena, but rather seeks to gain a better understanding and to address the complexity of the case. Merriam (1998:76) argues that the case study is designed to gain an in-depth understanding of the situation and the meaning involved. Its interest is in the process rather than the outcomes, in context rather than specific variables, in discovery rather than information. Edwards (2009:27) states that a case study is used to explain an intervention and the real-life context in which it occurs. In essence, the core strength of case study lies in exploration and description.

There are three types of case study designs according to Yin (1994:1-12), namely: a holistic case embedded single case, a holistic multiple case and an embedded multiple-case. An embedded case focuses on sub-units, therefore this study is embedded as it focuses on Old Age Grants and the administration and benefit thereof within a single community, namely Kgautswane, within social assistance grants in the entire social security system.

The next section discusses the instruments followed to conduct the study.

1.6.2 Instruments

This section discusses the instruments used in the course of the study. Mouton (1998:37) describes research methods as the methods or instruments that are used in certain stages of the research process such as sampling, data collection and data

analysis. For the purpose of this research, the methods used for data collection include a literature review, interviews and observations, which will now be described.

1.6.2.1 Literature review

According to Taylor (2001:1), a literature review is a structured evaluation and classification of what reputable scholars previously have written on a topic, the sources and identification of a particular research problem. A literature review sets the basis for the analysis of research, enabling the researcher to comprehend the structure of the research and presenting the justification for the research. Theron (2005:167-186) advises that the literature review should not be divorced from the general research process such as interviews, questionnaires, focus groups and participatory methodologies.

According to Theron (2005:186), a literature review gives the reader a clear picture of the planning which went into the research. Furthermore, it also provides a context to the research, it convinces the reader of the knowledge gained through the research, it builds a strong case for the research and enhances the practical value and possible outcomes of the research.

Wellington *et al* (2005:73), distinguish the following purposes of literature review:

- identifying gaps in knowledge and developing a research problem;
- identifying a theoretical framework upon which to base the research;
- identifying issues and variables related to the research topic; and
- identifying methodologies.

For the purpose of this study, the literature review comprises books, journals, acts of parliament, articles, newspapers, and papers submitted during workshops and conferences related to social security and poverty, reports on social security in the South African context and perspective and annual reports from non-governmental organisations and the Department of Social Development and its agencies such as SASSA.

1.6.2.2 Interview

A qualitative interview is an interaction between the interviewer and a respondent in which the interviewer has a general plan of inquiry but not a specific set of questions (Babbie & Mouton, 2011:289). The data collection interview is a common technique for data collection among researchers in the social sciences, often used as part of conducting a survey. Interviews are categorised into structured and unstructured interviews. This study made use of unstructured interviews.

Unstructured interactive interviews are shared experiences in which researchers and interviewees come together to create a context of conversational intimacy in which participants feel comfortable telling their story (Ramos, 1989:57). Larossa *et al.* (1981:303) contend that in the comfortable atmosphere of the home and when there is trust, information that a participant might not have otherwise chosen to reveal might be more easily shared. The authors imply that the stance of “interviewer as a friend” rather than an impersonal professional crosses conversational trust boundaries and may entice the participant into providing information that they might later regret. According to Kvale (1984:171), the very act of talking with another person that shares a common interest, is genuinely interested in your viewpoint, and who is not critical can be a richly rewarding experience. Unstructured interviews are not interrogation sessions. No-one is asking a series of questions to which participants are expected to respond. The purpose of unstructured interactive interviews is to provide guidance but to gather information about topics or phenomena that happen to be of interest to researchers and at the same time are significant events or experiences in people’s lives.

Hutchinson *et al.* (1994:161-164) list the following seven possible benefits of unstructured qualitative interviews:

- serve as a catharsis,
- provide self-acknowledgement and validation,
- contribute to a sense of purpose,
- increase self-awareness,
- grant a sense of empowerment,
- promote healing, and

- give voice to the voiceless and disenfranchised.

The study interacted with interviewees while the administration of the Old Age Grants in the Kgautswane rural community was investigated. The process of the unstructured interview was not interrogative, while real life experiences with the administration of the Old Age Grants were noted. Interviewees were empowered through an opportunity to voice their concerns that result in findings of the empirical investigation.

According to Brzuzy, *et al*, (1997:76-83) there are some disadvantages or risks associated with unstructured qualitative interviews listed as follows:

- a lack of concentration and anxiety in anticipation of being interviewed,
- interviewees may experience emotional distress while being interviewed, and
- sensitive information may disturb participants' emotional state when doing interviews and interviewees may show frustration, behavioural outbursts of pain, sadness, and grief.

The interview process was conducted with sensitivity to the interviewees and the topic of administration of Old Age Grants is not considered particularly politically or emotionally sensitive. Reasonable care is taken not to disclose any confidential information during and after the research to ensure an adherence to ethical considerations.

The unstructured interview will take place in a setting of a one-to-one interview with the social grants beneficiaries and the employees from SASSA. The respondents were asked questions from the topic of the research, where their responses were noted. The interviewer analysed the content of the discussions after the discussions whilst the essential content that reflects on the purpose of the study was searched for. Through unstructured interviews, issues related to illiteracy which may occur in a rural area were addressed, since interviewees were accessible and there were no language barriers. A list of possible questions for the unstructured interview conducted with beneficiaries and employees of the SASSA is attached as Annexure A.

The study uses two methods for data collection, namely unstructured interviews and observation. The next section discusses the second method of data collection, which is observation.

1.6.2.3 Observation

Observation was used as a data collection instrument specifically to observe the administration of the old age grant application process. According to Babbie and Mouton (2011:293) there are two major types of observations, namely simple observation, where the researcher remains an outside observer, and participant observation, where the researcher is simultaneously a member of the group being studied and a researcher also conducting the study. This research uses simple observation.

The advantages of observation are as follows (Kelleher, 1993: 126):

- it forces the observer to familiarise himself/herself with the subject;
- it allows previously unnoticed or ignored aspects to be seen;
- people's actions are probably more telling than their verbal accounts and observing these are valuable; and
- it is unobtrusive.

The research will rely on observation to determine the capacity of the employees engaged in the administration of old age grants, and to establish if they are in line with the expected conduct as prescribed by the Department of Social Development which is discussed in the following chapters. The observation was carried out during pay outs and during applications for old age grants at the satellite offices. A list of points for observation on the application process from application to final outcome is attached as Annexure B.

The next section discusses the population and sampling.

1.6.3 Population and sampling

A study population is that aggregation of elements from which the sample is selected (Babbie & Mouton, 2011:174). The population consisted of Old Age Grant beneficiaries in the Kgautswane rural community, employees of SASSA and the Department of Social Development in the offices situated in Lydenburg, Burgersfort and Praktiseer servicing the Kgautswane rural community.

Sampling is the process through which participants are selected for inclusion in the study (Babbie and Mouton, 2011: 164). There are two methods of sampling, distinguished as non-probability and probability sampling. Auriacombe and Mouton (2007:448) state that qualitative field research involves non-probability sampling which is often referred to as theoretical or judgemental sampling. The reasons for the use of this sampling method according to Auriacombe and Mouton (2007:448) are as follows:

- smaller interactive units can seldom be enumerated before they occur while studies of larger units such as a community, area in the city or an organisation are usually restricted to the one case under investigation;
- the delicate operation of entering the field, which entails locating suitable observation sites and making fruitful contacts, also necessitates non-probability selection;
- convenience and accessibility determine where the researcher can begin to make his or her observations; and
- the time required to conduct field observation tends to restrict the possible sample size to a very small number of cases.

The research used non-probability sampling. Purposive or judgemental sampling is appropriate, as it allowed for the selection of a sample on the basis of knowledge of the population, its elements and nature of the research aims. A sample was drawn from non-governmental social service providers, government employees and beneficiaries in the Kgautswane rural community. The sample consisted of 20 Old Age Grant beneficiaries out of an estimated 600 beneficiaries serviced per month and three out of seven SASSA employees working with Old Age Grants in the Lydenburg, Thushanang Community Centre and Praktiseer local offices. The

observation of the manner in which grants are administered was conducted twice when grants are paid out at the Ba-Bina-Nare ba Kgwete Tribal Authority office which is a pay-point, and two visits to the Praktiseer, Thushanang Community Centre and Lydenburg offices where applications for the social grants are carried out.

1.6.4 Data analysis

According to Babbie and Mouton (2005:491), qualitative data analysis is all forms of analysis of data that are gathered using qualitative techniques, regardless of the paradigm used to govern the research. Qualitative data will normally consist of narrative descriptions, explanations and predictions of processes, outcomes and impacts of events, developments, thought and behaviour patterns related to a specific issue under consideration. In qualitative research, data analysis is a continuous processing, comparison and assessment procedure that starts when the researcher begins to collect literature on the subject or gains entry into the field to gather empirical data (Cloete, 2007:513).

Within the qualitative research paradigm, data analysis is aimed at describing and contextualising events and phenomena through the use of qualitative logic in order to interpret, understand, explain and predict other events and phenomena in future. The main objective of any data analysis exercise is therefore to transform raw input data in the form of facts, figures, observations, perceptions and findings through nuanced and contextualised interpretations that attach meaning to those input data (Cloete, 2007:514).

Cloete (2007:515) states that the thematic framework is the initial coding framework which is developed both from a prior assumption and theoretical models and also from emerging issues in the data familiarisation stage. This was developed from the problem statement and research objectives and was refined during subsequent stages of analysis.

The next stage in the data analysis process is the indexing, classification and coding stage in the framework. According to Welman *et al*, (2005:214) codes are tags or labels that attach meaning to the raw data or notes collected during the field work, used to retrieve and organise chunks of text in order to categorise it according to particular themes. Welman *et al*, (2005:213) state that after the researcher has

compiled and processed the information, the challenge is to reduce the huge amount of data to manageable and understandable texts in order to make sense of the data that has been collected. The systematic coding or other forms of indexing or classification of text is a key element of qualitative data analysis. Coding is done by identifying themes in the qualitative data and categorising the respondents by theme to make the analysis more rigorous.

The last stage of data analysis involves the important step of interpreting what has been achieved so far in the analysis. It involves a search for patterns of similarity or even differences, causal relationships, associations, correlations, concepts and explanations in the data, frequently aided by visual displays and plots (Cloete, 2007:517). Discovering patterns is the ability to see patterns in seemingly random information. In examining data the researcher will search for patterns appearing across several observations or descriptions that typically represent different cases under study. Patterns consist of consistent similarities and differences in events, causes, consequences, results, outcomes and impacts (Cloete, 2007:517). The study relies on similarities established from answers given during the interviews and patterns observed that form a trend to arrive at a conclusion.

The next section discusses the limitations and delimitations of the study.

1.6.5 Limitations and delimitations

The limitations identify potential weaknesses of the study. The study will be conducted in the Kgautswane rural community in the Limpopo Province. Findings from the research will be specific to the case and cannot be generalised to the entire Old Age Grants administration system.

Delimitation addresses how a study will be narrowed in scope. The study will focus only on the administration of the Old Age Grants as a form of social assistance. The focus of this study will only be on the administration of Old Age Grants, the influence they have on poverty alleviation, their accessibility and how effective, efficient and ethical are social services connected to Old Age Grants administration in the Kgautswane rural community of the Limpopo Province.

1.7. SIGNIFICANCE OF THE STUDY

The study establishes and explores the qualitative perception of the beneficiaries of Old Age Grants about the services they receive, the influence that the Old Age Grants have on their livelihoods in alleviating poverty and the professional conduct of service providers during the administration of social services. From this it can be established whether there is a need for a further transformation of social security policy for the administration of Old Age Grants.

The use of resources in implementing the Old Age Grants is described in an attempt to understand whether the social grants meet the objectives, goals and outcomes they are intended to meet, as set out in the strategies of the Department of Social Development and the SASSA.

New knowledge about grants administration in the rural communities is presented as the research describes the process. The research presents new findings that also add to existing literature from observations to investigate the accessibility to Old Age Grants and the manner in which they are administered, while also describing the influence that the social grants have in promoting social development and poverty alleviation.

1.8. CHAPTER LAYOUT

Chapter 1: Orientation and outline of the study, outlines the orientation and problem statement of the study, by giving an outline of the topic, culminating into a problem statement, research questions and study objectives. The research methodology, significance of the study and provisional layout of chapters are also discussed.

Chapter 2: The historical origin and theoretical framework for the administration of social assistance, discusses the historical origin of social security in South Africa and the theories that support social assistance.

Chapter 3: The policy environment enabling social assistance, describes the legislative framework, policies and acts as well as the current administrative system supporting Old Age Grants. The discussion will be drawn mostly from literature reviewed.

Chapter 4: Challenges related to the administration of the Old Age Grant in the Kgautswane rural community, focuses on the challenges to the administration of Old Age Grants in the Kgautswane rural community. Challenges identified through the empirical investigation will be discussed in this chapter.

Chapter 5: Proposals for improving the administration of social assistance in the Kgautswane rural community, offers a solution to the challenges identified through the empirical investigation and proposes measures in addressing the gaps in the administrative process.

Chapter 6: Conclusions and recommendations, focuses on conclusions and recommendations made based on the previous chapters.

1.9. CONCLUSION

This chapter provides an orientation for the research in terms of the problem statement. The research seeks to investigate the administration of the Old Age Grants, while determining the influence thereof on poverty alleviation in the Kgautswane rural community. The Kgautswane rural community depend on social grants including the Old Age Grants as a minimum source of income affecting their standard of living. The aims of the research, the methods of research, the objectives, the design of the research and the significance of the study were also discussed. In the next chapter the historical origins of social security in South Africa as well as the theories underpinning social assistance are discussed.

CHAPTER 2: THE HISTORICAL ORIGIN AND THEORETICAL FRAMEWORK FOR THE ADMINISTRATION OF SOCIAL ASSISTANCE

2.1 INTRODUCTION

The chapter describes the historical origin of social security in South Africa covering the period prior to the first democratic elections of 1994, and explains the current system of social security after 1994. The theoretical framework for social assistance is also discussed in this section.

Social security involves measures taken by the state to protect vulnerable members of society from social contingencies and risk, such as unemployment, disability and poverty. Through cash transfers, the state ensures that affected persons should have at least a minimum income that should meet basic needs. Social security measures are viewed as safety nets to prevent absolute poverty for families, and to attempt to move those families closer to the poverty line, out of poverty (Van der Berg, *et al*, 2009:23). However, social security should not be merely providing safety nets and minimum standards of living. Interventions should also aim at the rehabilitation and integration of persons back into social and economic life, foster independence and ultimately reduce inequality, while increasing opportunities for development.

The study seeks to investigate the influence of social grants on livelihoods of beneficiaries in the Kgautswane rural community. The Old Age Grant is an element of social assistance and also the locus of this study. However, the study is conducted within the discipline of Public Administration as is described in the following section. Public administration has two meanings: firstly, it is concerned with the implementation of government policy and secondly, it is an academic discipline that studies this implementation and prepares public servants for working in the public service.

2.2 SOCIAL ASSISTANCE WITHIN PUBLIC ADMINISTRATION

Public administration exhibits a more client-centred approach, emphasising public involvement in policy formulation and implementation (Thornhill & Van Dijk, 2010:103). Public Administration as a discipline is the study of government function, public policy implementation and the management of public affairs. There are various paradigmatic approaches or theories to the study, such as New Public Management, also called managerialism and Public Governance, also called network-governance (Thornhill & Van Dijk, 2010:103). The function of public administration is the function of the public official that is any function of any public official which constitutes public administration, thus from policy to organising, staffing and budgeting and control are all functions of public administration (Van Dijk, 2014: Discussion). In this case the administration of the Old Age Grants will imply the administrative process implemented by public officials in the execution of their duties.

The term public administration has always meant the study of public service delivery (Dye, 1987:324). The purpose of the public service is the provision of services to the society. The public service is required to execute the policies of the government. Public Administration enables and supports the activity of public administration. The public management function as a function of public administration gives direction to the administrative conduct of public servants, to ensure the effective execution of policies by the public service.

2.3 DEVELOPMENT OF SOCIAL SECURITY IN SOUTH AFRICA

This section provides the historical context that gave rise to the need to develop a social protection policy that is inclusive of all, including the young, elderly and the disabled. Thus according to Woolard *et al*, (2010:7) non-contributory social grants were instituted in 1928 for the white and the coloured populations who were not covered by the occupational retirement insurance. These grants were subject to age criteria and a means test so as to ensure that only the poor were targeted.

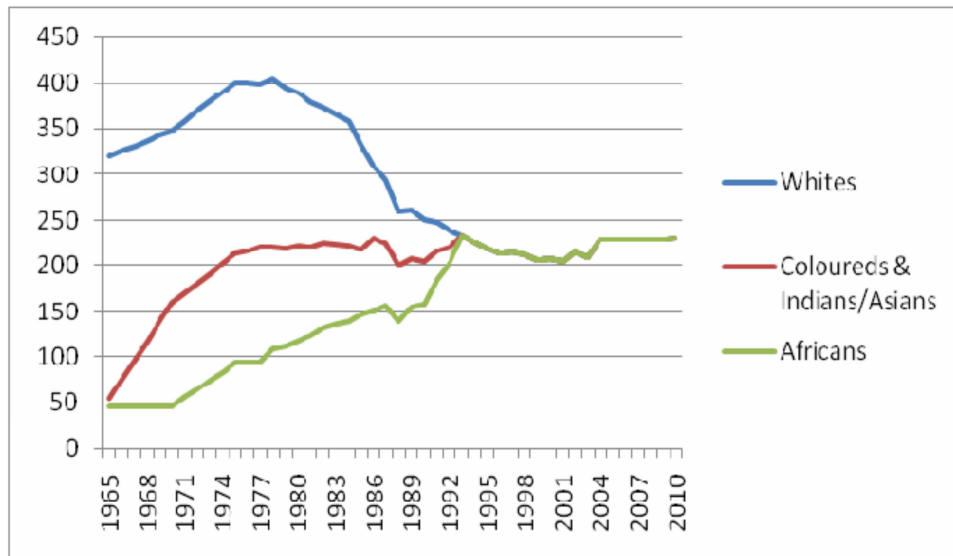
In 1943 the take up rates amongst the elderly were 40% for the whites and 56 % for coloureds, while in the same year only 4% of all social assistance in the forms of grants spending was on Africans and this merely consisted of targeted relief and

pensions for the blind (Van der Berg 1997:481). By 1958, almost ten years into the apartheid era, Africans made up 60% of the 347,000 social old age pension beneficiaries, although they received only 19% of old age pension spending (Woolard *et al*, and 2010:7). Before 1994, the pre-apartheid Smuts government extended social old age grants to Africans, though the benefit levels were less than those for the whites (Woolard *et al*, 2010:7).

The 1970s and 1980s were periods in which the apartheid government worked hard to provide the independent homelands with political legitimacy. This led to the rapid increase in the funds flowing to the homelands for specifically old age pensions. The coverage of the African elderly population increased steadily and by 1993 there were almost twice as many African pensioners inside homelands as outside (Van der Berg 1997:376) This led to what Kruger (1992:117) labelled as the de-racialisation of social assistance where the homeland system benefitted from attempts to bolster its racial separation.

According to Van der Berg (1997:481) in the late 1970s, the principle of moving to parity in social spending levels was reluctantly accepted. From that time onwards, fiscal expenditure on social assistance rose rapidly in the attempt to incorporate all race groups into the system and to provide similar levels of benefits. Spending on social old age pensions rose from 0.6 % of Gross Domestic Product (GDP) in 1970 to 1.8 % of GDP by 1993 (Van der Berg, 1997:480). Fiscal constraints precluded increasing the benefits for all race groups to those previously enjoyed by white pensioners. These were eroded when African benefits increased.

Figure 2.1 Monthly values of pension benefits by race, 1960-2010.



Source: Van der Berg (1997).

As shown in Figure 2.1 above, African pension benefits rose five-fold in real terms between 1970 and 1993, while white pension benefits fell by a third. The 1992 Social Assistance Act, Act 59 of 1992, did away with all discriminatory provisions. Thus the social pensions and grants which were set up to protect the white population gradually expanded their eligibility rules to include all South Africans. This made it an unusually comprehensive system compared with that found in other developing countries (Lund, 1993:22).

Thus, in 1994 the democratic government inherited a social system that was fragmented along racial lines, which was characterised by inequities and a low standard of services for the black majority (The Presidency, 2012: 356). These inequities existed in all social services, such as education, health, access to basic services such as water and sanitation and welfare provision. The unemployment, poverty and inequality challenges facing South Africa today have their roots in the apartheid system. To address the challenges of poverty and inequality, the democratic government adopted an integrated vision of social policy to promote human development, economic inclusion and social stability. The democratic South Africa adopted a comprehensive social protection system and established minimum standards linked to a social wage. The democratic government modified the social protection system to eliminate racial inequities and introduced some new guarantees

and benefits. The social protection system includes non-income transfers and a set of basic services. Basic services complement people's earnings to ensure that everybody can access a minimum level of consumption. These have had a significant impact in addressing poverty and asset inequality. Key elements of the system include: social assistance cash grants for children, and the Road Accident Fund, voluntary social security arrangements for those formally employed, *i.e.* pensions and provident funds, active labour market policies to facilitate labour market entry and redress the inequalities that are inherent in the system due to apartheid, income support for the working-age poor through public works programmes and a developmental social welfare approach, with a focus on individuals, families and communities (Van der Berg *et al*, 2009: 36).

According to Woolard *et al* (2010:96), the government moved swiftly to institute reform, where in December 1995, the Lund Committee was established in order to evaluate the existing system of state support and to explore new alternative policy options targeting children and families. The recommendation by the Lund Committee was a strategy which included a child-linked grant with a lower monetary value than that of the State Maintenance Grant, but targeted a much wider group of beneficiaries. The Child Support Grant was introduced in April 1998, at a level of R100 per child younger than seven years of age.

A social security system provides an important long-term, safety net for the poor population of a country to mitigate economic conditions, such as poverty and unemployment. Social grants provide cash transfers by the government to the most vulnerable population groups, such as the elderly, the disabled, and children, while forms of social insurance such as unemployment benefits provide support to workers who have lost their jobs. Non-contributory cash transfers, in particular, are an important income support for poor households. At the time of the transition to democracy in 1994, the South African social security system was already notably well developed for a middle-income country (Lund 1993:22).

According to Van der Berg (2002:1), social security issues have for a number of reasons become increasingly important in South Africa. Firstly, the degree of inequality in South Africa and its racial basis are morally and politically unacceptable.

Secondly, poverty became more visible and even grew in recent years and thirdly, social change and the growth in the number of the poor have reduced the ability of the traditional support networks - the extended family, the tribal system and even subsistence agriculture - to provide a safety net, thus strengthening the need for a social safety net to fulfil this function. The advanced occupational insurance system was until recently mainly confined to whites, while the means test and the level of benefits for the elderly or the disabled discriminated strongly against those who were not white.

Social assistance is subject to means testing which implies that the SASSA evaluates the income and assets of the person applying for social assistance in order to determine whether the person's means are below a stipulated amount. This means test, according to SASSA (2011:18), is a way of determining whether a person qualifies to receive a grant, as grants are indeed meant for those who most need them. The means test varies from one grant to another.

According to the Bureau for Economic Research (2010:11), after the inclusion of African people into the social protection system, there was a big fiscal challenge. Only in the latter part of the 1980s did the government commit itself to eliminating racial differences in benefit structures of all social programmes. Fiscal constraints, however, meant that the equalisation of benefit levels could only be achieved by combining decreases in the real value of the maximum social pension received by whites with increases in that received by blacks. By 1993 the pension gap had been closed completely, with all groups receiving roughly the same real grant level per beneficiary as was received previously by coloureds and indians.

The apartheid-era roots therefore influenced the South African social security system in at least two important ways. First, the general extension of a system that initially was created to provide comprehensive protection for a segment of the population rendered South African social assistance unusually comprehensive for a middle-income developing country. Second, the system's initial focus on the particular needs of whites, for whom unemployment historically was not a major risk, made it inadequate for an economy in which structural unemployment became a crucial problem (Bureau for Economic Research, 2010:7).

From the above it can be deduced that under the system of apartheid, the trappings of a welfare state for whites was created. Over time, social security was gradually extended to other groups, and eventually social assistance benefits were equalised among all racial groups. The social security system still largely reflects the historical needs of vulnerable white groups under apartheid, among whom unemployment was minimal, given their preferential access to jobs and education. Thus the social security system now has inadequate provision for the most vulnerable, the unemployed. In contrast, four out of five pensioners receive a means-tested social pension, a major poverty-alleviating factor in rural black communities.

2.4 THEORETICAL FRAMEWORK FOR SOCIAL ASSISTANCE

There are various theories that support social protection worldwide. The following section discusses these theories and their impact on social protection as well as their relevance to the focus of the study which is the effective, efficient and professional administration of Old Age Grants for the Kgautswane rural community.

2.4.1 Social contract theory

According to Scott (1994:473-501) the social contract theory was developed in the 18th century. Hugo Grotius (1625), Thomas Hobbes (1651), Samuel Pufendorf (1673), John Locke (1689), Jean-Jacques Rousseau (1762) and Immanuel Kant (1797) are among the most prominent of 17th and 18th century theorists proposing a social contract and the existence of natural rights. Each solved the problem of political authority in a different way.

The theory is classified as a western political thought mainly rooted in theology. The emphasis is on the great principle that nature made men/women happy and good, and that society depraves him/her and makes him/her miserable. The political theory can be fully understood only as it rests on what Rousseau calls his "system," according to which the natural goodness of men/women is lost through a process of historical transformation that leads to personal dependence. Rousseau attempts to remedy the problem of personal dependence by making politics an imitation of the divine. He would make citizens dependent not on men/women (government), but on the laws: laws that imitate the immutable laws of nature. The citizen's dependence

on the laws of the state must be as complete as natural man's dependence on the laws of nature, and the laws of nature are, ultimately, the reflections of divine providence. Personal dependence remains the essential problem of developed humans and the obstacle to freedom and happiness. Rousseau proposes to refashion people's existence by imitating their original position as well-ordered beings within the divine or natural whole, a whole ordered by law. Rousseau emphasises that whatever is good and in accordance with order is so by the nature of things, independently of human conventions. All justice comes from God; He alone is its source. But if we knew how to receive it from on high, we would need neither government nor laws (Scott, 1994:352).

For the purpose of the research, the above is argued in the context of eradicating chronic poverty through the creation and maintenance of a just social compact or system. This exists when political and social institutions are arranged to ensure a distribution of public goods and services that contributes to fairness in society (CPRC 2008: 13).

According to Hobbes as described by Cottingham, (2008:481), the social contract theory can be defined as either a hypothetical or actual agreement between society and its state/government. This agreement is the basis of society's moral decisions and stances. In other words society abides by the government's rules and regulations in the hope that others will do the same, which subsequently leads to a more secure and comfortable life.

Social contract theory raises the possibility that the need for social order and certain inherent constraints might provide society with a natural basis for morality. It is an implicit agreement among the members of a society to co-operate for social benefits, for example by sacrificing some individual freedom for state protection. Social contract theory became popular as a means of explaining the origin of government and the obligations of government towards subjects in providing for services such as offering social protection. The need naturally exists for society to form some sort of agreement to treat each other with basic respect and follow certain basic rules. Society finds it most advantageous to form a social contract as basis for life in general and moral judgments specifically (Cottingham, 2008:483). According to

Hobbes as described by Cottingham,(2008:368), social contracts are fundamentally concerned with the relationship between national governments and their citizens, and development agencies are in a structurally difficult position from which to promote the types of political changes required to catalyse or strengthen social contracts and have a deeply problematic track record in this regard. A social contract is necessary to address the following factors, where in the absence of any, there is a likelihood of social anarchy (Cottingham, 2008:481):

- Equality of need which implies that there are certain basic needs in common such as food, clothing, and shelter.
- Scarcity which deals with the fact that there is not an unlimited supply of food, clothing, and shelter just to name the essentials. Economists know this all too well and often define economics as the study of the scarce allocation of resources which have alternative uses.
- Equality of human power which can lead to a serious problem when combined with factors one and two. For a time, a few can perhaps take control and take what they want at the expense of everyone else. But, in the long run, this power cannot be sustained because one person's weakness is another person's strength. One person may have force on their side, but perhaps others have another advantage. In the end these differences tend to even out which create a situation where everyone, according to Cottingham (2008:481) phrasing it "at war against everyone else for the same scarce resources".

There are opinions that the best way to eradicate chronic poverty is through the creation and maintenance of a just social contract. This exists when political and social institutions are arranged to ensure a distribution of public goods and services that contribute to fairness in society (CPRC, 2008: 13). Hickey (2007:9), states that the notion of a social contract can relocate social protection within a project of redistributive justice that is arguably required to underpin a long-term challenge to chronic poverty. Redistributive justice is the equalisation of property and wealth ownership by direct political influence. Redistributive justice includes taxation designed to move wealth from one group to another, land reform and other means to promote equality of result over equality of opportunity. It is frequently associated with Marxism, socialism, or the transition from aristocracy or other forms of oligarchy to

more broadly based governments, as is the case with South Africa's transition from oligarchy to a democratic, developmental state.

The notion that social contracts are important for development has become an increasingly popular theme amongst donor agencies and academics. The social contract theory has been employed to explain the politics of taxation by the Organisation on Early Childhood Development and others (Moore, 2008:34), while Haggard *et al*, (2008: 205) see it as the growth of well-being (McGregor, 2007:83). Social contract theory has a resonance with global commitments to poverty reduction, as with the Millennium Development Goals which have been framed in contractual terms as the world's biggest promise (Hulme, 2010:63).

The social contract theory has advantages but also disadvantages (Browne, 2008:3). The major benefits to social contract theory are that it provides very clear answers to very difficult ethical questions. It also seems to provide an objective basis for morality. The administration and provision of social protection including the Old Age Grant is not a simple task, as it involves policy development and implementation which also faces challenges of efficiency, effectiveness and ethical provision of these grants to meet objectives.

According to Browne (2008:3), the major disadvantages involve questions about whether the social contract ever had a basis in history and how it addresses non-participants in the contract. There is clarity about the fact that the social contract does not necessarily refer to a real historical event. The point of the social contract is to act as a test for the justification of moral principles.

The second objection has to do with non-participants to the contract. Strictly speaking non-participants are left out of the social contract and so our treatment of them need not be guided by the moral principles within the contract (Browne, 2008:4).

In conclusion, it is important to note that the social contract theory offers only one of many approaches to social justice that could underpin a broader approach to social protection, and that arguably more progressive approaches exist. However, since

social contract theory argues that morality consists of the setting of rules, governing how people are to treat one another which rational people will agree to accept, for their mutual benefit, on the condition that others follow those rules as well, the placement of the social assistance system within a social contract implies not only an obligation towards poverty eradication, but also a set of morals or principles which guide the administration of such a system.

This theory emphasises that human beings were born sociable and freed by God irrespective of what they tend to be. Transformational processes such as laws and politics should take into account that they preserve the goodness and socialness in human beings, by removing dependence on self and creating laws and policies that will make the state responsible for this preservation. In the context of the study, the social protection is a state mechanism to fight evils such as poverty and vulnerability in the absence of income. The responsibility lies with the state to preserve the livelihoods of its citizens. As a poverty alleviation mechanism, the Old Age Grant is a government strategy and the study seeks to investigate how the administration of this grant influences the livelihoods of the citizens of the Kgautswane rural community.

The following section discusses the theory of sustainable development.

2.4.2 Welfare state theory

The welfare state norm that each citizen ought to enjoy a certain minimum standard of living, independently of how they fare in the market, developed over a long period. Modern social security in Western Europe evolved mainly as social insurance, first for the industrial workforce and later for the whole population, while social assistance was essentially residual and instituted for the limited numbers still not adequately protected against certain contingencies (Pfaller, 1987: 113). Social security in 19th century Europe developed essentially in response to two sets of pressures (Flora & Alber, 1981: 41-43):

- The Industrial Revolution and capitalist development broke down traditional support systems such as the extended family, the small rural community and feudal arrangements, accentuated cyclical unemployment and reduced material security for the non-employed such as children, old people and the unemployed.

This placed objective problem pressure on governments to provide new systems of income maintenance and support.

- Concurrently, the growing labour movement also generated class conflict, which in the context of the rise of the nation state and liberal democracy brought popular pressure, or subjective problem pressure, for social reform to bear upon governments. As large organisations, such as the labour movement, take a long time to mobilise, effective mobilisation came fairly late in the industrialisation process.

The typical state response to needs and mobilisation, to objective and subjective problem pressures, was initial repression of such pressures, followed by attempts to combine repression with limited social reforms, before social reform finally became the dominant means of drawing the industrial workforce into the mainstream of political and social life. Thus the European social reforms were a defensive adjustment mechanism by states against socially destructive forces flowing from industrialisation. This also largely accounts for the rise in public expenditure ratios in industrialising Europe, as these demands were fiscally expensive to meet source (Flora & Alber, 1981:43).

The dominant approach to economic and human development since the mid-1990s has been the pro-poor growth strategy promoted by the World Bank. The main aim of this strategy is to achieve sustained and rapid economic growth benefiting the poor through sound economic policies, political stability and investments in physical and human capital. Social safety nets supplement this strategy by supporting poor and vulnerable groups unable to benefit from the economic growth (Besley & Cord, 2007:19).

The argument in favour of social protection is that transfers will help the poor to increase their capabilities, that is, empower them, so that they can also benefit from economic opportunities. Cash transfers improve the livelihoods of the poor, enable them to engage in less hazardous behaviours, and enhance their skills (Samson, 2009:46). Arguably also, such transfers support, rather than hamper, economic growth (Cichon & Scholz, 2009:113).

According to the National Development Plan (The Presidency, 2012: 355), social protection has five functions that are regarded as its conceptual approach. The five functions are listed as follows:

- protective – measures are introduced to save lives and reduce levels of deprivation;
- preventive – acts as an economic stabiliser that seeks to help people to avoid falling into deeper poverty and reduce vulnerability to natural disasters, crop failure, accidents and illness;
- promotive – aims to enhance the capabilities of individuals, communities and institutions to participate in all spheres of activity;
- transformative – tackles inequities and vulnerabilities through changes in policies, laws, budgetary allocations and redistributive measures; and
- developmental and generative – increases consumption patterns of the poor, promoting local economic development and enabling poor people to access economic and social opportunities. It responds to issues of chronic poverty, unemployment, risk and vulnerability.

From the above it is argued that the policies are formulated with the recognition of social and economic development as interdependent and mutually reinforcing processes; economic growth is necessary for social development, and likewise, social development is necessary for economic prosperity. The interconnected and reciprocal relationship between social and economic development therefore implies that not all social welfare policies will stimulate economic prosperity such as full employment, low levels of poverty and poverty alleviation, but rather, will result in equitable social development, a prerequisite for economic development.

Currently, South Africa's social assistance system is accessible to more beneficiaries than ever. The government has significantly increased its spending on social grants from R16, 027 million in fiscal year 1998 to R71, 161 million in fiscal year 2009 (Van Der Berg & Siebrits 2010:55). In 2014 one quarter of the population receives a state grant and this number increases annually (Van Der Berg & Siebrits, 2010:55). As argued previously prior to the late 1990s, the government offered social grants

only to children (individuals under 14) and seniors (65 and over); which left an enormous gap in which the majority of the population did not have access to government assistance. This assistance gap closed in the 1990s as a result of a shift in the direction of the ANC's social policy, in which an emphasis on reconstruction and redistribution was replaced by a vision of social policy that is responsive to both the constraints of limited resources and the need to achieve higher rates of economic development (Powell & Hendricks 2009). This indicated a major ideological shift in the objective of social welfare in South Africa and opened the system to a large demographic that previously lacked access.

Therefore it can be argued that apart from cash transfers in grants, social protection can be translated into other developmental initiatives socially that improve the quality of human life and development of individual capacities. Social protection is an all-inclusive mechanism centred on humanity. Government has adopted a developmental approach to social welfare provision, in line with the Constitution, 1996, and the White Paper on Social Welfare, 1997, which includes a focus on the social and economic development of individuals, families and communities. This approach incorporates raising community awareness of social concerns and introduces strategies to reduce and prevent social crisis. Social welfare services may be provided by the state, non-governmental organisations and the market. For example, homes for the elderly and the frail, mental health clinics, child guidance services and services related to addictions are provided by government, private providers, non-profit providers and government subsidised providers.

The social and development contexts are influenced by specific theories related to social assistance. The following section deals specifically with particular theories relevant to social assistance.

2.4.3 Sustainable development theory

Sustainable development rose to significance after it was used by the Brundtland Commission. In 1987, the United Nations World Commission on Environment and Development released the report called *Our Common Future*, now commonly named the Brundtland Report after the commission's chairperson, the then Prime Minister of

Norway Gro Harlem Brundtland (The United Nations World Commission on Environment and Development, 1991).

Sustainable development posits a desirable future state for human societies in which living conditions and resource use meet human needs without undermining the sustainability of natural systems and the environment, so that future generations may also have their needs met. According to the National Development Plan (The Presidency, 2012: 364), the social protection system is feasible within the context of high economic growth, with high labour absorption capacity. South Africa has a youth bulge, which means that the country has a high proportion of people who are of working age, but still has a high dependency ratio because the majority of the working age population is unemployed. This is the case in the Kgautswane rural community. The working age population is unemployed and depends mostly on social assistance offered to their elderly grandparents with whom they live. Sustainable development is aimed at changing the process of economic development so that it ensures a basic quality of life for all people, and protects the ecosystems and community systems that make life possible and worthwhile (Van der Merwe & Van der Merwe, 1999:5).

Sustainable development is about enhancing human well-being and quality of life for all time, in particular those most affected by poverty and inequality. Resource use, efficiency and intergenerational equity are the core principles for sustainable development. Sustainable development contains within it two key concepts (Van der Merwe & Van der Merwe, 1995:5-6):

- the concept of needs, in particular the essential needs of the world's poor, to which overriding priority should be given; and
- the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs.

If this generation leaves the next generation with degraded economic, social and environmental assets and less wealth, then the result will be an unsustainable future. Fundamental to understanding sustainable development is recognising the interdependence of the economic, social and environmental systems (Department of Environmental Affairs and Tourism, 2008:6).

Harris (2000:5) argues that sustainable development is development which meets the needs of the present without compromising the ability of future generations to meet their own needs. There are three aspects recognised in this theory:

- economic: an economically sustainable system must be able to produce goods and services on a continuing basis, to maintain manageable levels of government and external debt, and to avoid extreme sectoral imbalances which damage agricultural or industrial production.
- environmental: an environmentally sustainable system must maintain a stable resource base, avoiding over-exploitation of renewable resource systems or environmental sink functions, and depleting non-renewable resources only to the extent that investment is made in adequate substitutes. This includes maintenance of biodiversity, atmospheric stability, and other ecosystem functions not ordinarily classed as economic resources.
- social: a socially sustainable system must achieve distributional equity, adequate provision of social services including health and education, gender equity, and political accountability and participation.

Sustainable development posits itself on the notion that the total system which human society is a part of, and which it depends on for support, is made up of a large number of component systems such as the economy, ecology and equity systems. The whole cannot function properly and is not viable and sustainable if individual component systems cannot function properly. Sustainable development is possible only if component systems as well as the total system are viable. Despite the uncertainty of the direction of sustainable development, it is necessary to identify the essential component systems and to define indicators that can provide essential and reliable information about the viability of each and of the total system.

Therefore from the theoretical perspective, it can be argued that social protection should be available to all when they need it the most. It is critical in the fight to eliminate and prevent poverty and reduce inequality. However, it is not aimed at meeting the total needs of the individuals. The measures are designed to lift recipients out of poverty, rather than providing passive protection against contingencies and risk. They are a means to enable the most basic needs to be met

and provide relief during crisis situations. They should address chronic poverty, support the poor to develop the capacity to address the environmental, economic and social risks and causes of poverty, such as unemployment, exclusion, sickness, disability and old age, and promote people's capabilities. By raising labour productivity these measures create the conditions for people to move out of poverty in the future and so enhance social stability (Harris, 2000:5). The three theories discussed above support the provision of social protection as a mechanism to alleviate poverty. The three theories are targeted at addressing social issues with poverty at the centre.

The following section will explore the current administrative arrangements supporting social assistance in South Africa.

2.5 THE ADMINISTRATION OF SOCIAL ASSISTANCE

Previously, welfare functions were combined with health or were split across various other government departments. This led to fragmentation of the welfare function and a lack of acknowledgement by government of the role of social welfare services in promoting social development. At present, responsibility for social development is located in the National and Provincial Departments of Social Development in terms of the Constitution of the Republic of South Africa (White Paper for Social Welfare, 1997:21). The establishment of one national department and nine provincial departments for social welfare means that the opportunity now exists to build and sustain a uniform and integrated institutional framework. Roles and responsibilities should be clarified, and mechanisms put in place to ensure harmonious and effective working relationships (White Paper for Social Welfare, 1997:21).

According to the Constitution of the Republic of South Africa (South Africa, 1996), the powers and functions related to social assistance or protection at the national and provincial spheres of government are concurrent. The national department is responsible for national norms and standards for the rendering of services, and for ensuring that uniformity in the application of particular functions is maintained. Provincial departments are responsible, concurrently with the national department, for the planning, development and rendering of services.

According to the White Paper on Social Welfare (1997:26), the Department of Social Development, formerly known as the National Department of Social Welfare, is responsible for the administration of social protection through:

- co-ordinating various functions among national departments, provincial governments and private sector,
- national policy and planning,
- norms and standards for social services and development programmes, social security and facilities,
- legislation,
- marketing,
- social welfare governance structures,
- human resource development,
- national programmes,
- social welfare financing,
- national information systems,
- capacity and institution building,
- parliamentary liaison, and
- international liaison.

In South Africa, social assistance is in the form of social grants that are non-contributory and income-tested benefits provided by the government to groups such as people with disabilities, elderly people and unsupported parents and children who are unable to provide for their own minimum needs (White Paper on Social Welfare, 1997:27).

According to the *Batho Pele Handbook - A Service Delivery Improvement Guide* (Department of Public Service and Administration, 2007:1) the general public everywhere in the world bases its perception of government on the nature and quality of the services it experiences at the hands of public servants. The face of government is the face and/or voice of the front-line service providers. This is all people experience and if the service is poor or unfriendly, then government is immediately constituted to be inefficient and bureaucratic. If the service is bad, government is bad and if the service is good, government is good, it is as simple as

that. This is true the world over and it is no different in South Africa. *Batho Pele* is an initiative to get public servants to be service orientated, to strive for excellence in service delivery and to commit to continuous service delivery improvement. It is a simple, transparent mechanism, which allows customers to hold public servants accountable for the type of services they deliver. In the case of the Kgautswane rural community area, if the administration of Old Age Grants is poor, inefficient and unfriendly, so will government and the policies, such as alleviation of poverty through the administration of the Old Age Grants, be perceived to be.

Efficient and effective public service delivery will help lift from the shoulders of the people the intolerable burden of poverty and underdevelopment (Department of Public Service and Administration, 2007:3).

In every instance public services impact the lives of people and, this being the case, these people, rather than the public service, are the custodians of service delivery (Department of Public Service and Administration, 2007:27). The administration of Old Age Grants influences the lives of people. It is therefore the objective of the study to investigate the influence thereof. This led to the development of a notion and approach to put the citizen as a customer and public service that is customer centred.

According to the Department of Public Service and Administration (2007:27-28), to treat citizens as customers implies:

- listening to and taking account of their views and paying heed to their needs when deciding what services should be provided. This is in the principle of consultation,
- ensuring that they are able to access the services provided easily and comfortably as supported by the principle of access,
- treating them with consideration and respect as required by the principle of courtesy,
- making sure that the promised level and quality of services are always of the highest possible standard, a requirement by the principles of setting standards,

- providing them with good information on the services available to them as required by the principles of information,
- allowing them to ask questions and responding to their queries honestly and frankly as required by the openness and transparency principles,
- responding swiftly and sympathetically when standards of service fall below the promised level as a principle of redress,
- adding value to their lives which is encompassed in the value for money principle.

The administration of the Old Age Grants in the Kgautswane rural community will be benchmarked against these principles and values. The establishment of SASSA came as a result of a recommendation made by the Commission of Inquiry into a Comprehensive Social System of Social Security for South Africa. As from 1 April 2006 the responsibility for the management, administration and payment of social assistance grants was transferred to SASSA. During the 2006/07 financial year 80% of SASSA's resources were spent on the establishment of the SASSA, on operational issues and the integration of the social assistance administration and payments (Reddy & Sokomani ,2008: 82). The rationale was to have it achieve 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.

The main functions of the SASSA, according to Reddy and Sokomani (2008: 32), are therefore:

- to administer social assistance in terms of Chapter Three (3) of the Social Assistance Act, Act 13 of 2004,
- to collate, maintain and administer such information as is necessary for the payment of social assistance,
- to 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

- to establish a compliance and fraud mechanism in order to ensure the integrity of the social security system.

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. According to Joseph (2012:59), 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 seems as though those decision-makers 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 centralise grant administration is to be applauded (Reddy & Sokomani, 2008:78). Joseph (2012:59) is of the opinion that adopting a first-world concept and applying it to a third-world environment is not necessarily commendable. In South Africa, the democracy is still relatively young. The problems usually associated with a young democracy are issues such as power consciousness, instead of service delivery innovations, placing 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 (Joseph, 2012:59).

The SASSA consists of one national office and nine different regions namely the Northern Cape, Western Cape, Eastern Cape, Limpopo, Free-State, Gauteng, North West, Kwa-Zulu Natal and Mpumalanga. All major decisions are taken at head office and cascade down to regional offices. The head office of SASSA is situated at national sphere in Pretoria. A chief executive officer is in charge of the entity. Each region has its own regional office which structurally cascades down through districts to local offices. 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. Not all local offices have local office managers. Thus, SASSA has a four-tier organisational management arrangement, namely a head office, regional office, district office and local office (Joseph, 2012:60).

2.6 CONCLUSION

From the above discussion, it can be concluded that social protection is now a challenging administrative function of government. Therefore, it is not merely a set of economic policies in the workplace and in the areas of production but rather, a set of measures in the social sphere, which allows substantial contributions to the generation of frameworks of equality, by reducing the gaps in inequality and the eradication of poverty and social exclusion.

The administrators of social protection, including the Old Age Grants need to pay careful attention to the design of policies to ensure effectiveness and efficiency between now and the future years to ensure that the vulnerable groups and citizens are protected from the worst effects of poverty. If apartheid destroyed opportunities for the majority of the population and trapped them in poverty, the challenge for the next years is to rebuild the opportunity structures and help individuals develop the capabilities to live the life they wish to lead. The establishment of SASSA had the objectives to render the administration of these grants to be effective, ethical and efficient.

This is the primary objective of the study: to investigate the efficiency, effectiveness and accessibility of social grants in the Kgautswane rural community. This system is aimed at empowering the poor and providing them with the resources to rise out of poverty, and into stability. The next chapter discusses the legislative environment for social assistance.

CHAPTER 3: THE POLICY ENVIRONMENT ENABLING SOCIAL ASSISTANCE

3.1 INTRODUCTION

The Department of Social Development as an executive institution of the national government of South Africa has the following legislative mandates that also apply to its agencies. The legislative mandates enable the delivery of social assistance programmes, with a specific emphasis on grants as mechanism to curb poverty. The chapter describes the legislative framework that enables social assistance to be implemented, starting with the Constitution followed by various acts that create a synergy within which social assistance functions. For the policies of social assistance to be implemented effectively, an enabling environment needs to be created. The acts discussed in this section support and enable the implementation of social protection policies.

South Africa has gone through a number of changes to its social security system. Social security reform is implied in the White Paper for Social Welfare, 1997, in the release of the Report of the Committee of Inquiry into a Comprehensive System of Social Security for South Africa, 2002, and also in the announcement of the creation of a SASSA in 2004.

3.2 LEGISLATIVE FRAMEWORK ENABLING SOCIAL ASSISTANCE

This following section discusses the legislation that serves as a background to the formulation of social security policies and the implementation thereof.

3.2.1 The Constitutional obligation

Section 27(1)(c) of the Constitution, 1996, stipulates the right to have access to social security, including appropriate social assistance for those unable to support themselves. As is the case with various other social rights conferred by the Bill of Rights (Chapter 2 of the Constitution, 1996), it is further stated that the state should take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right. According to Brand (2005:1), the

Constitution, 1996, is transformative in nature, it does not simply place limits on the exercise of collective power, but requires collective power to be used to advance ideals of freedom, equality, dignity and social justice.

A human rights approach requires that a societal understanding is reached of what constitutes the minimum social protection below which no one should fall. These are the basic essential social rights and transfers in cash and in kind that provide minimum income and livelihood security as well as essential basic services such as water, electricity, sanitation, health care and education that should be available to all those who need them. These would define an acceptable standard of living for all. The right to access social protection provides a fall back of supplementary benefits when income from work and assets such as land does not provide sufficient income to achieve a minimum standard of living. Within the context of this study, it is a social right for citizens to receive old age pension (Brand, 2005:12).

Mirugi-Mukundi (2009:12) states that South Africa has developed its own definition of social security. This definition of social security is taking into account the diverse historical background and the social and economic challenges affecting the country. The Constitution, 1996, is the supreme law of the country. The Constitution, 1996, recognises the injustices of the past, unites diversity and adopts a spirit that improves the quality of life of all citizens. It also provides that everyone has the right to have access to social security and social assistance, including if they are unable to support themselves and dependants.

From a legal and policy standpoint, the government is constitutionally obliged to provide social assistance to everyone. The government is further obliged to take reasonable legislative and other measures within its available resources to achieve this right.

3.2.2 Social Assistance Act, 2004

The Social Assistance Act, Act 13 of 2004, continues to provide the legislative framework for the provision of social assistance grants, in the main, but excludes the provisions for funding to non-profit organisations. The Act also provides the legal

instruments for shifting the social assistance function to the provincial sphere of government, and provides for the SASSA to render the management and administration of social grants. The Act governs the administration of social grants as a component of social assistance. The locus of the study is the administration of Old Age Grants in the Kgautswane rural community. The old Age Grant is a social grant and resides within social assistance. The Act provides the legislative framework for the realisation of the right to social security and stipulates eligibility criteria and procedures for access to social grants for the elderly, children living in poverty, people with disabilities, children in need of foster care and people in social distress. The Act provides for procedures to be followed in applications for all grants such as signing of forms and the documentation to accompany the applications. In April 2006, the SASSA was established as a public entity with the mandate to manage, administer and pay social assistance grants under the SASSA Act, Act 9 of 2004.

3.2.3 South African Social Security Act, Act 9, 2004

The Act makes provision for the establishment of SASSA, the administration, management and payment of social grants. 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, which will serve as an agent for the prospective administration and payment of social grants and render services relating to such payments.

According to the Act, the SASSA must perform the following functions:

- administer social assistance in terms of the Social Assistance Act, Act 9 of 2004, and perform any function delegated to it under the Act,
- collect, collate, maintain and administer such information as is necessary for the payment of social security, as well as for the central reconciliation and management of payment of transfer funds, in a national data base of all applicants for and beneficiaries of social assistance,
- establish a compliance and fraud mechanism to ensure that the integrity of the social security system is maintained,
- render any service in accordance with an agreement or a provision of any applicable law,

- ensure effective payments to beneficiaries,
- ensure the effective, efficient and economical use of funds designated for payment to beneficiaries of social security,
- promote and protect the human dignity of applicants for beneficiaries of social security,
- ensure the protection of confidential information held by the SASSA,
- effect honest, impartial, fair and equitable service delivery; mechanisms to regulate community participation and consultation, and
- financial penalties for non-compliance with the provisions of the agreement.

From the above, there is a clear requirement for the SASSA to effectively, efficiently and ethically provide the Old Age Grants as part of social assistance. SASSA as an agent of the Department of Social Development has to abide by the requirements of the Act.

The next section discusses the Older Persons Act, Act 13, 2006.

3.2.4 Older Persons Act, 2006

Chapter three of the Older Person Act, Act 13 of 2006, which was operationalised by Presidential Proclamation on 1 April 2010, deals effectively with the plight of older persons by establishing a framework aimed at the empowerment and protection of older persons; and the promotion and maintenance status, rights, well-being, safety and security of older persons. This Act provides for older persons to enjoy quality of services while they stay with their families in the community for as long as possible. Chapter 3 of the Act deals specifically with the development of community-based care and support programmes that fall into two broad categories, namely, prevention and promotion programmes which ensure the independent living of older persons in the community; and home-based care, which ensures that frail older persons are receiving maximum care within the community through a comprehensive range of integrated services. The Act further recognises the wisdom, knowledge for the protection and skills of older persons. Furthermore, it promotes active participation of older persons in the community.

From the above it could be argued that South Africa faces two sets of imperatives. The first is the Constitutional and democratic imperative, centred on a human rights

approach. The Constitution, 1996, gives socio-economic rights exactly the same status as civil and political rights. In particular, the following aspects are relevant; such as to ensure promotion of values of dignity, equality and freedom, build participation and voice of the excluded, support citizenship claims through equality of administrative justice, access to information, application procedures, adjudication of rights, monitoring of compliance and non-compliance source. The second is the socio-economic imperative, to fundamentally improve the living standards of all people in the country. The socio-economic imperative stresses the reduction in poverty, deprivation and social inequality, increased access to adequate basic services; creation of an environment for sustainable social and economic advancement of all people, and especially the poor and unemployed source.

Central to the full implementation of social security as per policy stipulation is the budget, which has limitations (South Africa, 1997:5). Since resources are limited, trade-offs must be made between investment in economic growth and human resources, and investment in a social safety net. Welfare expenditure will only be able to expand as higher economic growth rates are achieved (South Africa, 1997:6). The benefits of economic growth, however, should be equitably distributed through raising real per capita income and through social development programmes, which in turn will increase the capacity of individuals and families to meet their own needs. Limited resources require trade-offs between expenditure programmes. Investment in human resources and the social safety net may reinforce other investments in economic growth (South Africa, 1997:6). Understanding the impact of social spending on growth is critical to ensure that trade-offs do not bias spending against social development or growth.

This means that the high expectations of many people for the new democratic government to deliver welfare services and programmes to address pressing needs cannot be fully met in the short-term. These expectations are a significant constraint and pose a great challenge to all parties to develop social security and social welfare programmes that are both sustainable and interlinked with other anti-poverty strategies (South Africa, 1997:6).

Social protection is both a public and a private matter. Whereas government should play an active and important role in providing this support, it equally requires the active participation of individuals in ensuring that they are supported to take responsibility for attaining a higher standard of living. Equally, government has a responsibility to ensure that social protection is affordable and sustainable to avoid withdrawal of guarantees, but also to promote solidarity and cohesion source (Mpedi, 2008:6). From the above discussion it can be argued that the social protection practices in South Africa have a broad legislative support. The social security of South Africa is more based on cash transfers and cash benefits. There are different views to this practice. According to Mpedi (2008:6) in developing countries such as South Africa, social security must strive towards the provision of basic needs such as shelter, nutrition, adequate health care, clean water and must not be concerned with cash benefits only. Social security need not be merely curative by providing compensation, but should also be preventative and remedial in nature.

The next section focuses on the national policy framework and the pieces of legislation and policies that support social security provisioning.

3.3 NATIONAL POLICY FRAMEWORK

This section discusses the white papers upon which the current mandate of social assistance is established.

3.3.1 White Paper for Social Welfare, 1997

The White Paper for Social Welfare was released in August 1997 and adopted by the first elected government of South Africa. The White Paper for Social Welfare, 1997, provides principles, guidelines, recommendations, proposed policies, and programmes for developmental social welfare in South Africa. The policy recognises that the primary challenge facing the welfare system is to devise appropriate and integrated strategies to address the alienation and the economic and social marginalisation of vast sectors of the population who are living in poverty, are vulnerable, and have special needs (Lund Committee, 1997:33). South Africa's approach to providing access to social welfare is based on an assessment of the most effective international strategies to access, which has found that improving economic and social well-being consists of three elements: labour absorbing growth;

equitable investments in education, health care and social support; and vulnerable groups. As a result of these findings, South Africa has created a grant system that incorporates these elements into the numerous grants offered (Lund Committee, 1997:33).

As a primary policy document, the White Paper for Social Welfare, 1997, serves as the foundation for social welfare in the post-1994 era. According to the White Paper for Social Welfare (South Africa, 1997:2), South Africans will be afforded the opportunity to play an active role in promoting their own well-being and in contributing to the growth and development of the nation. Great poverty exists alongside extreme wealth. About a third (35, 2%) of all South African households, amounting to 18 million people, are living in poverty. South African households, households in rural areas, especially those headed by women in rural areas, are the most affected. Over half (54%) of all South Africa's children live in poverty (South Africa, 1997:3). This therefore calls for an establishment of a social security policy that is effective to alleviate poverty among the vulnerable. It is the intention of the White Paper for Social Welfare, 1997, to establish and effect the implementation of such a policy (South Africa, 1997). Within the context of this study, Old Age Grants are administered with the objective to alleviate poverty, create sustainable communities and promote social well-being of citizens.

The White Paper for Social Welfare, 1997, describes the domains of social security as a poverty alleviation, social compensation and income distribution, while also referring to social security, social services and related social development programmes as investments, which lead to tangible economic gains and in turn lead to economic growth. The primary target group is poor people with disabilities, poor elderly people and a limited number of women and children. According to the White Paper for Social Welfare (South Africa, 1997: 50), the social security system in South Africa has four major elements:

- Private savings — people voluntarily save for unexpected contingencies such as disability, retirement and chronic diseases.

- Social insurance — joint contributions by employers and employees to pension or provident funds, or social insurance covering other unexpected events. Government may also contribute to social insurance covering accidents at work.
- Social assistance — non-contributory and income-tested benefits provided by the state to groups such as people with disabilities, elderly people and unsupported parents and children who are unable to provide for their own minimum needs. In South Africa, social assistance has taken the form of social grants.
- Social relief — short-term measures to tide people over a particular individual or community crisis. This is also non-contributory and needs-tested.

The White Paper on Social Welfare, 1997, states that the policies around social protection should be aimed at creating a welfare system which facilitates the development of human capacity and self-reliance within a caring and enabling socio-economic environment. Social welfare refers to an integrated and comprehensive system of social services, facilities, programmes and social security to promote social development, social justice and the social functioning of people. Social welfare will bring about sustainable improvements in the well-being of individuals, families and communities. Social welfare is intrinsically linked to other social service systems through which people's needs are met, and through which people strive to achieve their aspirations.

Social welfare services and programmes are therefore part of a range of mechanisms to achieve social development, such as health, nutrition, education, housing, employment, recreation, rural and urban development and land reform. The welfare of the population will not automatically be enhanced by economic growth. Economic development has to be accompanied by the equitable allocation and distribution of resources if it is to support social development. Social development and economic development are therefore interdependent and mutually reinforcing.

In order to achieve such an integrated system of social protection and development, the national goals of the proposed system include (South Africa, 1997:38):

- to facilitate the provision of appropriate developmental social welfare services to all South Africans, especially those living in poverty, those who are vulnerable

and those who have special needs. These services should include rehabilitative, preventative, developmental and protective services and facilities, as well as social security, including social relief programmes, social care programmes and the enhancement of social functioning.

- to promote and strengthen the partnership between government, the community and organisations in civil society and in the private sector who are involved with the delivery of social services.
- to promote social development intra-sectorally both within the welfare departments and in collaboration with other government departments and non-governmental stakeholders.
- to give effect to those international conventions of the United Nations system which have been ratified by the government, and which are pertinent to developmental social welfare.
- to realise the relevant objectives of the Constitution of the Republic of South Africa, 1996.

From the above, it can be argued that the administration of the Old Age Grant needs to be extended to beneficiaries living in poverty, who are vulnerable and those that have special needs. The government should also strengthen its partnership with beneficiaries through administration that is effective, efficient and ethical.

Policy formulation to govern and guide implementation of social protection is based upon principles. Social welfare policies and programmes are based on the following guiding principles, including (South Africa, 1997: 43):

- securing basic welfare rights - the government will take steps to ensure the progressive achievement of social security for all, including appropriate social assistance for those unable to support themselves and their dependents.
- equity - resources will be equitably distributed and should address racial, gender, geographic, urban/rural and sectoral disparities. Equality of opportunity and the social mobility of groups of people with special needs is also to be fostered.
- non-discrimination - social welfare services and programmes will promote non-discrimination, tolerance, mutual respect, diversity, and the inclusion of all groups

in society. Women, children, the physically and mentally disabled, offenders, people with HIV/AIDS, the elderly, and people with homosexual or bisexual orientations will not be excluded.

- democracy - appropriate and effective mechanisms will be created to promote the participation of the public and all welfare constituencies in decision-making about welfare policies and programmes which affect them. Consultation will be conducted with all role players, including beneficiaries and service providers, through their representatives and organisations where possible. Those constituencies which are unable to represent themselves, for example younger children and profoundly mentally impaired people, will be allowed to be represented by interest groups. This principle is closely related to the participation of the public in the delivery of social programmes and in the management of social service organisations.
- improved quality of life - the welfare system will raise the quality of life of all people especially the disadvantaged, those who are vulnerable and those who have special needs, through the equitable distribution of resources and services.
- human rights - social welfare services and programmes will be based on respect for human rights and fundamental freedoms as articulated in the Constitution of the Republic of South Africa.
- people-centred policies - past policies will be replaced by just and people-centred policies.
- investment in human capital - welfare programmes contribute to the optimal social development of individuals, families and communities. It is also an investment in human capital development and in turn contributes to economic development. The Department of Welfare will continue to advocate for the equitable allocation of government's resources to developmental social welfare programmes.
- Sustainability - intervention strategies designed to address priority needs will be financially viable, cost efficient and effective.
- quality services - all social welfare programmes will strive for excellence and for the provision of quality services.

- transparency and accountability - all welfare organisations and institutions, both public and private, will be transparent and accountable at all levels, including levels of delivery.
- Accessibility - organisations and institutions will be easily accessible and responsive to all those in need. All barriers will be removed which have made it difficult or impossible for some people to participate equally in all spheres of life. Special training programmes will be provided to facilitate the development of accessible services.
- *ubuntu* - the principle of caring for each other's well-being will be promoted, and a spirit of mutual support fostered. Each individual's humanity is ideally expressed through his or her relationship with others and theirs in turn through recognition of the individual's humanity. Ubuntu means that people are people through other people. It also acknowledges both the rights and the responsibilities of every citizen in promoting individual and societal well-being.

From the above it can be deduced that social assistance that includes Old Age Grants is a constitutional right that must be accessed by all citizens that require these services.

The next section discusses the White Paper on Population Policy for South Africa, which was released in 1998.

3.3.2 White Paper on Population Policy for South Africa, 1998

The White Paper on Population Policy for South Africa, 1998, aims to promote sustainable human development and quality of life for all South Africans through the integration of population issues into development planning in all spheres of government and in all sectors of society (South Africa, 1998). The White Paper on Population Policy for South Africa, 1998, mandates the Department of Social Development to monitor the implementation of the policy and its impact on population trends and dynamics in the context of sustainable human development (South Africa, 1998). Government departments and their counterparts in civil society should be capacitated and supported to understand the critical linkages between population and development, and to integrate population issues in development planning, through research and the dissemination of data and information. This is

relevant for sustainable development of communities on the basis that it integrates all societal challenges into one development plan, including implementation and monitoring. Since social security, specifically in the Kgautswane rural community, aims at addressing issues of poverty and income substitution, integrated sustainable human development planning includes the planning and implementation of social grants, such as Old Age Grants. The following section discusses the international policy framework for social protection to locate the current policies in relation to international policy requirements.

3.4 INTERNATIONAL POLICY REQUIREMENTS

Social protection is an important instrument for the pursuit of at least six of the eight present Millennium Development Goals by ensuring universal access to key essential services in quality basic and maternal health care, education, nutrition and environmental health. However, the importance of social protection for equitable progress as mapped out by the Millennium Development Goals has been recognised in full only recently. Indeed, the advantages in access to decent work and social security have been an important reason why developed nations and population groups achieved stronger progress between 1990 and 2005 than did countries and people with weak access to equitable growth and social protection (United Nations, 2012:3).

The post-2015 United Nations' development agenda requires a new approach to international and national development, taking the multiple interlinked global challenges that exist even more into account. It is therefore of paramount importance that, in view of the multiple roles that social protection can play in social and economic development, the post-2015 United Nations development agenda acknowledges the critical role in extending adequate social protection in furthering key outcomes, ensuring the inclusion of all groups in development and society as a means to combat inequality, vulnerability and poverty. The post-2015 debate needs a renewed and comprehensive focus on poverty, inequality, income distribution and social inclusion. Fiscally sustainable social protection schemes based on strong legal and regulatory frameworks should be an integral component of national development strategies to achieve inclusive, equitable and sustainable development (United Nations, 2012:4). In the context of the study, the administration of Old Age Grants

should be sustained by policy and legal frameworks and strategies that support sustainable development.

According to the United Nations (2012:7), in its 100th Session, the International Labour Conference adopted a Resolution on social security as a critical component within a broader set of social protection instruments, which reconfirms the role of social security as a human right and a social and economic necessity for countries at all levels of development. The Resolution includes:

- Social security is a human right - everyone as a member of society has a right to social security as stated in the Universal Declaration of Human Rights, Article 22. The study seeks to establish whether these services are accessible to the beneficiaries of Old Age Grants in the Kgautswane rural community.
- Social security is a social necessity. Effective national social security systems are powerful tools to provide income security, to prevent and reduce poverty and inequality, and promote social inclusion and dignity. They are an important investment in the well-being of workers and the population at large, notably by enhancing access to health care, and providing income security thereby facilitating access to education and reducing child labour and in particular eliminating its worst forms. The study seeks to establish what the influence of the Old Age Grants is on the livelihoods of the recipients in the Kgautswane rural community. The study explores the manner in which social grants are administered in the Kgautswane rural community.
- Social security is an economic necessity. Full, productive and decent employment is the most important source of income security. Sustainable growth requires good health, nutrition and education, which can foster transitions from low productivity and subsistence level activities to highly productive decent jobs and from the informal to the formal economy. Social security, well designed and linked to other policies, enhances productivity, employability and supports economic development. As an effective automatic stabiliser in times of crisis, social security contributes to mitigating the economic and social impact of economic downturns, to enhancing resilience, and achieving faster recovery towards inclusive growth.

The South African government ratified international initiatives that protect and promote the right to social security. According to Mirugi-Mukundi (2009:7) the country has fully endorsed and adopted the United Nations Convention on the Rights of the Child (CRC),1990, the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), 1981, the Convention on the Elimination of All Forms of Racial Discrimination (CERD),1969, the African Charter on Human and Peoples' Rights (AC), 1981 and the International Covenant on Economic, Social and Cultural Rights (CESCR),1994, which all primarily regulate socio-economic rights. Legally the basis for social security is crafted in the Universal Declaration of Human Rights (UDHR), 1948, which is one of the principal international legal documents. The Declaration provides that everyone, as a member of society, has the right to social security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his/her control (Brownlie, 1990:570).

There was affirmation by the International Labour Organisation, which comprised representatives of states, employers and workers, that social security is a basic human right and that it is also a fundamental way for creating social cohesion. According to Cichon and Hagemeyer (2006:16), the International Labour Organisation Convention 102, 1952, established internationally agreed minimum standards and principles for basic social security, covering a range of benefits such as medical care, sickness, old age, family and maternity. The Convention introduced the idea of a general level of social security that should be attained everywhere, since the system can be adapted to the economic and social conditions prevailing in any country, irrespective of the degree of its development.

From the above, it can be seen that South Africa complies with international standards and practices towards achieving social protection. Firstly the Constitution, 1996 recognises the right to access to social protection. The current policy frameworks towards social security are also evidence that the country intends to achieve best practices in social protection. It can further be argued that the mission of the government through the policy frameworks is to serve and build a self-reliant nation in partnership with all stakeholders through an integrated social welfare system which maximises its existing potential, and which is equitable, sustainable, accessible, people-centred and developmental.

3.5 THE CURRENT STRUCTURE OF SOCIAL SECURITY IN SOUTH AFRICA

The following section of the study discusses the current system of South African social security as per policy implementation and legal requirements. The system comprises social assistance such as social grants, statutory funds in the form of social insurance and voluntary funds. The section also discusses the current take up of the different social security categories. For the purpose of this study Social Insurance is not discussed as it is not included in the locus of the study.

Previously, all nine (9) provincial governments were responsible for the administration of social grants, but this created serious social delivery challenges especially in the delay of approval and payments of grants, possible fraud and corruption in the system, inhumane pay-points facilities and huge administration costs in delivering social grants (SASSA, 2011:10).

As discussed previously the adoption of the SASSA Act, Act 9 of 2004 and the Social Assistance Act, Act 13 of 2004, by National Parliament, paved the way for a more professional and focused service delivery to the social grant beneficiaries. This, according to SASSA (2011:13) is supposed to yield the following outcomes in the future:

- payment of social grants anywhere in the country regardless of where the social grant beneficiary resides;
- application for a grant at any city or province in the country;
- reduction of waiting period to receive the grant from 3 months to 14 working days;
- establishment of pay-points in every 50 km radius;
- elimination of pay-points without humane facilities, electricity, proper seating and security arrangements; and
- employment of employees who have gone through security vetting to avoid attracting staff members with dubious intentions.

Although improvements have been made, levels of poverty are still high in South Africa, while varying across the provinces as was depicted in Figure 1.1. On average, around one fourth of the population in South Africa lives on less than R10 per day. In 2009, the United Nations Development Programme reported a 0.68

Human Development Index (HDI) value for South Africa, which ranks the country as number 129 of 182 included countries. The Human Development Index is a composite statistic of life expectancy, education, and income indices used to rank countries into four tiers of human development. It was created by the Pakistani economist Mahbubul Haq and the Indian economist Amartya Sen in 1990 and was published by the United Nations Development Programme. Many of the high levels of poverty are due to the large impact of the AIDS pandemic on life expectancy, but even without the high levels of poverty, education and health indicators are relatively poor. Besides the persistently high poverty rate, South Africa is among the countries with the highest income inequalities in the world. In 2007, the Gini co-efficient was 57.8 (UNDP 2009). The Gini co-efficient measures the extent to which the distribution of income or consumption expenditure among individuals or households within an economy deviates from a perfectly equal distribution. A Lorenz curve plots the cumulative percentages of total income received against the cumulative number of recipients, starting with the poorest individual or household. The Gini co-efficient index measures the area between the Lorenz curve and a hypothetical line of absolute equality, expressed as a percentage of the maximum area under the line. Thus a Gini co-efficient index of 0 represents perfect equality, while an index of 100 implies perfect inequality (World Bank, 2009: 316).

In addition, South Africa suffers from persistently high rates of unemployment, which are above 20% or even around 30%, depending on the unemployment definition (European Report on Development, 2010:3).

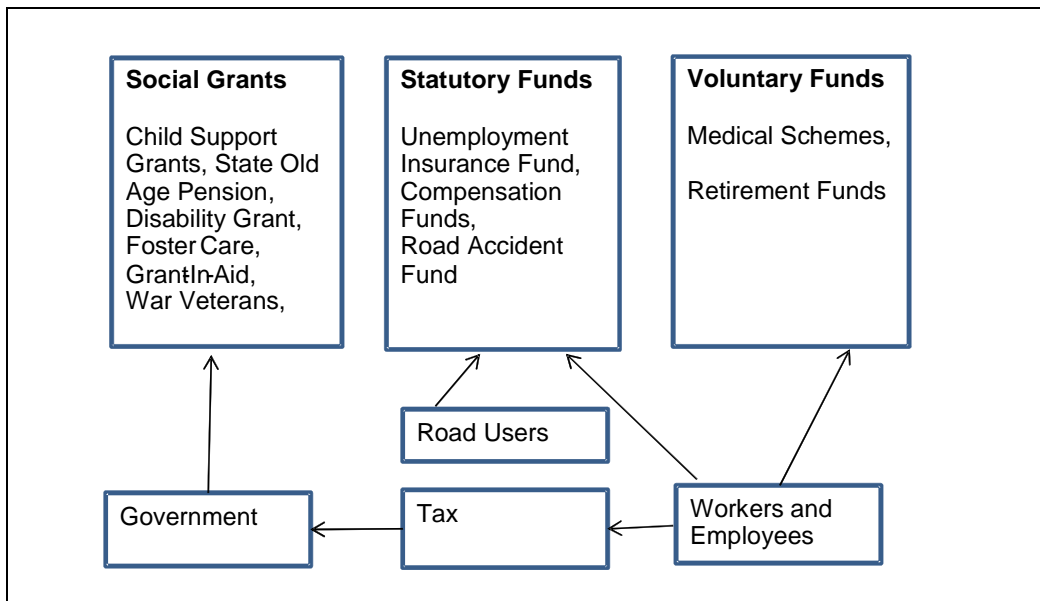
This is also supported by Cole (2009:7) who states that although in the past 15 years the South African government consistently tried to address chronic and structural poverty through programmatic interventions, the current review confirms that out of all attempts, it appears that the social grants have had the greatest influence on income poverty reduction. The study seeks to investigate the administration of Old Age Grants as a mechanism to alleviate poverty in the Kgautswane rural community.

The study focuses on the social assistance programmes in order to ensure that the study is located within a complete picture of the social security system with the Old Age Grants specifically focused upon. Social grants are an important instrument for

social assistance within the overall social protection framework. Unlike conditional cash transfers, social grants are typically not tied to a specific conditionality in order to receive the transfers. Social grants do not only provide households with income transfers, they can also support second-order effects that further accelerate the reduction of poverty. In particular, households that receive social grants might be more likely to send young children to school, provide better nutrition for children, and look for work more intensively, extensively and successfully than workers in comparable households that do not receive social grants. Social grants programmes can be effectively targeted and can be one of the most pro-poor forms of government expenditure (European Report on Development, 2010: 4).

As depicted in Figure 3.1, the government is also responsible for three primary social insurance mechanisms: the Unemployment Insurance Fund (UIF), the Compensation Funds, and the Road Accident Fund (RAF). The state of South Africa is also responsible for the regulation of voluntary funds, in particular, the state regulates voluntary insurance schemes, such as medical schemes and retirement funds (European Report on Development, 2010:5).

Figure 3.1 Social Security in South Africa.



Source: South Africa 2010.

Figure 3.1 above shows the basic architecture of South Africa's social security system. Five major social assistance grants exist in South Africa: the Child Support Grant, the Old Age Grant, the Disability Grant, the Foster Child Grant, and the Care Dependency Grant. The eligibility for each grant is dependent on an income-based means test. The SASSA is responsible for the implementation of the social grants in South Africa (European Report on Development, 2010:4).

At the centre of the Department of Social Development's strategies is the guiding mission to realise the vision which is "To ensure the provision of comprehensive social protection services against vulnerability and poverty within the constitutional and legislative framework, and create an enabling environment for sustainable development" (Department of Social Development 2011:10). The Department further aims to deliver integrated, sustainable and quality services in partnership with all those that are committed to building a caring society (Department of Social Development, 2011:10).

The Department (Department of Social Development, 2011:10), formulated and committed itself to the following key priorities:

- caring for and protecting vulnerable groups, especially children, women and people with disabilities;
- strengthening families and communities;
- transforming social relations, with specific focus on gender and victim empowerment;
- providing comprehensive social security, including income support, and a safety net for the destitute;
- strengthening institutional capacity to deliver quality services; and
- reinforcing participation in key bilateral and multilateral initiatives that contribute to poverty eradication.

For the purpose of this study, social insurance is excluded, as the locus of the study is social assistance. Below is a short discussion of the types of social assistance that the Department of Social Development focuses upon.

3.5.1 Child Support Grant

Iliffe (1987:266) argues that the prevalence of poverty amongst South African children is higher than among the general population due to higher fertility levels amongst the poor and to inequality within the household. Child poverty is evidenced by high infant and child mortality rates. Van der Berg (2002:9) reports that child mortality for ages 0-4 years in the period 1985-91 was 12 per 1 000 children for whites, 52 per 1000 children for coloureds, 18 per 1000 for indians, and 83 per 1000 for blacks. The Child Support Grant, which was introduced in April 1998 to replace the Child Maintenance Grant, is currently the most important form of assistance for children in poor families. The objectives of the Child Support Grants are to support households in meeting the cost of raising children, redistribute income, influence birth rates and relieve child poverty (Triegaardt, 2005: 252). These grants initially were paid to the primary caregivers of children under the age of seven years, but the coverage of the programme was extended gradually and from January 2009 it covered children until their fifteenth birthday (Overseas Development Institute, 2011:8).

The Child Support Grant was the result of proposals made by the Lund Committee, 1996, and the principal aim was to follow the child's development irrespective of economic status. Despite administrative challenges within government, research has found that the grant has been effective in reaching children in poor households (CASE, 2000:43).

3.5.2 Care Dependency Grants

The Care Dependency Grants are paid to the parents or caregivers of children between the ages of 1 and 18 years who suffer from severe physical and mental disability and are in permanent home care. Disabled persons between the ages of 18 and the retirement age receive State Disability Grants. In April 2008 these grants, which now amount to R940 per month, were paid to an estimated 110,153 care-dependent children. The Regulations announced on 30 May 2008 provide for a changed means test for Care Dependency Grants similar to that for Child Support Grants. Recipients of the Care Dependency Grant decreased by 2.92% from 119 532 to 116 039 (Overseas Development Institute, 2011:8).

3.5.3 Foster Care Grants

The beneficiaries of the Foster Care Grants are children deemed in need of care by the courts. Such children are placed in the custody of foster parents designated by the courts and supervised by social workers. The aim of the Grant is to reimburse the foster parent or parents for the cost of caring for children who are not their own and falls away if the child is adopted formally. Families may foster children above the Child Support Grant age of eligibility because they themselves are poor and in need the additional income. The Foster Care Grant is three times the Child Support Grant and lasts longer; therefore people have an incentive to foster children to receive this Grant. A positive effect of the Foster Care Grant is that it enables poor households to release their children to go and live with other families where they would be better cared for. However, social workers have observed that the Grants are used as measures of poverty alleviation rather than being primarily to protect a child, and household members do not direct the spending of income towards the child (Overseas Development Institute, 2011:8).

3.5.4 State Disability Grant

The State Disability Grants are available to people disabled in circumstances other than road and work-related accidents. The Grant is paid to disabled persons between the ages of 18 and the retirement age who do not receive other state grants and who are not cared for in state institutions. Eligibility is determined by strict medical-based criteria: the disability should be permanent and sufficiently severe to prevent the affected person from entering the labour market. Hence, the purpose of the Grant is to compensate disabled persons for loss of income (Overseas Development Institute, 2011:9).

3.5.5 War Veterans Grant

Although significantly smaller, social grants include the War Veterans Grant, which was intended originally to support those who fought in World Wars I and II, the Zulu uprising and the Korean War. Applicants must not be in receipt of any other social grant or being cared for in a state institution. The average annual growth rate of grant receipt between 1997/98 and 2008/09 was -16.40%. The numbers involved are very small, however – there were only 1,500 grant recipients in 2008/09 (SASSA,

2008). As a result of natural attrition, recipients of the war veterans grant declined by 20.44% from 1 218 to 969 (Overseas Development Institute, 2011:9).

3.5.6 Old Age Grant

According to Lalthapersad-Pillay (2007:19), 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. Pauw and Mncube (2007:6) argue that evidence from a South African study on Old Age Grants found positive impacts on the health of young children when the Grants went to grandmothers. The Old Age Grant is a non-contributory scheme financed from the national budget and general taxes. This Grant forms part of the government's broader social assistance programme. Lalthapersad-Pillay (2007:19) concurs that the Old Age Grant enables old age pensioners to support their extended family including grandchildren and unemployed adults since the money is used to meet basic needs such as food, clothing, education and the health needs of children. The Old Age Grant is available to women over the age of 60 and men over the age of 65 (Van der Berg, 2002:24).

The social Old Age Grant plays a crucial role in combating poverty in South Africa, not only because many pensioners would otherwise be amongst the poorest of the poor, but also because pension money circulates widely in many poor rural communities. A major advantage of the old age pension system as a social security programme is that the administrative system for this already exists, allowing many people to share in the benefits of these transfers (Lund, 1993:22).

In April 2001 an estimated 3.5 million South Africans received a social security grant. The Old Age Grant is the largest social assistance programme with about 1.9 million beneficiaries. The important redistributive influence of this programme has been recognised by government and labour movements (Overseas Development Institute, 2011:6).

From the above discussion it can be argued that social protection is a legislative requirement to address poverty and inequality. The South African social protection system has been progressive in increasing coverage so as to address inequality

posed by any form of societal challenge including poverty. The Old Age Grant, which is the locus of the study, developed before democracy and inclusiveness increased after the first democratic elections to include all races. Although there has been progress that can be measured by the increasing number of beneficiaries per grant, there are still challenges within the administration of these grants. Particular attention will be given to the challenges facing the administration of the Old Age Grant, as the locus of the study, in the following chapters.

3.6 CONCLUSION

From the above discussions, it is clear that since the time of apartheid, South Africa has established a substantial social security system with wide coverage for the South African population. Section 27 of the Constitution, 1996 establishes that everyone has the right to have access to social security, 'including if they are unable to support themselves and their dependants. Therefore, the state is under a legal obligation to take reasonable legislative and other measures within its available resources to achieve the progressive realisation' of this right. The Social Assistance Act, Act 13 of 1992 extended the social security measures to all South African citizens. The social security system in South Africa has two main objectives. As described in this chapter, the first objective is to reduce poverty among people vulnerable to low income, such as the elderly, children, and people with disabilities who cannot participate fully in the labour market. The second objective is to increase investments in health, nutrition, and education, in order to increase human capital to accelerate economic growth and development

CHAPTER 4: CHALLENGES RELATED TO THE ADMINISTRATION OF THE OLD AGE GRANT IN THE KGAUTSWANE RURAL COMMUNITY

4.1 INTRODUCTION

This chapter presents the results of the data collection processes, obtained from the literature review, interviews and observations. The chapter reflects on the overall social protection in South Africa and SASSA's administration of the Old Age Grant in the Kgautswane rural community. The challenges identified through the empirical investigation are discussed and the chapter describes the background of the Old Age Grant, the criteria to qualify for the grant and the eligibility.

As stated in Chapter One, a total of twenty beneficiaries of the Old Age Grant were interviewed in the Kgautswane rural community. The objective was to determine the accessibility to services, the influence of this Grant on poverty alleviation and the effectiveness thereof. The employees involved in the administration of Old Age Grants were observed and specific emphasis was placed on the application process for the Old Age Grants and the administration during pay out of the Grant.

Before the thematic discussion of challenges relating to the administration of old age grants is provided, a brief overview of the socio-economic factors characterising the Kgautswane rural community, is given.

4.2 KGAUTSWANE SOCIO-ECONOMIC FACTORS

Kgautswane is a community in the Sekhukhune District Municipality of the Limpopo Province of South Africa. The community comprises a series of 20 villages with a population of over 120,000 people (Gumede *et al*, 2008:3). The villages are Matshiretsane, Makgwareng, Ntsapung, Makgopa, Manawaneng, Paeng, Masakeng, Kgotlopong, Mogaba, Draasloot, Mogaba Matserepe, Makopung, Maahlashi, Mokutung, Longsight, Leboeng, Maakongwane, Gamolae and Lebalelo. The area is under the chieftaincy of Chief Kgwete of the Babina-Nare-baKgwete Tribal Authority.

The Greater Tubatse Local Municipality is responsible for local government services such as bulk infrastructural services (Greater Tubatse Municipality, 2013: 23).

Unemployment is widespread, commercial farming is non-existent, and crops like maize are scantily grown by villagers for subsistence purposes only. Water is scarce, although boreholes and rivers are within walking distance of all villages. The main economic activities centre on small-scale trading and slate mining. There are about 130 small traders in the community, which are the only conveniently situated suppliers of essential foodstuff within the community (Venter & Venkatesh, 2002:5).

From the above it can be deduced that rural areas are confronted with issues relating to development, in some cases, these include basic services that impede developments towards improvement of quality of life and access to basic services already provided by the government to urban areas. This is the case in the Kgautswane rural community, where lack of basic services exacerbates other societal challenges such as unemployment.

The following general factors characterise the Kgautswane rural community (Friedland *et al*, 2008:43):

- fixed line communication is virtually non-existent with only a very few connection points;
- no tarmac roads and municipal services, such as sanitation, garbage removal and running water are available;
- there is lack of statistics, such as unemployment rate, average household income and average household size; and
- the area is dry with erratic rains.

Rural areas in emerging economies like South Africa are often characterised by inadequate infrastructure, such as poor roads, inadequate health facilities, unreliable electricity and low-income generating activities. Various ICT solutions interventions that leverage on the high usage of mobile phones in rural areas have proven to help overcome some challenges faced by rural masses in their daily lives. ICT and

specifically mobile technology, provide seamless access to information even in rural communities. This in turn drives innovation, empowers rural communities and people to develop, and provides a solution to many pain points. Mobile phone-based ICT interventions that have made positive impacts on the lives of people in communities where they are implemented include (Ngassam *et al*, 2013:51):

- mobile banking that enables users from rural communities to conduct transactions on their accounts using a mobile phone;
- mobile health initiatives in which mobile phones are used for various activities in the health sector, such as providing information on available medical facilities in rural areas so that communities can know in advance before travelling long distances; and
- agriculture information where useful agricultural related information, such as weather forecast is effectively delivered to farmers through mobile devices.

Positive impacts of successful ICT implementation in rural communities include (Ngassam *et al*, 2013:51-52):

- improved access to markets;
- access to employment opportunities;
- access to financial support and services; and
- improved education and healthcare practices.

However, the above is not evident in the Kgautswane rural community and the administration of social grants including the Old Age Grant faces challenges due to the lack of infrastructure and ICT providing access to information and information processing. As a general observation, the improvement in ICT infrastructure will enable better public service delivery, specifically in rural communities such as Kgautswane.

The Department of Social Development has district offices in Burgersfort and Lydenburg. These district offices do not only service the people of Kgautswane, but other areas as well. There are local SASSA offices in Leboeng and Legoleng villages which are 60 kilometres apart (SASSA, 2013:23). Therefore, it can be argued that

the positioning of the offices may hinder accessibility to social services. This puts a strain on applicants to access the offices because Kgautswane does not have a reliable transport system (Friedland *et al*, 2008:43). These sites are the research sites from where the observations of the administration of the Old Age Grants were conducted.

The next section discusses the administration process relating to stages of application for the Old Age Grants.

4.3 THE ADMINISTRATION PROCESS OF THE OLD AGE PENSION

The word administer is derived from the Latin word *administere*, which means to care for or to look after people, to manage affairs. Administration may be defined as group activity which involves co-operation and co-ordination for the purpose of achieving desired goals or objectives (Gladden, 1961:12).

Thornhill and Van Dijk (2010:101) describe administration as taking place wherever people work or play and, thus, is found in all spheres of human activity. Administration does not take place in a vacuum and has as its aim the effective and efficient realisation of goals. The administration of the Old Age Grant is therefore performed with the aim to realise the goal of service delivery to the public, which is the Kgautswane rural community in this case. Therefore it can be concluded that the goal to realise is to alleviate poverty from the elderly while also improving the quality of their lives.

The administration of Old Age Grants has 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 declined. 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 (Joseph, 2012:67). The administration of the Old Age Pension Grant is a detailed process with activities in the process to ensure effectiveness and efficiency (Joseph, 2012:66). The following activities are important during the screening stage: 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 (Joseph, 2012:66). The deduction that can be made is that the administrative process of the Old Age Grant is an outlined process and delivery of such service should be effective and efficient.

During the attesting stage 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 advise customer to proceed to next step and update attesting register (Joseph, 2012:66).

The quality control stage involves the following important activities: 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 (Joseph, 2012:66). The argument to be made is that the quality control activity ensures that comebacks are eliminated and the best quality services as required by the White Paper on Transforming Public Service Delivery, 1997, is achieved. 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 (SASSA, 2012:14).

The history of the SOCPEN pension administration system is that it was developed in 1987, implemented and maintained by the former Transvaal Provincial Administration. During 1994, a decision was taken by all provincial welfare departments to amalgamate the then 14 pension payment and administration systems into one system. At that time it was decided to make use of the already existing SOCPEN system. This process started in 1994 and was completed during 1996 (Yako, 2001). The functionality of SOCPEN had to be changed to accommodate the different payment methods through contractors such as the Post Office, CPS and Allpay. What must be understood is the fact that the SOCPEN system was developed to handle only two payment methods namely cash and bank payments to approximately 700 000 beneficiaries (Yako,2001:5).

An individual can apply for the Old Age Grant by filling in an application form at the nearest SASSA office. Applicants do not need to pay any fees to make the application. According to the SASSA (2012:11), the application process should not take longer than two hours. An applicant will be interviewed, have their fingerprints taken and will be given information on whether the applicant qualifies for the grant or not.

An applicant also needs to show certain documents and provide some information, including (South African Government Services, 2014):

- a South African identity document, which must be bar-coded,
- if the applicant is single, an affidavit stating that the applicant is single,
- if the applicant is married, a marriage certificate is required,
- if the applicant is divorced, a divorce order is required,
- if the applicant's spouse is dead the spouse's death certificate is required,
- if the applicant is employed, the wage certificate is required,
- if they are unemployed, the Unemployment Insurance Fund or the blue book discharge certificate from their previous employer is required,
- if the applicant has a private pension, proof of the private pension,
- if the applicant has a bank account, the bank statements for three consecutive months, and
- if the applicant has investments, information on the interest and dividends they earn.

If an applicant cannot personally apply, a friend or family member can bring a letter from the applicant and a doctor's note saying why they cannot visit the office themselves. A home visit may then be arranged by officials from SASSA (South African Government Services, 2014).

When an applicant applies for the Old Age Grant, the applicant should state how they would like the money to be paid. The money can be paid out in cash on specific days at a pay-point or they can get the money paid electronically into a bank account. An applicant can decide to change the payment method at any time by filling in a form at a SASSA office, but the change will only take effect the following month (South African Government Services, 2014).

The processing of applications for the Old Age Grant takes about 30 working days upon which they are either approved or declined. If an application is declined or refused, an applicant will receive a letter explaining the reasons for refusal and how they can appeal the outcome (South African Government Services, 2014).

If the application is approved, the applicant will start getting payments within three months. The payments will be backdated to the day an applicant has applied for the Old Age Grant. The Old Age Grant will be cancelled if the beneficiary dies, or if the beneficiary is admitted to a state institution or if the income or assets of the beneficiary improve so much that the applicant no longer qualifies in terms of the means test. Beneficiaries must inform the Department of Social Development of any changes in their circumstances (South African Government Services, 2014).

An applicant has to pass the means test to qualify. The means test takes into account the assets of the applicant, excluding the property in which he or she lives, as well as his or her annual income. A single person qualifies for the Grant only if his or her assets are worth less than 30 times the annual Grant payable. For married people, assets are considered jointly and should not exceed 60 times the annual Grant payable. The income cut-off point is close to twice the annual value of the Grant. If the applicant has an income from other sources the Grant is adjusted downwards according to a pre-determined formula. The Old Age Grant is only paid if the amount payable exceeds R100 a month (South African Government Services, 2014).

The Old Age Grant is paid out to people whose financial means are below a certain level. In October 2009 a single person was not allowed to earn more than R29 112 per year, including all formal incomes, and the double combined income if it is a married couple. With regard to the assets, a single person is not allowed to own more than R484 800 and double that if it is a married couple (South African Government Services, 2014).

The deduction made here is that the qualification criteria for the Old Age Grant are clearly set out with the requirements and supporting documentation clearly stated.

The Old Age Grant is targeted at poverty alleviation as those that have assets and source of income are excluded through means testing.

The following section discusses the challenges related to the administration of the Old Age Grant. The challenges were revealed through interviews and observation conducted with the Old Age Grant beneficiaries and SASSA employees.

4.4 CHALLENGES RELATED TO THE ADMINISTRATION OF OLD AGE PENSIONS

A specific objective of the study is to describe the extent of ethical, efficient and effective administration of the Old Age Grant in the Kgautswane rural community. Interviews were conducted first with the recipients of the Grant. The aim was to establish how the administration of the Old Age Grants influences their livelihood. As already discussed, the Old Age Pension Grant is a policy mechanism to alleviate poverty of the elderly. The questions were asked to determine the ethics, effectiveness and efficiency with which the administration and related services to the Old Age Grant are performed.

4.4.1 Effective and efficient administration

According to Rakate (2006: 24), the dominant objectives in public administration are the pursuit of efficiency, effectiveness and the economic use of public resources. Efficiency and effectiveness depend on how well public officials are utilising the available resources when performing their duties (Masango, 2000: 60). Efficiency can be defined as the ratio of total output to inputs (Maheswari, 2002: 269). Thus it is how economically one is in performing his/her work. The purpose is to achieve the maximum amount of output with the minimum amount of input. Masango (2000: 61) states that the machinery which converts inputs to outputs has determining effects, to a certain degree, on the quality and quantity of the output, which relates to how effective service delivery is. An effective service means that the output satisfies the need of the client and that the right service was delivered at the right time. Masango (1985: 195) defines effectiveness to be concerned with output only, irrespective of the inputs of the process. In the public service, the acceptability of a service and the extent to which it contributes towards the welfare of the society and towards the

realisation of the enacted policy objectives could serve as the measuring stick with which effectiveness of a service could be determined.

While effectiveness focuses on the ways and means of carrying out government functions and activities, effectiveness is also a criterion through which the influence of those functions and activities is evaluated in order to determine whether or not they have been successful. Therefore, effectiveness is a measure of success in achieving objectives (Rakate, 2006:25).

According to Rakate (2006:26), both efficiency and effectiveness are concerned with initially intended objectives. Efficiency is mainly concerned with how these objectives are realised, while effectiveness is mainly concerned with whether or not the objectives are actually realised.

Public administration as the function which converts public service inputs to outputs is not an exception in this regard. While the receiving of the Old Age Grant is the output, the administration thereof is the process in which input is converted into output. In the administrative process, efficiency determines the quality and quantity of the public service output. The concept of administrative efficiency seems to call for the increased emphasis of the state in determining the competence of employees, how they will be structured, and their responsibilities, with an equally strong emphasis on the oversight function of government (Van Dijk & Croucamp, 2007:667). From this it can be deduced that effective administration needs the government to determine how services are to be rendered to the public. This is the objective of the study: to investigate the effectiveness and efficiency of the administration of the Old Age Grant in the Kgautswane rural community.

Therefore it can be argued from the above discussion that the standard of service delivery is a key determinant of the effectiveness of the government's use of its limited resources and underpins the credibility of any government. The standard of quality of the administration of the Old Age Grant will therefore determine the effectiveness of the system in alleviating poverty and meeting policy objectives.

The Code of Conduct for the Public Service (Public Service Commission, 2002:5) requires that an employee promotes sound, efficient, effective, transparent and accountable administration. The promotion of sound, efficient, transparent and accountable administration implies that every citizen should have equal access to efficient, helpful and friendly service, irrespective of his or her status, gender, race and colour. In rendering sound, efficient and accountable administrative services, the basic values and principles of the Constitution, 1996, must always be kept in mind. Employees must at all times try to complete their tasks without delay, and should also continually strive to do quality work, no matter how unimportant a task may seem.

From the observation of SASSA employees that was conducted, it was discovered that previously completed forms could not be traced for finalisation and other applications were not completed from previous days, due to beneficiaries being asked to bring additional information. This suggests that the administration is not accountable for the service they provide. Application status cannot be easily provided due to system shortcomings. Furthermore some employees arrive late at the service point and also at the local office. At the pay-point, the SASSA employees arrive late during the pay day and this causes distress on the part of the beneficiaries. From these observations the argument is made that the sound, efficient and accountable service delivery imperative was not promoted during the initial application phase of the administrative process.

Although the SASSA Service Delivery Model (SASSA:2011:15) describes how all departments will contribute to achieving an organisation geared towards providing best possible service through automated administrative processes, this is not the case. The interviews conducted with employees identified that the application process lacks uniformity and is not automated. A manual application process still takes place. The Service Delivery Model (SASSA, 2011:15) also aims to reduce paper forms by introducing the scanning of documents on arrival for the process of verification, quality checks and validation online until payment takes place. In the case of Kgautswane the application process starts with manual completion of forms.

The Code of Conduct for the Public Service (Public Service Commission, 2002:4) requires an employee to constantly strive to achieve the objectives of his or her institution cost-effectively and in the public's interest. In their day-to-day functioning, employees should continually ask themselves whether what they are doing really contributes to delivering the services or results for which their organisational component is responsible. An employee should also ensure that they are creative in thought and, in the execution of his or her duties, seeks innovative ways to solve problems and enhances effectiveness and efficiency within the context of the law. Employees should be fully involved in performing their duties. They should apply their minds constantly and seek to do their work quicker and better in order to deliver better results and/or services. The Code of Conduct for the Public Service (Public Service Commission, 2002:4) also requires that an employee is punctual in the execution of his or her duties and makes an effort to see to it that his or her duties are finalised by the time or deadlines required. The interviews conducted with beneficiaries revealed that there are still long queues for service at service points and the local office. There are also backlogs in the processing of applications which means that public service employees do not apply their minds to do their work quicker and better in order to deliver better results and services. Cost-effectiveness and the public's interest do not seem to be addressed during the administration process.

- *Delivering quality services through responsiveness*

According to Subban *et al*, (2007:35) public institutions are obliged to render quality services to the growing populace. There is tremendous pressure on public institutions to promote a results-oriented, performance-driven approach focusing on outputs and outcomes, and ensuring that the relationship between the public service and customers is influenced by responsiveness to service needs and service quality and efficiency, hence the popular term: a value-for-money approach. The interviews revealed that beneficiaries are asked to repeat visits for same services due to incomplete requests. This means that quality, efficient and effective services are not rendered to beneficiaries.

Employees of the public service should strive to be self-motivated and self-directed, faithfully doing their work in accordance with the laid down policies and procedures without someone else having to request or remind them to do so. An employee

should give honest and impartial advice, based on all available relevant information, consulting higher authority if necessary when asked for assistance of this kind. An employee honours the confidentiality of matters, documents and discussions, classified or implied as being confidential or secret (Public Service Commission, 2002:4 & White Paper on the Transformation of Public Service Delivery , 1997:16).

The observation conducted revealed that the employees do not take accountability for the results of the service they offer. Employees do not follow up on long outstanding applications and only start to realise that an application is long overdue once an applicant starts querying it. The service is reactive. There is a lack of responsiveness. A more responsive approach to public services would be to deliver the service in a way which reflects people's wishes. Responsiveness would give the service recipient control over the level of service they can receive. Public service employees have a crucial responsibility to fulfil in making their services more responsive to customers (Flynn, 2007: 152). The interviews also revealed that follow ups on applications already submitted are a problem, as applications cannot be easily traced. This may be described as poor record management on the side of the employees.

- *b) Timely, accessible and accurate information*

The Code of Conduct for the Public Service (Public Service Commission, 2002:4) fosters transparency in providing the public with timely, accessible and accurate information. The White Paper on Transforming Public Service Delivery, 1997 requires that citizens should be provided with good information on the services available to them. The beneficiaries interviewed are of the opinion that there is a lot of information that is not communicated to them. The only information best known to the Old Age Pension Grant beneficiaries is the age criteria and the amount paid out. During pay outs, all grants are paid at the same time and most of the beneficiaries do not know exactly what grants they are receiving since there is no formal communication of this information. Some beneficiaries call it "Mbeki money". This is due to the reason that the Old Age Grant became more popular with take ups increasing during the second term of democratic rule where Thabo Mbeki became the President. When pensions are increased there is no communication. Pay dates

are also miscommunicated and there are instances where pensioners go to the pay-points only to find out that the date is incorrect.

Supporting communication, the White Paper on Transforming Public Service Delivery, 1997, the Public Administration Management Bill, 2013 and the Department of Social Development Customer Service Charter (2008) require transparent information communication to the public with regard to public services and the related quality level of the public services. The findings from the interviews revealed that information does not flow to the beneficiaries about the application process and the different stages and who are involved in the different stages of the application. The expected turnaround times of an application are not communicated to the applicants during the application process. New developments regarding the Old Age Pension Grants are not communicated properly. The introduction of SASSA social grant cards for withdrawal at Automated Teller Machines (ATM's) and approved vendors, for example, was not adequately communicated as most beneficiaries did not know why, where and how to use them.

The Code of Conduct for the Public Service (Public Service Commission, 2002:4) promotes the use of information and communication technologies in public administration. An interesting finding is that information is received through word of mouth. Literacy is an issue, but it was discovered that most information is communicated via word of mouth. Beneficiaries end up not receiving the original communicated information, but incorrect information that may be misleading.

The White Paper on Transforming Public Service Delivery, 1997's principles require that services should be equally accessible to all citizens. Citizens should be consulted about the level and quality of the public services they receive and wherever possible, should be given a choice about the services that are offered. The Code of Conduct for the Public Service (Public Service Commission, 2002:4) promotes efficient, economic and effective use of resources and public service to be development oriented. Services are to be impartial, fair, equitable and without bias. The accessibility of the facilities such as offices is a challenge. Pay-points are also far from reach and require travel with a transport infrastructure that is non-existent. Beneficiaries end up hiring transport to get to and from these facilities. The problem is that exorbitant prices are charged and this ends up reducing the ultimate pay out

to the beneficiaries. The offices where applications are carried out are inaccessible for the recipients. Those who also use cards have to travel to towns to access ATM's. This leaves the beneficiaries open to the risk of being robbed. There is also a practice by unscrupulous merchandisers who charge a fee to issue cash in favour of SASSA cards and withdraw the money on behalf of the beneficiaries, relieving them from the travel challenges to access ATM facilities.

- *Fostering transparency*

The Code of Conduct for the Public Service (Public Service Commission, 2002:4) stipulates that public administration must foster transparency by providing the public with timely, accessible and accurate information and must be accountable to the public. The White Paper on Transforming Public Service Delivery, 1997 states that citizens should be consulted about the level of service and the quality so that they are aware of what to expect. Section 3 (2) (b) of the Promotion of Administrative Justice Act, Act 3, 2000, obliges SASSA to provide information regarding the process and process outcome. This requires that written reasons why a particular decision was taken should be provided. Beneficiaries are not aware of the application process and how it unfolds until a decision is made. The beneficiaries just know that their applications are sent to Pretoria and the process involved and the turnaround times are explained to them. The application requirements are not clearly stated to them either. One beneficiary stated that they approach the office with requirements and only then are they told of additional requirements. It costs them money and time to put together all the requirements.

- *Developing the capacity of employees*

Although SASSA had contracted a service provider to assist with system challenges and the transfer of much needed skills to SASSA employees, this does not seem to be the case in the Kgautswane rural community. The employees do not display competency that proves that skills have been transferred. This is seen during the application process where the system is not fully utilised to capture information and help is sought from other avenues. This happens frequently and a consultant or a knowledgeable employee is awaited to fix the problem.

The Code of Conduct for the Public Service (Public Service Commission, 2002:5) promotes the use of ICT and the effective, efficient and economic use of resources. The SOCPEN is an ICT system that is used to process applications. The interviews with SASSA employees revealed that there are still challenges related to the functioning of the system, and that employees at service points do not really use the system as they complete the forms and hand them over to another employee at the local office who will capture the application onto the system. This leads to backlogs and under-utilisation of the system. Consultants are used to resolve system issues and this leaves a skills gap with the employees. The investigation revealed lower skills levels and system usage. Employees' level of education is matric in all the local offices. There is one employee at the district of Praktiseer that has an N6 certificate in administration. Little or no emphasis is placed on training employees to ensure better system utilisation.

The Service Delivery Model (SASSA, 2011:15) aims to ensure continuous transfer of skills to and capacity building of SASSA employees. In this respect the finding from the interviews with SASSA employees is that system training for SOCPEN happens haphazardly. This is seen from the difficulties experienced during the application process. Employees in the local offices do not receive adequate training due to the fact that they do not really do much in the data capturing process into the system. Data capturing is an integral part of the application process. The findings also revealed that the complete process of application cannot be performed from start to finish at the local offices, although the Service Delivery Model (SASSA, 2011:26) provides for a development and implementation of automated end-to-end solution with a direct single capture of information from start to finish.

- *Staffing*

Although the Code of Conduct for the Public Service (Public Service Commission, 2002:4) stipulates that public services should ensure employment and employee management practices based on ability, objectivity and fairness, there are still critical employee positions that are not situated in the local offices that must service the Kgautswane rural community. The Thusong Centre in Legoleng which serves as the service point is staffed with only one individual. This is evidenced by the number of calls made to other offices in search of assistance while servicing clients. There is no

proper supervision of day-to-day operations. Work done on a daily basis is transferred to other offices for finalisation with a subsequent impact on the waiting periods and turnaround times. This practice is seen not to be promoting effective, efficient and economic use of resources.

The Public Administration Management Bill, 2013, also promotes the transfer and secondment of employees. There are concerns that delays are probable at some offices due to employee shortages, especially at service points in deep rural areas where there are only one or two officials. In such instances applications cannot 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, the service point does not have network connectivity and even if there is an official to complete an application it can still not be captured on the system and in such instances those applications must also be brought to the nearest local office for capturing and approval purposes. This seriously compromises the turnaround time of applications. It further creates unnecessary backlogs and grant pay outs with large amounts. This compromises efficiency, effective use of resources and quality public service.

The Code of Conduct for the Public Service (2002:4) requires public administration to ensure the need to be accountable to the public and redress when the promised standard of service is not delivered. Citizens should be offered an apology, a full explanation and a speedy and effective remedy when complaints are made, and citizens should receive a sympathetic, positive response. The Department of Social Development and SASSA are not conducting adequate needs analyses of their service delivery environment. The turnaround time to finalise applications, stated at 30 days from the date of application, is not in the hands of the front desk employees. Further processing takes place at district and head office where quality and verification occur. The employee shortages in key positions compromise the turnaround time due to delay in the processing of the applications. Feedback is only received from the head office and communicated to applicants with timelines that vary.

The Service Delivery Model (SASSA, 2011:6) aims to build a high performance institution which manifests itself by compliance to good governance principles and

striving towards operational excellence through continued service delivery improvements to beneficiaries through adequate staffing. The inability to staff local offices and service points compromises the aims of the Service Delivery Model as this model must be made real by suitably qualified employees. The finding is that the local office employees do not have control over turnaround times as the data capturing is done at the district offices. They handle queries relating to application progress by phoning the district offices. The employees at the local offices are not technically able to perform their duties and this raises concerns as to whether they were objectively hired.

- *Infrastructure*

The Service Delivery Model (SASSA, 2011: 7) states that improved service delivery will be as a result of improved organisational capacity including proper systems to reduce fraud and corruption in adequate office accommodation. There is a lack of infrastructure and development to accommodate the use of information and communication technology, particularly in rural offices. The local offices and service points are not properly furnished. These challenges create stumbling blocks such as overcrowding at service points which then result in beneficiaries arriving earlier than required at service points, long waiting periods in waiting rooms, repeat visits by clients, backlogs in the processing of applications, lack of adequate office accommodation and a lack of standardisation of key business processes within the application process. The finding from the interviews is that local office employees at service points feel that they are not capacitated to handle the application process. They feel that the infrastructure needs to be improved, especially the ICT to handle data capturing, so that they can give proper feedback and insight into the process stages of the Old Age Grant applications. The findings from the interviews also revealed that the capacity to handle the administration of Old Age Grant needs to be upgraded at local offices and service points, decision making should also be made at these offices and the processes standardised. The incapacity of local offices is the main cause for backlogs in the administration process.

The following section discusses the findings from the interviews conducted with beneficiaries of the Old Age Pension Grant. The conduct of the employees is benchmarked against the prerequisites of the Public Service Commission.

4.4.2 Ethical administration

Ethics are as important for the public employee as blood is for the body (Van der Waldt & Helmbold, 1995:170). An ethical code of conduct is necessary to guide the public official in his/her public service rendering to the community as well as to safeguard him/her against unfair demands by the community. This can lead to the promotion of a positive image of the public service. A code of conduct should go a long way in providing a suitable climate for an ethical culture to thrive and promote a professional ethos among public officials at all levels.

Raga and Taylor (2010:1) argue that accountability is the fundamental prerequisite for preventing the abuse of power and for ensuring that power is directed towards the achievement of efficiency, effectiveness, responsiveness and transparency. Open, transparent and accountable government is an imperative prerequisite for community-oriented public service delivery, because without it covert unethical behaviour will result. Ethics is both a process of inquiry and a code of conduct. As a code of conduct, it is like an inner eye that enables people to see the rightness or wrongness of their actions (Guy, 1990:06).

The Code of Conduct for the Public Service (Public Service Commission, 2002:8) requires the following from public service employees to promote ethical administration:

- An employee promotes the unity and well-being of the South African nation in performing his or her official duties. The preamble to the Constitution, 1996, states that the adoption of the Constitution, 1996, is intended to heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights, lay the foundations of a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law; improve the quality of life of all citizens and free the potential of each person; and build a united and democratic society.
- A good team spirit, good interpersonal relationships and a generally pleasant, helpful and professional atmosphere and set an example for the community at large.

- An employee will serve the public in an unbiased and impartial manner in order to create confidence in the public service. The public service serves the total community, and the public expects to be treated equally, efficiently, professionally and in a friendly manner.
- An employee is polite, helpful and reasonably accessible in his or her dealings with the public, at all times treating members of the public as customers who are entitled to receive high standards of service.
- An employee has regard for the circumstances and concerns of the public in performing his or her official duties and in the making of decisions affecting them.
- Although the needs and/or concerns of members of the public might, in the eyes of employees, not seem to be as serious as the members of the public think, employees must calmly and efficiently provide help, information or even guidance to bring about solutions to their problems.
- An employee is committed through timely service to the development and upliftment of all South Africans. The Government of the day has clearly stated its intention to focus on the upliftment of communities which had been disadvantaged in the past.
- An employee does not unfairly discriminate against any member of the public on account of race, gender, ethnic or social origin, colour, sexual orientation, age, disability, religion, political persuasion, conscience, belief, culture or language.
- An employee respects and protects every person's dignity and his or her rights as contained in the Constitution, 1996.
- Employees must behave in a respectful manner towards all their colleagues and the public, irrespective of who they are, how they look and what their status is. Employees' behaviour towards others should always be friendly, helpful and efficient
- An employee recognises the public's right of access to information, excluding information that is specifically protected by law.

The Constitution, 1996, Section 195(1) provides that public administration must be governed by the democratic values and principles enshrined in the Constitution. Values emphasised in Section 1 of the Constitution are human dignity, the

achievement of equality, the advancement of human rights and freedoms, non-racialism and non-sexism.

Public services, which include administration of social grants, should be rendered according to the principles laid out in the White Paper on Transforming Public Service Delivery, 1997. The purpose of the White Paper is to provide a policy framework and a practical implementation strategy for the transformation of public service delivery. The White Paper focuses on how public services are provided, rather than on which services are provided. The following are the eight principles of *Batho Pele* (White Paper on Transforming Public Service Delivery, 1997):

- **Consultation:** All national and provincial departments must, regularly and systematically, consult not only about the services currently provided but also about the provision of new basic services to those who lack them. Consultation will give citizens the opportunity of influencing decisions about public services, by providing objective evidence which will determine service delivery priorities.
- **Service standards:** National and provincial departments must publish standards for the level and quality of services they will provide, including the introduction of new services to those who have previously been denied access to them. In the case of certain services, such as health, or education, national departments, in consultation with provincial departments, may set standards which will serve as national baseline standards.
- **Increasing Access:** While some South Africans enjoy public services of first world quality, many others live in third world conditions. One of the prime aims of the White Paper on Transforming Public Service Delivery, 1997, is to provide a framework for making decisions about delivering public services to the many South Africans who were and still are denied access to them.
- **Ensuring Courtesy:** The concept of courtesy goes much wider than asking public servants to give a polite smile and to say 'please' and 'thank you', though these are certainly required. The Principles of the White Paper on Transforming Public Service Delivery, 1997 require that the behaviour of all public servants is raised to the level of the best. Among others this principle involves also dealing with people who have special needs, such as the elderly or infirm, gender and language.

- Information: Information is one of the most powerful tools at the customer's disposal in exercising his or her right to good service. National and provincial departments must provide full, accurate and up-to-date information about the services they provide, and who is entitled to them. This must be done actively, in order to ensure that information is received by all those who need it, especially those who have previously been excluded from the provision of public services.
- Openness and transparency: Openness and transparency are the hallmarks of a democratic government and are fundamental to the public service transformation process. In terms of public service delivery, their importance lies in the need to build confidence and trust between the public sector and the public they serve.
- Redress: If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made, citizens should receive a sympathetic, positive response.
- Value for money: Public services should be provided economically and efficiently in order to give citizens the best possible value for money.

Citizens can now engage with government in the manner of their choosing and this presents a profound shift in how government structures its services (Phala, 2007: 82). Such important aspects are access, speed of delivery, service quality, regular consultation, privacy and being treated with dignity and respect. These are being weighted as the foundation of managing customer relationships. The notion of a service user orientation and customer-orientation is an important determinant when interacting with customers (Subban *et al.*, 2007:36).

The Code of Conduct for the Public Service (Public Service Commission, 2002:4) states that public administration must respond to people's needs and encourage public participation and be accountable to the public. Public services can be made more sensitive to the requirements, preferences and expectations of the people who use them (Subban *et al.*, 200:35). The Public Administration Management Bill, 2013, promotes and requires public servants to maintain high standard of professional ethics, and The White Paper on Transforming Public Service Delivery, 1997, states that treating citizens as customers implies listening and taking account of their views and paying attention to their needs when deciding what services should be provided.

From the interviews conducted beneficiaries are of the opinion that they are not treated sensitively and their needs are not considered. This is due to the attitude that they feel is being displayed towards them. They feel that the waiting period for response, the queues at the application offices and the attitude they receive from the front line employees is not ethical and is undeserved. The employees take time to service them and the pensioners spend time in those offices and at times miss their transport going back as they rely on public transport. The White Paper on Transforming Public Service Delivery, 1997's, principles require that public service must respond swiftly and sympathetically when standards of service fall below the promised level and must add value to the lives of citizens.

The Code of Conduct for the Public Service (Public Service Commission, 2002) and the White Paper on Transforming Public Service Delivery, 1997, stipulate that public service delivery should be performed at levels where customers are treated with consideration and respect. This is prescribed by the courtesy principle. The finding revealed from interviews that during the application process the applicants for the Old Age Grant feel that they are not treated with the respect that they deserve. One respondent mentioned that they are treated like young girls who apply for the Child Support Grant and not as senior citizens of the country. The respondents feel that they are at times neglected during tea times and lunch breaks and that makes them feel disrespected.

Although the principles set out in the White Paper on Transforming Public Service Delivery, 1997, require public administration to ensure that citizens are able to access the services provided easily and comfortably, there are concerns raised during the interviews and also confirmed by the observations at the pay-point that the manner in which pay outs are handled at the pay-points is contrary to these principles. One of the concerns is that there are no toilets at the pay-points and even access to clean drinking water is limited. The pay-point is also not user friendly for disabled persons and seating for applicants while waiting is limited. There is no shade for severe weather conditions and this takes away the comfort with which services must be rendered. The Service Delivery Model (SASSA, 2011:23) aims to address unsuitable pay-point environment and this is not the case with the Kgautswane rural community. The findings from both the observations and the

interviews also revealed that there are no ambulances during pay outs to attend to medical cases and emergencies. The only other services available are the South African Police Services responsible for controlling the queues. There is a feeling from beneficiaries that the police officers are very rude and impatient during the process. Mention should be made that older beneficiaries using walking sticks are, however, escorted to the front of the queues to shorten their waiting period.

The White Paper on Transforming Public Service Delivery, 1997, requires access to services with comfort and ease. It requires citizens to be treated with consideration and with respect. This is not the case with the pay-point at the Kgautswane rural community. There are no ablution facilities and that makes beneficiaries, especially fragile beneficiaries, feel neglected and inconvenienced. There is a problem of overcrowding with non-recipients of the Old Age Grants flocking to the pay-point. Beneficiaries state that most school-going youth do not attend school during pay out dates – which leads to overcrowding and inaccessible pay-points. Also, there are cases of money being lost or even of beneficiaries becoming victims of pickpockets. The overcrowding disturbs most of the recipients. At their age many struggle with hearing loss and it makes it difficult and uncomfortable during the payment process. The elderly are often not able to hear clearly during conversations. The observation revealed that the beneficiaries are often treated with impatience instead of assisting and accommodating their special needs as a result of hearing difficulties.

Vendors and hawkers are also a problem as their access is not controlled properly. They sell goods and foodstuffs to those waiting in the queue which leads to further uncontrolled overcrowding. The promise to render the services with high levels of professionalism, care and quality falls away.

From the observation performed, it can be argued that there is no proper investigation into how the administration of the old age pension grants can be improved. There has been a survey conducted to get feedback on whether the standard of service provided adequately meets the required levels, but the outcome of the survey is not known nor published anywhere. There are no measures taken to address SASSA's mandate to administer quality services, cost effectively and timely, using appropriate best practice by developing and implementing policies, programmes and procedures for an effective, efficient social grants administration

system. Although the Service Delivery Model (SASSA, 2011:14) seeks to establish comprehensive ongoing monitoring and evaluation of services delivered, need-based research and development, effective management of complaints and queries with feedback to customers, it has been revealed through interviews that beneficiaries do give feedback of their service expectations and what is being delivered by employees of SASSA, but nothing seems to change. The challenges that were raised during interviews were previously raised by beneficiaries. This means that SASSA does not do enough to implement suggestions from beneficiaries.

The employees serve beneficiaries for all social grants. There are no specific employees that serve only the Old Age Grant beneficiaries and applicants. The local offices serve an average of five (5) Old Age Grant beneficiaries daily while the district offices serve an average of eleven (11) beneficiaries daily. The local office employees complete the applications that are sent to the district offices to be captured online for further processing. The observation might be misleading because completing applications might not be the only activity with which front-line employees are tasked. Other activities might include aspects such as responding to enquiries, amending information on existing applications such as changes of address, changes of payment method and other service requirements.

The Code of Conduct for the Public Service (2002:4) requires employees to respond to people's needs. The Department of Social Development Customer Service Charter (Department of Social Development, 2008) requires treating customers with consideration and respect. The observation revealed that "the customer is king" notion is not a slogan that is implemented by employees. The approach is complacent and there is no sense of urgency. Although SASSA (2011:8) claims to strive at all times to live up to its slogan "Paying the right social grant, to the right person, at the right time and place - *NJALO!*", there are findings revealed by interviewees that new applicants return to the pay-point after the promised turnaround time of 30 days, only to find that their applications are not yet finalised and they have to return home empty handed.

The Department of Social Services Customer Service Charter (2011) requires that public employees promote the rights and wellbeing of customers. The Charter (2011)

also insists on respect and confidentiality of beneficiaries' privacy and information. The observation revealed that information of the applicants is treated confidentially. There were no incidents where dissemination of information was made to other parties. The observation revealed that there is sensitivity to personal information of the elderly.

The next section discusses the findings from the interviews conducted with beneficiaries on how the Old Age Grant alleviates poverty. As conceptualised in previous chapters, the Old Age Grant is a specific policy implemented by the government to curb poverty in specifically rural areas.

4.4.3 Challenges in alleviating poverty

Since the elections in 1994, poverty alleviation has been at the center of the democratic, developmental South African government (May, 2010:4). The poverty in South Africa is largely attributed to extreme inequalities of the past and has been addressed through a number of initiatives. Firstly, due to the fact that poverty reduction and access to social services are consistent themes of successive South African governments, the Reconstruction and Development Programme prepared in 1993 as the incoming government's manifesto, singled out the reduction of poverty in all its dimensions as the central concern for the post-apartheid era (May, 2010:4).

Secondly, the closure of the Office of the Reconstruction and Development Programme in 1996 signalled a symbolic reduction in the priority given to improving the access of the majority of South Africans to adequate shelter, sanitation and education. While programmes to provide such social services continued to reside within relevant ministries, in this period the public policy debate shifted from the Reconstruction and Development Programme to the Growth, Employment and Redistribution, a label attached to the government's macroeconomic stabilisation and structural adjustment framework (May, 2010: 5).

Thirdly from 2004 to 2006, the government embarked on a relatively expansionary phase, unveiling the Accelerated and Shared Growth Initiative of South Africa (AsgiSA) where expenditure on social services grew strongly, with education receiving the largest share followed by health, social security and housing. AsgiSA

focused much on skilled development and employment of youth in public private partnerships (May, 2010:5).

Fourthly, another important component of the government's short-term response to poverty reduction has been through the Extended Public Works Programme (EPWP) which was introduced in 2004. Other responses included education as an important long term strategy for poverty eradication despite the inequities of the apartheid era in terms of education (May, 2010:5).

Finally, as a short-term measure to address poverty, social grant payments are especially important in South Africa where there has been a consistent increase in the number of grant beneficiaries. Other current measures include land reform, an intervention which transfers assets into the hands of poor households, which has the long-term potential to reduce the level and depth of poverty (May, 2010:5).

Improving the delivery of public services means redressing the imbalances of the past and, while maintaining continuity of service to all levels of society, focusing on meeting the needs of the 40% of South Africans who are living below the poverty line and those, such as the disabled, and black women living in rural areas, who have previously been disadvantaged in terms of service delivery. Improving service delivery also calls for a shift away from inward-looking, bureaucratic systems, processes and attitudes, and a search for new ways of working which put the needs of the public first, and are better, faster and more responsive to the citizens' needs. It also means a complete change in the way that services are delivered. The objectives of service delivery therefore include welfare, equity and efficiency (South Africa, 1997:5). From this it can be deduced that administration of the Old Age Grant is meant to alleviate poverty for beneficiaries and therefore public servants should render such services with the right attitudes and processes, faster and more responsively to the needs of the beneficiaries.

From the interviews conducted, the finding is that beneficiaries are of the opinion that the Old Age Grant is meant for them to buy food. Beneficiaries also think that the money is not to be used on useless things such as airtime purchases because the grant may be revoked if that becomes known. The recipients of the Old Age Grant

feel that the pension is meant to assist them to live a better life. But, beneficiaries also use the Grant on other things such as the payment for burial societies and other funeral plans that are run in the community. They also use the Grant to purchase necessities such as electricity. Water is not included as there is no supply from the Greater Tubatse Municipality. The Kgautswane rural community depends on water from the nearby river. Although water does not come as a service charge from the municipality, beneficiaries of the Old Age Grant use some of their grant money for the payment of water deliveries by private individuals using their own means of transporting water.

Treating citizens as customers implies listening to and taking account of their views and paying heed to their needs when deciding what services should be provided. The Code of Conduct for the Public Service (2002:4) requires public servants to respond to people's needs and to be accountable to the public. The findings from the interviews revealed that there is an element of not understanding the needs and feelings of the applicants and recipients of the Old Age Grants by frontline employees. Respondents are of the opinion that frontline employees do not understand that the Grant is the only means of income available to the recipients. Respondents say that service providers think it is a luxury to receive this Grant.

From the empirical investigation, it was established that beneficiaries feel that the Grant is not adequate. Food is expensive and they do not plough or cultivate anymore due to water not being available. The cultivation of crops was a strategy to supplement food supply. In other instances, the Old Age Grant feeds other members of the household, pays school fees for children of school-going age and also provides for clothing. This therefore means that the Old Age Grant is extended to meet other needs, not only for the elderly but other destitute members of society.

The beneficiaries have no other means of income. The grants are the only source of their income. The fact that they are elderly means that they are not employable even informally as the rural community cannot afford to pay for domestic work. Entrepreneurial activities are low in the area with fewer opportunities to source income.

The majority of beneficiaries feel that their lives will never be same because of the Old Age Grant which enables them to buy food that is a great necessity for their survival. Beneficiaries are of the opinion that they will die due to hunger and sicknesses as they do not follow a proper diet. Beneficiaries and their extended families including children will also suffer. Beneficiaries of the Grant said that life before they received the Grant was very difficult and hopeless.

The beneficiaries are of the opinion that the government should increase the amount of the Old Age Grant. Other suggestions are that if the Grants cannot be increased, there must be an alternative to supply necessities such as basic groceries to them. Much of the Grant is also spent on medical services. Although these services are said to be offered to children and the elderly, in the Kgautswane rural community they are non-existent due to inadequate infrastructure.

The following section presents findings from the observation that was conducted during the application process and the pay out at the pay-point.

4.4.4 General challenges

As already discussed, the general public everywhere in the world base their perception of government on the nature and quality of the services they experience at the hands of public employees. The face of government is the face and/or voice of the front-line service providers. This is what all people experience and if the service is poor or unfriendly, then government is immediately deemed inefficient and bureaucratic (South Africa, 2007:10).

The administrative services for the Old Age Grant are not accessible to citizens as required by the White Paper on Transforming Public Service Delivery, 1997. Beneficiaries from areas such as Legoleng, Kgatlopong, Maahlashi, Lebalelo, Paeng, Mafarafara, Makgwareng and Makgopa still travel long distances to the pay-point. The central place to receive the Old Age Grant is at the Babina-Nare-BaKgwete Tribal Authority Offices. There are beneficiaries that walk to the offices, while other beneficiaries resort to hiring transport in groups. This reduces the benefit of the Old Age Pension as some money goes to transportation expenses. This poses a health risk to recipients, as walking may lead to other complications which result in

dehydration and other illnesses. The citizens from these areas do not have equal access to these services and are not treated with courtesy as the White Paper on Transforming Public Service Delivery, 1997, requires.

Exploitation of beneficiaries by notorious and unscrupulous merchandisers and vendors who run cash loans schemes are common in the Kgautswane rural community. Loan sharks and merchandisers approach beneficiaries to take up loans and even items from shops with payments expected on the day of the grant pay out. This leaves beneficiaries indebted and it becomes a vicious cycle. In other instances, these loan sharks and merchandisers keep the SASSA cards of the beneficiaries and only issue them back on the said day to receive the pay out and repay the loan immediately.

Unscrupulous vendors force beneficiaries to spend some cash when using their SASSA cards in the shops when withdrawing cash. This practice reduces the cash pay out to the beneficiary although SASSA pays for the transaction charges when a card is used.

4.5 SUMMARY OF FINDINGS

The following section summarises the findings from the interviews and observations conducted with beneficiaries and SASSA employees regarding the administration of the Old Age Grant in the Kgautswane rural community.

4.5.1 Effective and efficient administration

Although the White Paper on Transforming Public Service Delivery, 1997, requires that administration of public services should be effective and efficient, there are still challenges within the Old Age Grant administration processes in the Kgautswane rural community. The empirical investigation revealed that the application process is not clear to applicants, payments are usually delayed from between 15 minutes to less than an hour, but beneficiaries are not always informed about delays, security guards are not available at pay-points although there is access control at pay-points, mainly driven by the South African Police Services. There are no first aid kits available at the pay-points. The training, supervision and mentoring support from supervisors and colleagues occurs haphazardly, although the majority of front-line staff receive between 11 and 29 applications per day and spend more than 30

minutes to take down an application. There are concerns that the Old Age Grant application files are misplaced or lost after processing.

4.5.2 Ethical administration

The Code of Conduct for the Public Service (Public Service Commission, 2002:4) requires that public services should be rendered in a manner that reflects high standards of professional ethics. The public services should be offered in a manner that shows courtesy, transparency, and respect for citizens' needs and in a manner that is dignified. The recipients of the public services must be told about the services they are entitled to, including the quality and the standard with which these services will be rendered. The investigation revealed that there is not proper sharing of information about the Old Age Grant, the changes in the payment dates and communication with regard to outcomes of the applications. There is concern that the employees at the local offices are not sufficiently experienced to resolve issues relating to the administration of the Old Age Grant. Payment contractors and SASSA employees sometimes arrive late at pay-points.

4.5.3 Poverty alleviation

The Old Age Grant influences the quality of life of beneficiaries in the Kgautswane rural community. There is a concern from beneficiaries that the public servants who administer the Old Age Grant do not understand the needs of the beneficiaries, and that the Old Age Grant is the only means of income that they have. The beneficiaries feel that their basic needs are so expensive that the Old Age Grant is not adequate to meet their needs.

The empirical investigation revealed that the Old Age Grant feeds other members of the family. There is no other means of income except the Old Age Grant for the elderly. In the absence of the Old Age Grant life will be difficult for both the beneficiaries and their extended families that are also dependent on the Old Age grant. The investigation revealed that the beneficiaries use the Old Age Grant on things other than their basic needs and feel that the Old Age Grant must be increased so as to cover a larger portion of their basic needs.

4.5.4 General challenges

The pay-point at the Kgautswane rural community is not disabled-friendly, to allow disabled people movement and access to be served in a comfortable environment. The pay-point does not have enough chairs, there are no toilet facilities, and drinking water is not available for the beneficiaries. The offices of the SASSA which were visited for observation do not have proper infrastructure to perform administrative functions. There is no proper furniture and infrastructure such as cupboards and filing cabinets, and there are concerns about missing documents submitted during the application process.

Although it is pleasing to reveal that Old Age Grant beneficiaries hardly ever receive incorrect Grant amounts, there are instances where it was reported that the pay-point ran out of cash. The pay-point has fencing all around it. There are hawkers that access the pay-point easily and these hawkers and vendors operate mainly outside the pay-point. Although SASSA boast key achievements including increasing the number of social assistance benefits that it paid out over the last year in the Kgautswane rural community area, it is very clear through the qualitative findings that there are skills shortages, as well as a lack of understanding for the application processes and ICT systems supporting the administration of the Old Age Grant. This is due to policy changes that led to the increase in the Old Age Grant take ups that are not matched by an increase in funding.

Despite the strides in achievements by the Department of Social Development and SASSA in delivering adequate administration of social grants including the Old Age Grant, there are still challenges with the administration of these services.

4.6 CONCLUSION

The Kgautswane rural community is an under developed community which lacks basic infrastructure. The community faces societal challenges such as unemployment and poor service delivery in health and other social welfare services.

The administration of the Old Age Grant is a poverty alleviation mechanism for government. Public services are supposed to be rendered effectively, efficiently and with professional, ethical standards. Although the government has made prescripts by which services are supposed to be rendered, there are still gaps in the

administration of the Old Age Grant in the Kgautswane rural community. Public servants are supposed to render services with the aim to redress imbalances of the past in a fair, ethical and equitable manner. The next chapter will discuss the solutions to the challenges revealed by the empirical investigation

CHAPTER 5: PROPOSALS FOR IMPROVING THE ADMINISTRATION OF SOCIAL ASSISTANCE IN THE KGAUTSWANE RURAL COMMUNITY

5.1 INTRODUCTION

The previous chapter discussed the challenges faced by the administration of the Old Age Grants in the Kgautswane rural community. The following section discusses the improvements to the administration through approaches of social contract, institutional capacity building and sustainable development.

Social Old Age Grants play a crucial role in combating poverty in South Africa, not only because many pensioners would otherwise be amongst the poorest of the poor, but also because pension money circulates widely in many poor rural communities. The Old Age Grant also makes a substantial contribution to poverty relief. Old Age Grants reach many households afflicted by unemployment in the Kgautswane rural community area. However, a cause for considerable concern is that the administration of these grants affects and influences the livelihood of a substantial amount of the population in this poor region, especially the elderly with neither employment nor transfer income such as the Old Age Grant. Proper review of performances in this area is thus crucial.

The following section offers recommendations to mitigate the findings that were discussed in the previous chapter.

5.2 STRENGTHENING THE SOCIAL CONTRACT THROUGH ADMINISTRATION

Public administration is an essential link between citizens and governments (Cheema, 2004:1). The public nature of social protection interventions contributes to state-building objectives by strengthening the state-citizen contract and fostering social cohesion. In developmental states, social protection can help strengthen the legitimacy of the state by allowing it to re-shoulder responsibilities for ensuring the basic survival of its citizens and so contribute to reduced political fragility (Harvey,

2009:34). The state has the primary role in providing a framework for delivering social protection, and this reinforces a social contract that legitimises and strengthens the state. Cash transfers provide a visible and immediate peace dividend that flexibly reaches the poorest people, providing them with the stake in the economy that supports social and political cohesion while offsetting the costs of necessary economic reforms.

In the State of the Nation Address, former President Thabo Mbeki said “We are determined to ensure that government goes to the people so that we sharply improve the quality of the outcomes of public expenditures intended to raise the standards of living of our people. It is wrong that government should oblige people to come to government even in circumstances in which people do not know what services the government offers and have no means to pay for the transport to reach government offices” (Mbeki, 2003). The state must review its performance against targets in the social contract to improve quality of outcomes intended to raise the standards of living of its people. The national government is expected by the Constitution, 1996, to perform social welfare services, which are the integral part of the social contract between the state and the citizens. Policy development, implementation and public service delivery are functions of public administration.

The Constitution, 1996, implies a social contract between the state and its citizens. The Constitution, 1996, should be effected so that it functions like a performance manual that controls, instructs and directs the state in its actions, thereby limiting the state’s powers and preventing its abuse. It is therefore imperative that the state must comply with the provisions of the Constitution, 1996, and fulfil all the duties contained in it. The Constitution, 1996, endeavours to structure South Africa’s social and political system so as to achieve a society free of tyranny, inequality, poverty and violence, and in which people are empowered to reach their full potential (South Africa, 1996). The Constitution, 1996, is the product of a democratic process in which the representatives of the people negotiated the manner in which the state will enhance the welfare of the society it serves (Malherbe & Van Eck, 2009:212).

On the basis of the social contract, it may be argued that the state’s authority originates from the people it governs, as the people confer on the state the authority to govern. The Constitution, 1996, is thus a reflection of the will of the people. The

state has the primary role in providing a framework for delivering social protection, and this reinforces a social contract that legitimises and strengthens the state. The public nature of social protection interventions contributes to state-building objectives by strengthening the state-citizen contract and fostering social cohesion. Adopting a social contract perspective of social protection clearly places national governments and their citizens rather than private sector at the centre of the matter. Private sector agencies are generally ill-suited to promote the types of political changes required to catalyse or strengthen social contracts around social protection.

The research revealed that the members from the Kgautswane rural community view this social contract with the state as an important mechanism in addressing their social and economic needs. The implication is that when the administration of these social assistance services becomes flawed, the social contract between community and state is jeopardised. The social contract will be strengthened when the following recommendations are considered:

Recommendation 1: Human resources and leadership

The public institutions as executive arm of government responsible to administer social contracts have an important developmental role to play in support of the national development agenda of the democratic, developmental state. Regardless of the political and ideological nature of the state, it is a critical branch of government. There is a need therefore to ensure that those who work at local pay-points and in district offices receive proper and relevant training and have knowledge of government's developmental goals that are encompassed within the social contracts such as the provision of social protection as a means to alleviate poverty. The appropriate levels of skills will provide effective, efficient and quality services to the citizens. It is recommended that SASSA and the Department of Social Development introduce a training programme for all staff that is tailor made for the administration of social security which should be accredited by a relevant training authority.

Despite considerable emphasis on human resource development, the shortage of skills in the country remains an area of substantial weakness. There is still a lack of and/or insufficient education and training for individuals operating in critical positions. Many employees are not multi-skilled and this influences their ability to cope with

complex situations. Inevitably management has suffered and many excellent intentions have been crippled by the inability to carry them out.

Recommendation 2: Strengthening service integration and co-ordination

A further challenge in improving administration of social contracts and service delivery has been the difficulty encountered in achieving adequate co-ordination and integration across departments, agencies and different spheres of government. This lack of functional unity among departments has done considerable damage to sustainable development and has further undermined the principle of putting 'People First' (South Africa, 1997). Poor co-ordination and integration is bound to affect effective and efficient service delivery adversely. The research revealed that the responsibilities and the functions of different offices and levels are not clearly co-ordinated. The administrative processes need realignment with policies and standardisation to ensure consistency and cohesiveness. When policies change, consideration should be made to make sure that the process to put the policy into reality must be in line with it.

Recommendation 3: Adequate information dissemination

Pushing back the frontiers of poverty remains the key challenge facing poor communities as per National Development Plan,(South Africa 2011:37). As people try desperately to cope with vicious cycles of poverty, they often do not get the vital information that they need in order to overcome the challenges they face. As the research revealed, information about government services does not reach ordinary people, particularly in the under-served in rural areas. Often where information is provided, the language is too difficult for ordinary people to understand. Rural communities in under developed areas should have equal access to information on all the opportunities afforded by the democratic state, donors and other development agencies that operate in South Africa. It should be provided in a simple, accessible and understandable manner. Radio advertisements, newspaper advertisements, pamphlets and campaigns should be initiated by the Department of Social Development and SASSA on the Old Age Grant information such as the process from application to grant payment.

Recommendation 5: Organised voice for the poor and the elderly

Despite efforts to decentralise through the three spheres of democratic government, with each sphere in its own way striving to be responsive, it still remains a challenge for the community to communicate effectively with their elected representatives and government officials. Clearly an interactive process is required at community level. This is needed to deepen democracy both to enable communities to shape government service delivery to meet their needs, as well as to empower communities to make more effective use of existing government services. Empowering civil society institutions such as organisations of women, workers, farmers or small businesses can magnify the voice of poor people and motivate policy development and reforms. Civil society mobilisation provided a critical force supporting the tripling of social protection.

The Code of Conduct (Public Service Commission, 2002:5) states that public administration must respond to people's needs and encourage public participation and be accountable to the public. The Public Administration Management Bill, 2013 also promotes and maintains high standard of professional ethics. The White Paper on Transforming Public Service Delivery, 1997, states that treating citizens as customers implies listening and taking account of their views and paying attention to their needs when deciding what services should be provided (South Africa, 1997). What beneficiaries and applicants feel must change with the application process is the waiting period for response, the queues at the application offices and the attitude they receive from the front line staff. The offices are not fully capacitated with adequate staff and elderly people spend time in those offices and at times miss their transport going back home as they rely on public transport. The *Batho Pele* principles require that public services must respond swiftly and sympathetically when standards of service fall below the promised level and must add value to the lives of citizens. Although the White Paper on Transforming Public Service Delivery, 1997 requires public administration to ensure that citizens are able to access the services provided easily and comfortably, there are concerns about the manner in which pay outs are handled at the pay-points which is contrary to these principles. This is also against the requirement to provide such services impartially, fairly, equitably and without bias. There are long queues where no seats are provided, open places without shelter against the sun, rain or even cold windy weather, and facilities that

are not user friendly. Some beneficiaries feel that the pay-points should be mobile to other villages, not just one central place such as at the Babina-Nare-BaKgwete Tribal Authority Offices. The principles of *Batho Pele* insist that public services should be provided economically and efficiently in order to give citizens the best possible value for money, and also to ensure courtesy during provision of services by treating citizens with consideration and respect.

For the voice of the poor and elderly to be heard, the Department of Social Development should establish the following:

- Community Development Workers for social assistance including Old Age Grants.
- Beneficiary Liaison Committees within the Department of Social Development.
- Parliamentary Portfolio Committee review should include representatives of beneficiaries of the Old Age Grants.

Recommendation 6: A mutual recognition of the problem and a shared analysis

Although there is an agreement between the state and citizens that the elderly are vulnerable and poor, there should be agreement that the administration of the Old Age Grant needs attention so that its impact on poverty alleviation can be maximised.

Recommendation 7: A mutual recognition that all parties need to commit to finding solutions

As the White Paper for Transforming Public Service Delivery, 1997 encourages public participation in service delivery, the Department of Social Development and SASSA should establish a public participation mechanism that will ensure that beneficiaries of the Old Age Grant are heard and improve on those areas that are challenging.

Recommendation 8: Efforts to build and maintain trust among all parties.

The Department of Social Department should build trust by delivering on commitments and promises so as to build trust around the administration of these

Grants. This must include sticking to deadlines, arriving on time for service delivery and giving appropriate feedback about applications.

Recommendation 9: A will to transform

Long-term political commitment and good governance is essential if social protection administrative systems are to be effective in tackling vulnerability and exclusion in a sustainable manner. Successful social protection initiatives often depend on committed administrative champions at the highest and lowest levels. Although optimists laud the social contract around the pension system as a success story, it is more accurate to see social protection in South Africa as underpinning a broader settlement which, given the growing levels of inequality, might be utilised to keep a lid on what might otherwise be an unsustainable situation, and may be obscuring the need for more radical and inclusive strategies. Social contract without proper implementation is as good as non-existent.

At the core of a social contract (also referred to as a social compact) is an agreement that outlines the mutual rights and responsibilities of citizens, their government, and other institutions in society. Through such a contract citizens gain civil rights in return for accepting the obligation to respect and defend the rights of others, giving up some freedoms to do so. Underlying this concept is the acceptance that everyone is equal to negotiate these obligations and freedoms, and that all will be treated the same before the law (National Development Plan, 2011:6).

From the above discussion, it can be substantiated that within the broader social contract of agreeing to be governed and expecting a capable state that delivers, such as the administration of the Old Age Grant, there should be collective agreements between important social partners in society mostly government, and the beneficiaries, about how to address major issues that parties to such agreements consider important. Issues in this case refer to the alleviation of poverty. Implicit in this is the concept of mutual or collective sacrifice and contribution for the greater good.

Social contracts sometimes cover specific issues such as addressing the problem of high unemployment or a broad spectrum of issues such as measures to be taken to lead a particular country to a higher level of economic and social development.

Poverty and vulnerability are societal issues and need both the government and the society to formulate a social contract to tackle them. Social protection is a mechanism accepted worldwide to alleviate poverty and vulnerability. The Old Age Grant is located within social protection in the form of social assistance. The administration of the Old Age Grant should be performed adequately to strengthen the social contract which the government and the society entered into.

South Africa has had an implicit social compact in which the wealthy pay taxes and the government uses those taxes to deliver services and effect redistribution. This compact will be at risk if people believe that the tax revenues that they contribute are being spent inefficiently (National Development Plan, 2011:73). In South Africa, the singular area that demands a social contract is to create employment and while virtually everyone agrees that creating jobs is the country's most pressing challenge, there is no agreement on what to do about it. Intuitively, a social contract should not be too difficult. Government would have to invest more of its budget on social infrastructure and deliver an expanding social protection system including the Old Age Grant to the poor in rural areas such as the Kgautswane rural community.

The following section discusses how a social welfare state can be achieved through recommendations relating to institutional and administrative capacities.

5.3 STRENGTHENING THE WELFARE STATE THROUGH INSTITUTIONAL AND ADMINISTRATIVE CAPACITIES

Capacity is the ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner (United Nations Development Plan, 2008: 2). The strength and performance of institutions, particularly as evidenced in the quality of governance and rule of law, are the primary determinants of development. Resource transfers in the absence of institutional capacity do not yield sustainable outcomes. The primary determinants of progress in transformational development are political will and commitment to rule justly, promote economic freedom, and make sound investments in people focus on strengthening institutional capacity and dealing with absorptive capacity issues.

Social protection refers to policies and actions which enhance the capacity of poor and vulnerable groups to escape from poverty, and better manage risks and shocks. It encompasses the instruments that tackle chronic and shock-induced poverty and vulnerability (Organisation for Economic Co-operation and Development, 2009: 17). Long a vital tool for industrialised countries, social protection is increasingly recognised as an essential instrument for poverty reduction in low and middle-income nations. The DAC Guidelines on Poverty Reduction (Organisation for Economic Co-operation and Development, 2009:66) recognise that high growth rates are necessary but not sufficient to effectively tackle poverty and vulnerability, emphasising the importance of the sustainability, composition and equitable quality of economic growth. Emerging evidence based in developing countries is documenting the role of social protection in tackling poverty, supporting economic growth and enhancing the effectiveness of growth strategies for poverty reduction. Therefore the policies around social protection should aim at poverty alleviation. The administration of the Old Age Grant is a vehicle that enables and implements the mechanisms of poverty alleviation, and this should be the case in the Kgautswane rural community.

Thornhill (2007:2) argues that if it is accepted that particular services have to be rendered by the public service, there is a need for urgent attention to be devoted to the extent of the services required within the specific state, bearing in mind its level of socio-economic and political stability. Furthermore, the availability of financial resources and the availability of suitably qualified human resources will have to be weighed against the extent of the services required. Simultaneously the question has to be addressed as to whether the state should assume a minimalist approach or a maximalist approach concerning its involvement in societal issues. Therefore it can be argued that resources and institutional capacity are critical in the delivery of service to the public. The institutional capacity, organisational capacity and administrative capacity of the Department of Social Development and SASSA are critical to deliver effective administration of the Old Age Pension Grant. They are to be developed to ensure administration that meets the objectives of policies of the national government. Capacity development is, therefore, the process through which the abilities to do so are obtained, strengthened, adapted and maintained over time. Institutional and administrative capacity can be defined as the set of attributes

related to both structural/systemic attributes and human capital/resources that, collectively, define the organisation's ability to perform its mandated functions. Within the public service, typical aspects of capacity are the quality of civil servants, organisational characteristics, the diffusion of ICTs among organisational units, the intergovernmental relations, and the style of interaction between government and its social and economic environment (Verheijen, 2000:35).

Social assistance is a national government mechanism to alleviate poverty and afford a quality livelihood for citizens. According to the United Nations Development Programme, capacity development is a perpetually evolving process of positive growth (United Nations Development Programme, 2009). Achieving the vision will require changes across systems, structures, processes and behaviour – and will need to be achieved on a sustainable basis.

Institutional capacity covers the governance, legislative and policy frameworks of the public sector, including procedures, practices, structures, values and systems. Organisational capacity relates to the ability of an organisation to achieve specific outputs. Organisational capacity encompasses all factors affecting the internal environment, including organisational design and development, culture, climate, leadership, values, resources, infrastructure, processes and procedures, management systems and technology (National Treasury, 2012:24). Where government represents the institution under institutional capacity, departments represent organisational capacity. Individual capacity forms the foundation for organisational capacity. It is reflected in the knowledge, skills, competence, behaviour, commitment, experience, attitude and values demonstrated by staff. Such capacity is developed through formal, non-formal and informal learning. Individual capacity is enhanced through education, work readiness, staff profiling, performance agreements, recognition and reward, learning frameworks, skills programmes and so on.

Institutional capacity building can be defined as the provision of technical or material assistance designed to strengthen one or more elements of organisational effectiveness. The elements of organisational effectiveness include governance, management capacity, human resources, financial resources, and service delivery.

At the national level, institutional capacity is often used as shorthand for a country's administrative and management capacity (United Nations Development Programme, 2009:2),

According to Schedules 4 and 5 of the Constitution, 1996, specific functions at the national, provincial and local spheres of government are concurrent. In the case of social welfare functions, the national Department of Social Development is responsible for national norms and standards for the rendering of services, and for ensuring that uniformity in the application of particular functions is maintained. Provincial departments are responsible, concurrently with the national department, for the planning, development and rendering of services. However, where mutual co-operation between national and provincial departments is essential, powers are allocated concurrently.

Of the many institutions that are mobilised to respond to a crisis, the public services at the national and provincial spheres are a key system on which the state relies to fulfil its obligations towards its citizens. Thus, to function effectively and reach its developmental agenda, a country must prioritise investments in a professional, merit based public service and strengthen local governments responsible for overseeing or delivering basic social services, especially to the poor and other vulnerable groups (Kohli, 2004:83).

An effective poverty reduction strategy process and a productive partnership can be built only on a platform of strong public capacity which includes capacity to formulate policies; capacity to build consensus; capacity to implement reform; and capacity to monitor results, learn lessons, and adapt accordingly. Building the requisite capacities turns out to be a formidable challenge (Kpundeh & Levy, 2004:112).

The national Department of Social Development as an institution of government must be capacitated to be responsible for the following functions which should be carried out in conjunction with other role players:

Recommendation 1: Co-ordinate administration processes to harmonise central functions with those of local offices and service points

As reflected above in the discussion, the administrative process from application to grant payment needs to be revised to ensure that all functions in local, district and head office are standardised to reduce bottle necks, red tape and improve service delivery.

The next section discusses the recommendations towards effective, efficient and ethical administration of the Old Age Grant.

5.4 RECOMMENDATIONS TO EFFECTIVE, EFFICIENT AND ETHICAL ADMINISTRATION OF THE OLD AGE PENSION GRANT

Drucker (2001:147) believes that there is no efficiency without effectiveness, because it is more important to do well at what you have proposed, the effectiveness, than to do well at something else that was not necessarily concerned. The relationship between efficiency and effectiveness is that of a part to the whole, the effectiveness is a necessary condition to achieving efficiency. The quality of the public administration is a factor that affects both the efficiency with which the public money is used and the effectiveness.

According to Cheema (2004: 1), public administration in a democratic institution must be built on structures and processes that are accountable, transparent, decentralised, able to manage legitimate elections and the administration of justice, and operate under the oversight of the Parliament. Furthermore, it should combat exclusion, protect public goods, actively engage civil society and the private sector, use the power of ICT to promote public participation, and strengthen partnerships among sectors, groups, and spheres of government. Revitalising public administration for people centred development would require reform efforts that incorporate these characteristics.

Cheema (2004:2) states that effective and efficient public administration promotes and strengthens democracy and good governance. An effectively functioning public service is essential in order to ensure that democratically elected leaders are able to protect the rights of citizens and mobilise resources through taxes and other sources

in order to pay for police, judges, and the provision of services. A consolidated democracy requires administrative capacity of the state to maintain law and order, and to promote and protect public goods. Public confidence in the political system and subsequently the political legitimacy of the government is increased where the public service delivery system is effective, where the public officials are accessible to local citizens, and where government agencies and departments work together in well co-ordinated, complementary ways. An effective public service should ensure that the administration of the Old Age Grant is effectively, efficiently and ethically delivered so as to ensure public confidence in the government and its policies of poverty alleviation. These also include accessibility to services including social assistance and social welfare. Therefore it can be argued that public administration capacity to perform the above and related tasks, however, requires merit based recruitment of qualified personnel, effective human resource development strategies, motivation and commitment of public servants, and transparent processes for policy formulation and implementation.

According to the Organisation for Economic Co-operation and Development (2009:31), the effective delivery of social protection requires a focus on building institutional capacity in terms of planning, co-ordination and the actual delivery of cash, food, inputs and other goods or services to people. In many developing countries social protection represents a new set of interventions, and few governments have developed extensive delivery capacity for implementing these types of programmes. Limited capacity and institutional co-ordination constrains successful implementation and achievement of impacts at all levels. Investments in building up delivery capacity not only support the implementation of social protection but also other complementary services delivered by these agencies. Given the long time required for effective training programmes, the long term need for capacity building should be addressed during any pilot phase. Building capacity improves aid absorption and the effectiveness of development partner resources. Continued support for national capacity building will likely yield substantial returns in terms of promoting long-term sustainability.

Recommendation 1: Increased managerial and employee accountability

The Department of Social Development should ensure that good human resource management and career development practices as well as the maximisation of human potential should be cultivated so as to achieve efficient and effective administration of the Old Age Grant. This is an indication of the recognition of sound, or rather, more efficient and effective managerial systems and practices to achieve governmental goals such as improved service delivery. Public managers in the local offices must be held accountable for the decisions they make and employees should be held accountable by public managers for the kind of service they deliver. Effective managerial systems are needed to obtain and enforce public accountability. Accountability is not only a precondition for the maintenance of democracy, but is also a requirement for sound public administration.

Recommendation 2: Organisational structuring that supports administrative processes

There is a need for more egalitarian, flatter structures with decision making positions in the local offices and service points as well as the adoption of more modern, team based work methods for decision making. This will shorten the delays resulting from awaiting head office for feedback and produce better results in time. The business process should be used as a guideline that decides the key positions to be filled so as to enable a smooth running of the process. This should include the filling of vacant positions that are critical to the administrative process of the Old Age Pension Grant. For example the process will not be efficiently and effectively carried out if the various process stages do not have the adequate employees to perform them. The structure should support the administrative process.

Recommendation 3: Dissemination of information to applicants and beneficiaries

The Promotion of Administrative Justice Act, 2000, Act 3 of 2000, requires that reasons must be given for any administrative action, thus promoting transparency in public administrative decisions and related actions. However, the Public Service Commission found that the awareness of the public servants and the citizens was rather low regarding the requirements of the Act and that the requirement that reasons have to be provided is often not adhered to. The Promotion of Access to

Information Act, 2000, Act 2 of 2000, which requires governmental institutions to provide information to its clients within particular guidelines, is an important addition to the measures to promote transparency. Proper feedback with regard to application progress and outcomes should be given in writing and before an applicant starts asking for feedback. Once an application goes beyond the expected time, the applicant must be informed in writing. This will also assist SASSA to not be seen as reactive but proactive. This goes for instances where changes in pay dates occur. Another recommendation to transparently communicate information to the public might be through electronic information centres or points where recent information is logged into the system and the communication is available at any information point.

Recommendation 4: Increased transparency and openness on the administrative processes

Transparency promotes openness. Transparent and open processes through reporting and feedback, clear application processes and procedures, and the conduct and actions of those holding decision-making authority will improve the effectiveness and efficiency of the administration of the Old Age Grant. It makes understandable information and clear standards accessible to citizens. Integrity completes the continuum of accountability and transparency since it is essential to the concept of professional ethics. It is synonymous with incorruptibility or honesty.

Recommendation 5: Adequate use of ICT and office automation

The use of information technology in public administration has been developed in two dimensions such as office automation and information systems (National Treasury, 2012:37). Office automation seeks to raise efficiency and productivity of office administration, while information systems aims at organising and utilising information to support administration and management, as well as policy development and decision-making, so as to improve effectiveness, efficiency, and productivity of an institution as a whole. The administration of the Old Age Grant should be performed in the SOCPEN as the information system. Applications should be processed in the system from start until the payment of benefit. Manual applications should be discontinued and discouraged and increased utilisation of the SOCPEN system encouraged. Employees should be trained to fully understand and utilise the SOCPEN system.

User requirements analysis, data capturing and cleaning, data maintenance and updating and information dissemination all need to be well planned and organised. Any information system, no matter how advanced its hardware and software are, cannot possibly be successful unless management and organisational aspects are a top concern (National Treasury, 2012:43). The administration process for the Old Age Grant should be automated and processed using the information system within ICT. The system should be able to print out the completed application forms for signature by the applicant and the employee of SASSA who is the processor. The system should be able to track the process at various stages of authorisation and approval. This will also reduce paperwork and eventually filing. The information system must also be utilised to disseminate information about the Old Age Grant by displaying at service points and pay-points.

Recommendation 6: Maintain accurate, comprehensive and accessible records

An error as simple as misspelling someone's name, misstating their date of birth or misfiling their application for a benefit or authorisation can have serious consequences. A mistaken record can result in a person being wrongly detained, incurring a penalty, losing or being denied a benefit, or having legal proceedings initiated against them (Commonwealth Ombudsman, 2007:1). SASSA must ensure that a strong practice and culture support good records management as essential to high quality decision making. Administrative systems must accurately record client details. Employees should be well trained and supported in good records management practices, with clear, accessible and current policy guidance. Quality assurance mechanisms should apply to all stages of records management. The institution should invest in filing cabinets or resort to electronic filing.

Recommendation 7: Upgrade competency levels integrated with the Code of Conduct

The administrative process of the Old Age Pension Grant requires employees that will be able to perform it from beginning to end. Education and training to upgrade skills should be specific to the process so as to increase hands on performance. Generalist skills and competencies are good but may take longer periods to adapt to the process. Therefore it is recommended that specific training for the process be

introduced. The Code of Conduct for the Public Service, 2002 should be integrated into the same training so that employees will increase their awareness of the requirements. A technical advisory support programme that provides local office and pay-points with access to knowledgeable experts, professionals and service providers should be made available to strengthen the administration of the Old Age Grant.

Recommendation 8: Tracking performance in the system

The performance of the employees should be tracked by the number of applicants and beneficiaries of the Old Age Grant they successfully service in a day. This can be done through the ICT system where the system can track the number of services and type that were rendered. The same method can also assist in the queuing control where applicants and beneficiaries are given a system generated number on arrival. This will allow the system to allocate the applicant and beneficiaries evenly to the employees and identify low performers. The advantage again is that the long queues will be shortened and controlled. Responsiveness to service requests will also be tracked as the amount of time spent at a service desk will also be tracked. This will improve the effectiveness and efficiency of the administration of the Old Age Grant.

Recommendation 9: Proper infrastructure and positioning

One of the findings was that offices exist with inadequate working space. The research recommends that SASSA make the necessary funds available to acquire more office buildings in order for employees to perform their duties effectively. Casey and McKinnon (2009) argue that it would be unnecessary to build new structures, because it is expensive and governments might not have these funds, therefore existing community service points for other basic services can be used. Based on the finding that there are not enough connectivity-network points in all offices, the research recommends that connectivity-points per grant administration official be installed so that applications can be captured onto the SOCPEN-system where the application was done. This will ultimately eliminate the unnecessary movement of files and hopefully the problem of missing files.

Recommendation 10: Increased supervision and training

Based on the finding that supervisors and team leaders provide irregular supervision and support to front-line employees and data-capturers, the research recommends that supervision and support functions form part of the key performance areas of supervisors and team leaders and that this gets incorporated into their work plan. In addition, supervisors should closely monitor whether supervision and support does take place. The study further recommends that local office managers, grant administration managers and district managers from time-to-time liaise directly with front-line employees and data-capturers in order to detect problems as early as possible.

Integrity, efficiency, effectiveness, accountability, innovation and service are some of the most prominent values that can be cited in public service (Sindane, 2011:753). Bowman (1991:80) argues that ethical judgement is the exercise of a capacity to determine among available courses of action on the basis of interpretation of shared values embedded in an ongoing institutional practice and in a broader form of communal life. Vocino and Rabin (1981:397-413) put great emphasis on accountability and administrative ethics in the public service by maintaining that administration without ethics is administration without a soul.

To improve the situation in implementing public administration, it is critical that values and ethics with which services are rendered are internalised and rendered practical through education and training, and making them conversational issues is recommended. The values and ethics of the society and government institutions must form an important foundational component. Ethics and ethical conduct are moral and social norms that require doing more than just complying with laws and regulations, but to do what is right with emphasis on goodness in conduct. Goodness in conduct, doing more than what ethics require, is in line with what an organised group determines for itself and expects its members to comply with and uphold (Sindane, 2011:766). Therefore it can be argued that the administration of the Old Age Grant should be performed accountably, ethically, morally, effectively and efficiently. The right things need to be done not just to comply with law but to render services that improve the quality of livelihoods with the intention to alleviate poverty and address inequality.

Very important to note is the fact that public servants exercise discretionary authority in their everyday work in several ways; in their stewardship of public resources, at the interface with citizens, and in the context of their policy making functions. Ethics are one of the important checks and balances against the arbitrary use of that public authority. Ethics are a vital factor in creating and maintaining confidence in government and its institutions that put policies into practice such as through social assistance programmes. Ethics also provides a basis to test practices, conventions and conduct generally, against which the public can be assured that its interests are being served and that due process is being observed. As such, it is a key factor in the quality of governance. But public sector ethics is an activity, not a status (Sindane, 2011:76). Encouraging ethical behaviour is not just about establishing a list of rules to be kept or a status to be attained. It is an ongoing management process that underpins the work of government.

Like housework, the absence of ethics is more noticeable than its presence. When ethics are in disorder, when citizens reasonably believe they are, one should not be surprised that disputes about ethics drive out discussions about policies. Ethics make democracy safe for debate on the substance of public policy such as the administration of the Old Age Grant. That is why it is so important. That is the sense in which it is more important than any other single issue (Thomson, 1992:256).

Recommendation 1: Strengthening ethical competence of employees and mechanisms to support professional ethics

New approaches need to be undertaken by the Department of Social Development and SASSA to institutionalise ethically competent decision making by employees involved in the administration of the Old Age Grant, and ultimately, an ethical culture which supports professional responsibility, self-discipline, and support for the rule of law as enshrined in the Constitution, 1996. The Department of Social Development and SASSA should develop and integrate Old Age Grant administrative practices and processes which promote ethical values and integrity. This can also be achieved by mapping new and proposed ethics based internal processes and operational procedures requiring effective implementation through, for example, effective

performance management techniques which support the entrenchment of the ethical values set out in the Code of Conduct for the Public Service, 2002.

Recommendation 2: Perform ethics audit and link human strategies to include ethics

The Department of Social Development and SASSA are encouraged to perform ethics audits to identify risks to the integrity of the most important processes such as the administrative process of the Old Age Grant, on a regular basis. The human resource management should include strategies which link, for example, ethical performance with entry, incentives and advancement or promotions, and ethical under-performance with disciplinary processes, merit based promotion and recruitment. Furthermore, it should also include training and development in the content and rationale of the Code of Conduct for the Public Service, 2002, the application of ethical management principles, the proper use of official power, the requirements of professional responsibility, and effective external and internal complaint and redress procedures.

Recommendation 3: Risk management to ensure compliance

Government has addressed the need for fairness in service delivery through, for example, the Promotion of Administrative Justice Act, Act 3 of 2000. Research reveals that compliance by departments with the provisions of the Act is very disappointing. It is recommended that increased training be provided to all officials on the Promotion of Administrative Justice Act, Act 3 of 2000 and that financial support be provided to civil society organisations working in this area.

In order to build public service accountability, both capacity and capability will need to be built systematically and incrementally. An accreditation system for public service managers is recommended to ensure that appointees have the skills and experience required for their work (Raga & Taylor, 2003:23).

Furthermore, a specialist capacity that will support departments in difficulty should be created. Such capacity should be established to undertake thorough problem analysis, design appropriate solutions and support project implementation. It is also recommended that the implementation of departmental risk management and fraud

prevention plans be prioritised. The flow of credible information in line with the *Batho Pele* Principles will enhance the sense of ownership of government programmes and processes by the beneficiaries.

5.5 GENERAL RECOMMENDATIONS PERTAINING TO THE ADMINISTRATION OF THE OLD AGE PENSION GRANT

According to Steele (2006:3) internationally recipients require ease of application, simplicity of rules and procedure, good communications and avoidance of repetition in providing information to agencies. In addition, Steele (2006: 4) 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.

Recommendation 1: Ensuring a humane and dignified environment at pay-points

To mitigate the finding that certain pay-points do not have enough chairs, toilet facilities, drinking water or shelter, it is recommended that the upgrading of such pay-points comply with the minimum standards in order to ensure that social grant payments to beneficiaries are done in a humane and dignified manner.

Recommendation 2: Accessibility of pay-points

Due to the inconvenience that not all pay-points are disabled-friendly, it is recommended that SASSA avail the necessary funds and appoint the necessary service providers to ensure disabled-friendly pay-points in order to ensure that social grant payments to disabled-beneficiaries are done in a humane and dignified manner. Based on the finding that certain offices have insufficient transport, the research recommends that SASSA avail the necessary funds to supplement its transport fleet. The research furthermore recommends that the acquired transport be suitable for the unique operations of SASSA such as pay-point monitoring and therefore recommends 4x4s, air-conditioned vehicles for rural areas such as the Kgautswane rural community area. Another recommendation to address accessibility is mobile units to eliminate the need for extra transport.

Recommendation 3: Increasing the grant to meet the increasing scope of needs.

The Old Age Grant is utilised to cover many basic needs of beneficiaries in the Kgautswane rural community. This includes the need to support extended families that are unemployed. In the absence of the grant, there are no other means of income. It is recommended that the amount of the grant be increased so as to meet the various needs of beneficiaries. This will also ensure that the livelihoods of beneficiaries are improved and that poverty is alleviated.

5.6 ENSURING SUSTAINABLE DEVELOPMENT FOR OLD AGE PENSION GRANT BENEFICIARIES

Sustainable development places particular emphasis upon the relationship of the poor, especially poor women, to the development process. Social services such as education, health and welfare take up about 58% of the consolidated national and provincial non-interest allocations. Government offers social grants such as the Old Age Grant, Disability and Child Support Grants, and provides support to more than three million South Africans every month (Organisation for Economic Co-operation and Development, 2009:4). This is the largest single redistributive programme of the South African government (Manuel, 2001:20). Social protection is an on-going development priority which has gained added importance in the current difficult economic period (Organisation for Economic Co-operation and Development, 2009:4).

Sustainable development is a worldwide aim on the agenda of many countries, especially the developing and least developed countries, such as South Africa and the rest of the African continent. After dark eras of slavery and colonialism, Africa is on the road to recovery, with a dream for a future of peace and prosperity – the African Renaissance. It is a philosophy of hope and optimism for the people in Africa, initiated by the people of Africa. This includes South Africa as the country is first on the list of countries that supports the African Renaissance. The African Renaissance recognises the constraints, such as debt crises, underdevelopment and untenable political relations. This philosophy proposes principles such as good governance, eradication of poverty, economic recovery, accountability, transparency and

adequate attention to social services, with education the highest on the agenda, followed by health services, shelter, water and the provision of electricity (Dixon & Pretorius, 2002:14).

Since 1994, the new South African government has taken giant leaps on the path of sustainable development, focusing mainly on correcting the disparities of the apartheid era and building a better future for all the people of South Africa. Social services - education, health and welfare – take up the largest part of the national budget - this is unmistakable proof that South Africa is investing in its people (Dixon & Pretorius, 2002:1).

Social protection directly reduces poverty and helps make growth more pro-poor. It stimulates the involvement of the poor in economic growth, protects the poorest and most vulnerable in a downturn and contributes to social cohesion and stability. It helps build human capital, manage risks, promote investment and entrepreneurship and improve participation in labour markets. Social protection programmes can be affordable, including for the poorest countries, and represent good value for money (Organisation for Economic Co-operation and Development, 2009:12).

In the Oliver Tambo Memorial Lecture, Manuel (2011) argued that generally the apartheid government passed hundreds if not thousands of laws to separate people, to banish them far from their places of birth, to move people and to subjugate them. To implement these laws, a sophisticated institutional machinery was built and used to deprive black people in general and African people in particular from decent education and health care, housing, jobs and from places of worship. The social security system constructed to enforce all of this was immense and effective. Alongside the political and quasi-legal framework that underpinned racial segregation, an economic system was developed and operated which reinforced the political. The rents from the mining sector went to build a generous social security system with free education, health care, pensions and child grants, but only for whites. A sophisticated banking and services industry developed, drawing in skilled whites and providing services to a small but wealthy population. In 1981, if white South Africa was a country on its own, it would have had the highest GDP per capita in the world, higher than Canada, Switzerland or the United States (Manuel, 2011).

The long-lasting effects of the various racial policies should not be underestimated. For example the Land Act, Act 27 of 1913, declared that 87% of the land would belong to 13% of the population and effectively prevented blacks, except those living in the Cape Province, from buying land outside reserves. The Promotion of Black Self-Government Act, Act 46 of 1958 set up the homelands, a patchwork of mini-states created on some of the country's most barren land, with borders generally drawn to leave out any viable economic areas. The Black Homeland Citizenship Act, Act 26, 1970 changed the status of the inhabitants of the homelands, so that they ceased to be citizens of South Africa or to have any of the rights of citizenship (National Development Plan, 2011:5). This is the case for the Kgautswane rural community.

The effects of these laws were:

- Exclusion from agricultural development of the black people and creation of a rural periphery, a labour reserve, by forcing people off the land and into urban labour markets and thus today they rely on wages or remittances. Today, only 4% of the rural poorest derive their income from agriculture instead of over 20% in other developing countries. (Phillips 2011:56).
- Under-investment in the homelands which led to limited access to basic services, (a) high cost of doing business and limited human capital formation. For example 50.9% of rural households had no access to electricity compared to only 22.8% of urban households (Hemson 2003:33).

Social services approaches from the pre-1994 era were criticised as not being appropriate or developmental, and for creating dependency. Services were individualistic and were similar to a medical model in which the focus was on the diagnosis and treatment of the client, with the latter being a passive recipient of services.

The need therefore emerged for a developmental approach, based on the strengths of the individuals, groups, or communities, and promoting their capacity for growth and development. The pre-1994 principles of community development practice were

criticised for the same reasons, with the exception of some progressive civil society formations that focused on empowerment and human development. The developmental paradigm called for new approaches that were people-centred and sustainable.

One such approach is the overarching sustainable livelihoods approach, which redefines development in terms of exploring the strengths and vulnerabilities of the poor. It promotes a holistic vision of development, and seeks to direct the focus of development thinking towards encouraging clients to use the knowledge and expertise of individuals in their communities and the resources available in their environment creatively and innovatively to address their socio-economic needs.

What makes this approach effective is not its individual components, but the synergy created when the key elements are combined or integrated to augment what local people already do well, together with the resources and assets to which they have access. The sustainable livelihoods approach also respects people's capacity to exercise choice and access opportunities and resources, and to use them for a livelihood in ways that do not disadvantage others, currently and in the future.

Recommendation 1: Creating social processes that bring about changes in relationships so that the poor, vulnerable and marginalised can gain increased control over their lives, and access to and control over resources.

Recommendation 2: The transformation of attitudes, institutions and structures within the Department of Social Development and SASSA. There must be influence that the formulation and implementation of appropriate policies at all levels should include sustainable development and be developmental in nature.

Recommendation 3: Creating social processes that support people's potential, indigenous/local knowledge and expertise in pursuance of their own development. The administration of the Old Age Grant should also include skills development and social investment so as to allow people to start projects to sustain their livelihood. It should not only be the administration of cash transfers.

Recommendation 4: Continued reorientation of social services sector employees towards the developmental paradigm. The administration of these services should be developmentally focused.

Recommendation 5: Invest in infrastructure to enable the delivery of services to the poor and elderly in the rural areas. There should be appropriate developments in the ICT, roads, health facilities and water infrastructure to make sure that the administration of the Old Age Grant is sustainable. By implementing this investment programme, the government will also contribute directly to the creation of jobs. The creation of jobs leads to improved quality of life for beneficiaries such that the unemployed members of families headed by Old Age Grant beneficiaries will be relieved. The Grant will be used for the benefit of the beneficiary, not extended family members.

Recommendation 7: Promote the shift towards good governance. Governance has been defined as a system of values, policies, and institutions by which a society manages its economic, social, and political affairs through interactions within and among the state, civil society and the private sector. It comprises the mechanisms and processes for citizens and groups to articulate their interests, mediate their differences, and exercise their legal rights and obligations. It is the rules, institutions, and practices that set limits and provide incentives for individuals, organizations and firms (United Nations Development Program, 2009). Three actors are involved in governance, namely the state, which creates a conducive political and legal environment; the private sector, which generates jobs and income; and civil society, which facilitates social and political interaction. The essence of governance is to foster interaction between these three types of actors to promote people-centred development.

5.7. CONCLUSION

The provision of social protection is a constitutional obligation. Social contracts ensure that citizens and the state engage together with common ideas for enhancing quality of life and preserving human dignity. The provision of social grants has played an important role in limiting the growth of poverty, reducing the depth of

poverty among the poorest of the poor and stemming increases in inequality in South Africa. If well-targeted, social grants can be extremely effective in alleviating poverty and income inequality. Sustainable development ensures that there is inclusive maintenance of the balance on social, economic and environmental factors, that are crucial so that one area of development does not eradicate the importance of the others. Social protection alone is not enough. Social welfare services such as water, health, sanitation, education and nutrition are equally important, while sustainable development ensures that the human capital investment will ensure the sustainability of the people and the environment within which they exist.

The above discussion recommends various measures SASSA and the Department of Social Development must undertake to mitigate the challenges arising from the findings in the previous chapter. This will ensure that the administrative process relating to the Old Age Grant is effective, efficient and ethical in alleviating poverty in the Kgautswane rural community.

The study also concludes that an ethical code of conduct, the adherence to accountable principles as well as appropriate training can make a difference in the ethical dilemmas of the public officials, particularly with regard to effective and efficient service delivery. An ethical code of conduct is necessary to guide the public official in his/her public service rendering to the community, as well as to safeguard him/her against unfair demands by the community. This can lead to the promotion of a positive image of the public service.

The next chapter concludes the study by summarising the discussions in the previous chapters.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

The following section concludes the study by summarising the discussions in the previous chapters. The fundamental reason for social grants including the Old Age Grant is to reduce risk, chronic poverty and the vulnerability of citizens. The primary part of the South African government's poverty alleviation measures is the provision of social security grants. It is critical to assess the provision and administration of a poverty alleviation mechanism affecting such a large number of people and resources of a country. Furthermore, it is evident from literature that a number of questions about the current administrative processes remain unanswered. Although the government allocates substantial resources to the social grant system, more could be achieved if the administrative process is efficient, effective and ethical.

6.2 THE STATEMENT OF THE PROBLEM

The problem statement for the study was to address the extent to which employees and service providers involved in the administration of the Old Age Grant in the Kgautswane rural community are capacitated to provide effective, efficient and professional service to the beneficiaries of the grant, and also to determine the impact thereof on poverty alleviation.

Although beneficiaries feel that the government is trying to alleviate poverty by assisting the destitute, they recognise that the Grant is mainly meant to cover basic needs such as food, medication, schooling and clothing. Beneficiaries stated that their lives would be much worse should the payment of such grants be discontinued. Destitute families that do not have any Old Age Grant beneficiaries as a source of income are worse off compared to those that have Old Age Grant beneficiaries. The beneficiaries also use their pay outs for payment of burial society premiums and other expenses such as ploughing and cultivating of their communal agricultural land as well as payment for a water scheme that is run by the community itself, since the government has not delivered any infrastructure to facilitate water and sanitation

services to this community. There has been a warning, though not an official one, from members of the Tribal Authority, that whoever uses their SASSA cards to purchase liquor and cell-phone airtime will have their pension discontinued. This is aimed at encouraging beneficiaries to use their pay outs on basic needs. Beneficiaries are however grateful for the amounts received, but feel that if there is a way, the amount must be increased as things are very expensive.

From the qualitative findings above, it can be argued that the Old Age Grants enable beneficiaries to enter into an opportunity of spending which in turn sustains impoverished and vulnerable communities. In this way, Old Age Grants strengthen existing, deeply rooted informal social protection systems and social networks. This, in the case of Kgautswane rural community, is seen in instances where receipt of the Old Age Grant not only enables many rural grandmothers to care for their grandchildren, but also affords beneficiaries' moral claims to support and protection within their own family environment.

The Old Age Grant enables recipients to leverage and multiply their resources such as their time, energy and innovation in the task of maintaining a livelihood. The Old Age Grant therefore contributes to strengthening and improving existing levels of income. In the Kgautswane rural community, beneficiaries of the Old Age Grant often support informal activities. Often the Old Age Grant allows beneficiaries to undertake domestic labour or care work such as looking after the young, the ill, the disabled or the elderly.

The Old Age Grant provides an important material basis for recipients and their households to engage in livelihood supporting activities. The Old Age Grants introduce a possibility to capture opportunities as well as mitigate life's challenges. The cash value of the Old Age Grant allows beneficiaries to explore options and even find other ways of making a living. In the Kgautswane rural community, beneficiaries are involved in clubs to buy groceries for each other, thus improving social networks and increasing their livelihoods.

Old Age Grants empower marginalised household members such as the elderly, enabling them to participate in systems of social dignity, in that their control of the resources of the Old Age Pension Grant elevates them into levels of dignity and

importance. Beneficiaries of the Old Age Grants in the Kgautswane rural community are empowered and live dignified lives.

6.3 THE HISTORICAL ORIGIN AND THE THEORETICAL FRAMEWORK FOR THE ADMINISTRATION OF SOCIAL ASSISTANCE

The review of the development of the social security grant system commenced with an investigation of social security policy prior to 1994. Social grants were one of many apartheid instruments of the pre-1994 government. Racial discrimination was the order of the day with the majority of the population excluded from social assistance.

The first sign of equality came with the extension of the former Old Age Grant to African people in 1944. However, this was only a small step in the right direction, since African beneficiaries only received a tenth of what Coloured and White beneficiaries were entitled to and their access was limited to a much more rigid means test. The South African social security system was emancipated from discrimination in 1993.

The study completed the review of the development of the social security grant system by inquiring into changes since the political transition in 1994. Several improvements to the social grant system are evident, with the extension of coverage showing the most significant advance. Gender discrimination within the age requirement for the Old Age Grant is in the process of elimination. As from 1 April 2008, a female applicant had to be over the age of 63 years to qualify for an Old Age Grant. This requirement was lowered to the age of 60 years on 1 April 2009 for females and 65 years for males.

The theoretical framework for social protection in South Africa is defined as developmental social welfare. The framework draws from theories such as sustainable development and the social welfare state that are rights based, with the Constitution, 1996, at the forefront to protect these rights. The theoretical framework is appropriate for the study as it includes both social welfare to address social

injustices of the past system and sustainable development which posits the implementation of strategies to ensure economic, environmental and socio-political development.

The purpose of public service is the provision of services to society. The public service is required to execute the policies of the national government. Through public administration the social welfare function and obligation of government are implemented. The establishment of SASSA came as a result of a recommendation made by the Commission of Inquiry into a Comprehensive Social System of Social Security for South Africa. As from the 1st of April 2006 the responsibility for the management, administration and payment of social assistance grants was transferred to SASSA. During the 2006/07 financial year 80% of SASSA's resources were spent on the establishment of the organisation and the integration of the social assistance administration and payments. The rationale was to have it achieve 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.

The study found that the social security institutional and administration framework is still plagued by problems such as poor levels of service and inadequate infrastructure. To deal with these problems SASSA and its local offices should be transformed into one-stop shops. This would ensure co-ordination and co-operation of all stakeholders and other state organs involved in the provision of social security. The establishment of SASSA is a step in this direction. However, the state must make firm commitments with specified time frames for the development of an effective and efficient administration of the Old Age Grant. Meanwhile, SASSA should improve its institutional capacity by training its staff adequately, re-engineer business processes to ensure a cohesive environment and consolidate the databases of all social security networks.

6.4 THE POLICY ENVIRONMENT ENABLING SOCIAL ASSISTANCE

The review of literature in the study revealed that the Department of Social Development is the executive institution of the national government of South Africa and has the specific legislative mandates that also apply to its agencies. The

legislative mandates enable the delivery of social assistance programmes, with a specific emphasis on grants as a mechanism to curb poverty.

Section 27(1)(c) of the Constitution, 1996, stipulates the right to have access to social security, including appropriate social assistance for those unable to support themselves. As is the case with various other social rights conferred by the Bill of Rights (Chapter 2 of the Constitution, 1996), it is further stated that the state should take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.

The Social Assistance Act, Act 13 of 2004, provides for the legislative framework supporting social assistance grants, but excludes the provisions for funding to non-profit organisations. The Act provides the legal instruments for shifting the social assistance function to the provincial sphere of government, and provides for SASSA to render the management and administration of social grants.

The South African Social Security Act, Act 9 of 2004, provides for the establishment of SASSA, the administration, management and payment of social grants. 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. The Older Person Act, Act 13 of 2006, deals effectively with the plight of older persons by establishing a framework aimed at the empowerment and protection of older persons; and the promotion and maintenance of the status, rights, well-being, safety and security of older persons. This Act provides for older persons to enjoy quality services while they stay with their families in the community for as long as possible.

As a primary policy document, the White Paper for Social Welfare, 1997, serves as the foundation for social welfare in the post-1994 era. The White Paper for Social Welfare, 1997, provides principles, guidelines, recommendations, proposed policies, and a programme for developmental, social welfare in South Africa. The policy recognises that the primary challenge facing the welfare system is to devise appropriate and integrated strategies to address the alienation and the economic and social marginalisation of vast sectors of the population who are living in poverty, are vulnerable, and have special needs.

.The current architecture of the social security in South Africa depicts five major social assistance grants, namely the Child Support Grant, the Old Age Grant, the Disability Grant, the Foster Child Grant, and the Care Dependency Grant. The War Veterans Grant is on the decline due to natural attrition of qualifying beneficiaries.

6.5 CHALLENGES RELATED TO THE ADMINISTRATION OF THE OLD AGE PENSION IN THE KGAUTSWANE RURAL COMMUNITY

The study described specific challenges related to the administration of the Old Age Grant in the Kgautswane rural community. These challenges will be briefly described in the following sections.

6.5.1 Challenges to effective, efficient and ethical administration

Pertinent to effective administration and service delivery challenges is the lack of infrastructure including ICT in rural communities. The literature review revealed that the administration of the Old Age Grant has 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 declined. 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. The following activities are important during the screening stage: 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.

There is a requirement that administration of public services should be effective and efficient, yet there are still challenges within the Old Age Grant administration processes in the Kgautswane rural community. The study revealed that the application process is not clear to applicants, payments are usually delayed, that beneficiaries are not always informed about delays, and security guards are not available at pay-points although there is access control at pay-points, mainly driven by the South African Police Services. There are no first aid kits available at the pay-points. The training, supervision and mentoring support from supervisors and colleagues occurs haphazardly, although the majority of front-line employees receive between 11 and 29 applications per day and spend more than 30 minutes per

application. There are concerns that Old Age Grant application files are misplaced or lost after processing.

The Constitution, 1996, requires that public services should be rendered in a manner that reflects high standards of professional ethics. Public services should be offered in a manner that shows courtesy, transparency, and respect for citizens' needs and in a manner that affords them dignity. The recipients of the public services must be told about the services they are entitled to, including the quality and the standard with which these services will be rendered. The investigation revealed that there is no proper sharing of information about the Old Age Grant, the changes in the payment dates, or communication with regard to outcomes of the applications. There is concern that the employees at the local offices are not experienced enough to resolve issues relating to the administration of the Old Age Grant. Payment contractors and SASSA employees sometimes arrive late at pay-points.

6.5.2 Challenges to poverty alleviation

The Old Age Grant influences the quality of life of beneficiaries in the Kgautswane rural community. There is a concern from beneficiaries that the public servants who administer the Old Age Grant do not understand the needs of the beneficiaries in that the Old Age Grant is the only means of income that they have. The beneficiaries feel that their basic needs are so expensive that the Old Age Grant is not adequate to meet their needs.

The empirical investigation also revealed that the Old Age Grant feeds other members of the family. There is no other means of income except the Old Age Grant for the elderly. In the absence of the Old Age Grant life will be difficult for both the beneficiaries and their extended families that are also dependent on the Old Age grant. The investigation revealed that the beneficiaries use the Old Age Grant on things other than their basic needs, and feel that the Old Age Grant must be increased so as to cover a larger portion of their basic needs.

6.5.3 General challenges

General observations revealed that the offices of the SASSA which were visited for observation do not have proper infrastructure to perform administrative functions. There is no proper furniture and infrastructure such as cupboards and filing cabinets

and there are concerns about missing documents submitted during the application process. It was also reported that the pay-point ran out of cash. Although SASSA boasts key achievements including increasing the number of social assistance benefits that it paid out, over the last year in the Kgautswane rural community, it is very clear through the qualitative findings that there are skills shortages, as well as a lack of understanding of the application processes and ICT systems supporting the administration of the Old Age Grant. This is due to policy changes that led to the increase in Old Age Grant take ups that are not matched by an increase in funding.

The pay-point at the Kgautswane rural community is not disabled-friendly to allow disabled people movement and access to be served in a comfortable environment. The pay-point does not have enough chairs, there are no toilet facilities and drinking water is not available for the beneficiaries.

6.6 PROPOSALS FOR IMPROVING THE ADMINISTRATION OF SOCIAL ASSISTANCE IN THE KGAUTSWANE RURAL COMMUNITY

Social Old Age Grants play a crucial role in combating poverty in South Africa, not only because many pensioners would otherwise be amongst the poorest of the poor, but also because pension money circulates widely in many poor rural communities. The Old Age Grant also makes a substantial contribution to poverty relief and without the Old Age Grant, many households with pensioners in them would be amongst the poorest of the poor. Old Age Grants reach many households afflicted by unemployment in the Kgautswane rural community. To make good the intentions of the social security, the following are recommendations towards effective, efficient and ethical administration of the Old Age Grants to influence quality of life by alleviating poverty.

6.6.1 Strengthening the social contract through administration

Literature review revealed that public administration is an essential link between citizens and governments and the public nature of social protection interventions contributes to state-building objectives by strengthening the state-citizen contract and fostering social cohesion.

- **Human resources and leadership:** The research recommends that those who work at local pay-points and in district offices receive proper and relevant training and have knowledge of government's developmental goals that are encompassed within the social contracts such as the provision of social protection as a means to alleviate poverty. The appropriate levels of skills will provide effective, efficient and quality services to the citizens. It is recommended that SASSA and the Department of Social Development introduce a training programme for all staff that is tailor made for the administration of social security which should be accredited by a relevant training authority.
- **Strengthening service integration and co-ordination:** The administrative processes need realignment with policies and standardisation to ensure consistency and cohesiveness. When policies change, consideration should be taken to ensure that the process to operationalise the policy must be in line with said changes.
- **Adequate information dissemination:** A recommendation is that information should be provided in a simple, accessible and understandable manner. Radio advertisements, newspaper advertisements, pamphlets and campaigns should be initiated by the Department of Social Development and SASSA on the Old Age Grant information, such as the process from application to grant payment.
- **Organised voice for the poor and the elderly:** For the voice of the poor and elderly to be heard, the Department of Social Development should establish the following:
 - Community Development Workers for social assistance including Old Age Grants.
 - Beneficiary Liaison Committees within the Department of Social Development.
 - Parliamentary Portfolio Committee review should include representatives of beneficiaries of the Old Age Grants.
- **Efforts to build and maintain trust among all parties:** The Department of Social Department and the beneficiaries of the Old Age Grant should build trust by delivering on commitments and promises so as to build trust around the administration of these Grants. This must include sticking to deadlines, arriving on time for service delivery and giving appropriate feedback about applications.

- **A will to transform:** Long-term political commitment and good governance is essential if social protection administrative systems are to be effective in tackling vulnerability and exclusion in a sustainable way. Successful social protection initiatives often depend on committed administrative champions at the highest and lowest levels.

6.6.2 Strengthening the welfare state through institutional and administrative capacity

Literature stated that capacity is the ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner. Capacity development includes the process through which the abilities to do so are obtained, strengthened, adapted and maintained over time. Institutional and administrative capacity are defined as the set of attributes related to systemic traits and human resources that, collectively, define the organisation's ability to perform its mandated functions. In public service, typical aspects of capacity are the quality of public servants, organisational characteristics, the diffusion of ICTs among organisational units, the intergovernmental relations, and the style of interaction between government and its social and economic environment. The following is recommended to ensure that employees and institutions are capacitated:

- **Co-ordinate administration processes to harmonise central functions with those of local offices and service points.** As reflected above in the discussion, the administrative process from application to grant payment needs to be revised to ensure that all functions in local, district and head office are standardised to reduce bottle necks, red tape and to improve service delivery.

6.6.3 Recommendation towards effective, efficient and ethical administration of the Old Age Pension Grant

Effective and efficient public administration promotes and strengthens democracy and good governance. An effectively functioning public service is essential in order to ensure that democratically elected leaders are able to protect the rights of citizens and mobilise resources through taxes and other sources in order to pay for police,

judges, and the provision of services. The following are recommendations by the study to ensure effective and efficient administration:

- **Increased managerial and employee accountability:** The Department of Social Development should ensure that good human resource management and career development practices as well as the maximisation of human potential should be cultivated, so as to achieve efficient and effective administration of the Old Age Grant.
- **Organisational structuring that supports administrative processes:** The study recommends flatter structures with decision making positions in the local offices and service points, as well as the adoption of more modern, team based work methods for decision making. This will shorten the delays resulting from awaiting head office for feedback and produce better results in time.
- **Dissemination of information to applicants and beneficiaries:** Proper feedback with regard to the application progress and outcomes should be given in writing and before an applicant starts asking for feedback. Once an application exceeds the expected time, the applicant must be informed in writing. This will also assist SASSA not to be seen as reactive but rather proactive.
- **Increased transparency and openness on the administrative processes:** Transparent and open process through reporting and feedback, clear application processes and procedures, and the conduct and actions of those holding decision-making authority will improve the effectiveness and efficiency of the administration of the Old Age Grants.
- **Adequate use of ICT and office automation:** Office automation seeks to raise efficiency and productivity of office administration, while information systems aim at organising and utilising information to support administration and management, as well as policy development and decision making, so as to improve effectiveness, efficiency, and productivity of an institution as a whole.

- **Maintain accurate, comprehensive and accessible records:** SASSA must ensure that a strong practice and culture support good records management as essential to high quality decision making. Administrative systems must accurately record client details. Employees should be well trained and supported in good records management practices, with clear, accessible and current policy guidance.
- **Upgrade competency levels integrated with the Code of Conduct:** The administrative process of the Old Age Pension Grant requires employees that will be able to perform it from beginning to end. Education and training to upgrade skills should be specific to the process so as to increase hands-on performance.
- **Tracking performance in the system:** The performance of the employees should be tracked by the number of applicants and beneficiaries of the Old Age Grant that they successfully service in a day. This can be done through the ICT system where the system can track the number of services and type that were rendered.
- **Proper infrastructure and positioning:** The research recommends that connectivity-points per grant administration official be installed so that applications can be captured into the SOCPEN system where the application is done.
- **Increased supervision and training:** The study recommends that local office managers, grant administration managers and district managers from time-to-time liaise directly with front-line employees and data-capturers in order to detect problems as early as possible.

6.6.4 Recommendations towards ethical administration of the Old Age Grants

From the previous discussions, it can be said that it is critical that values and ethics with which services are rendered are internalised and rendered practically through

education and training, and making them conversational issues. To internalise ethics, the following are recommended:

- **Strengthening ethical competence of employees and mechanisms to support professional ethics:** Ethical administration can be achieved by mapping new and proposed ethics based internal processes and operational procedures requiring effective implementation through, for example, effective performance management techniques which support the entrenchment of the ethical values.
- **Perform ethics audit and link human strategies to include ethics:** The Department of Social Development and SASSA are encouraged to perform ethics audits to identify risks to the integrity of the most important processes such as the administrative process of the Old Age Grant on a regular basis.
- **Risk management to ensure compliance:** The study recommends that the implementation of departmental risk management and fraud prevention plans be prioritised, so that service delivery challenges and root causes can be analysed and addressed.

6.6.5 General recommendation towards the administration of the Old Age Grants

To facilitate the findings from the observations that were conducted during the study, the following are recommended by the study:

- **Ensuring a humane and dignified environment at pay-points:** The study recommends that the upgrading of the pay-points comply with the minimum standards, in order to ensure that social grant payments to beneficiaries are done in a humane and dignified manner.
- **Accessibility of pay-points:** The study recommends that SASSA avail the necessary funds and appoint the necessary service providers to ensure disabled-friendly pay-points in order to ensure that social grant payments to disabled beneficiaries are carried out in a humane and dignified manner. Mobile units may be used so that there is no need for transport for beneficiaries.
- **Increasing the grant to meet the increasing scope of needs:** The study recommends that the Grant amount be increased to meet the various needs of

beneficiaries. This will also ensure that the livelihoods of beneficiaries are improved and that poverty is alleviated.

6.6.7 Recommendations towards sustainable development of the Old Age Grants beneficiaries

- **Processes must be aligned with sustainable development:** The Department of Social Development and SASSA should create social processes that bring about changes in relationships so that the poor, vulnerable and marginalised can gain increased control over their lives, and access to and control over resources.
- **The transformation of attitudes, institutions and structures:** The Department of Social Development and SASSA need to transform their structures to align with service delivery requirements. Formulation and implementation of appropriate policies at all levels should include sustainable development and be developmental in nature.
- **Knowledge management within social processes:** There should be endeavours to develop social processes that support people's potential, indigenous/local knowledge and expertise in pursuance of their own development. The administration of the Old Age Grant should also include skills development and social investment, so as to allow people to start projects to sustain their livelihood. It should not only be the administration of cash transfers.
- **Reorientation towards developmental paradigm:** It is recommended that SASSA continues with the reorientation of social services sector employees towards the developmental paradigm. The administration of these services should be developmentally focused.
- **Invest in infrastructure.** This will enable the delivery of services to the poor and elderly in the rural areas. There should be appropriate developments in the ICT, roads, health facilities and water infrastructure to make sure that the administration of the Old Age Grant is sustainable. By implementing this investment programme, the government will also contribute directly to the creation of jobs.

- **Promote the shift towards good governance.** Governance has been defined as a system of values, policies, and institutions by which a society manages its economic, social, and political affairs through interactions within and among the state, civil society and the private sector. It comprises the mechanisms and processes for citizens and groups to articulate their interests, mediate their differences, and exercise their legal rights and obligations.

A closer examination of specific components of the social security system leads one to the conclusion that the administration of these Grants needs urgent attention. Unless this is done, poverty will remain high and many will continue to have no access to socio-economic rights in South Africa. It is widely believed that many of the problems experienced with the Old Age Grant can be overcome by centralising the distribution of social grants in the Department of Social Development, which has already happened, and for government to implement the following initiatives to improve the administration of the Old Age Grant:

- development and implementation of national norms and standards for service delivery;
- communication campaigns to inform potential and current beneficiaries of Old Age Grants about their rights and obligations;
- upgrading and standardising of ICTs;
- upgrading the National Call Centre to provide information on Old Age Grants and other social welfare services;
- improving infrastructure and training social security officials;
- expanding other social assistance programmes in order to protect the elderly population against abuse and to enhance the impact of the Old Age Grant on its particular target group;
- the South African social security laws need to be systematised under one comprehensive Act;
- the law must specifically oblige social security institutions to raise people's awareness about social security laws and procedures for claiming benefits and enforcing their rights;
- the law must make provision for legal assistance for poor people who want to enforce their social security rights; and

- a uniform adjudication system is needed which would serve as a first stop before judicial remedies.

Social grants also play a critical role in South Africa in terms of their impact on reducing income poverty and inequality. The old age pension system in South Africa has evolved over more than a century and currently provides benefits to the majority of older people in the country. The Old Age Grant is a key instrument in the alleviation of poverty in the country. The Old Age Grant in particular has played an important role in reducing poverty, given the high value of the grant compared with the mean income of the black population. The Old Age Grant is an essential component of social assistance in South Africa and will remain so in the years to come. It is, however, expected that the dependence on this scheme will increase dramatically not only because of the ageing population, but also because of the growth in unemployment. The effect of these forces may well be exacerbated by the current lack of alignment between social assistance and the effect of HIV/AIDS. Of great concern is the inefficient and ineffective administration of the Old Age Grant. Although a lot of improvement can be boasted about, a lot still has to be done in this area.

6.7 CONCLUSION

Historically, the use of grants was constrained by the complexity of the application process and onerous documentation requirements. This meant that many of those eligible for grants were not receiving them. Application was also complicated by the fact that the Department of Social Development, responsible for administration of the grants, had inadequate capacity. In recognition of these constraints, the government endeavoured to simplify the grant administration process by establishing SASSA, an agency that is responsible for administering social grants. The Department of Social Development retained responsibility for policy development. SASSA has a legislative mandate that is based on the Constitution, and has been responsible for administering social security grants since 2006. Being an agency rather than a government department means it has a number of discretionary powers, such as that of being able to set salaries outside of government-determined limits. This gives it greater flexibility in addressing the problem of acute skills shortages that so bedevils government departments.

The resilience of nations is manifest in their ability to anticipate and prepare for shocks, which, in turn, depend on the technical capacities of organisations and institutions at the front lines of crisis response, the overall functioning of country systems and the governance structures that set the rules of the game. Thus the wellbeing of the elderly, the quality of life and their resilience against societal shocks imposed by poverty and vulnerability will be influenced by the abilities and capabilities within the administration of the Old Age Grants. The challenge is not only policy making. The challenge therefore is the implementation of administrative processes into practice by people vested with the responsibility to do so. Mitigating poverty will remain a key challenge for government, specifically if the effective, efficient and ethical administration of social security programmes, including the Old Age Grant, is not properly attended to. Social welfare is a necessity for South Africa as developmental state, but this does imply a concerted effort by government to ensure the appropriate administration of this system to the benefit of the whole country, including the tax payers who fund the system. Beneficiaries remain dependent on the system for their continued livelihood, and the effective, efficient and ethical administration of the system will contribute to the development of a capable state, able to sustain the social contract with its citizens.

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